New Jersey Mining Company Provides Second Quarter Update on Operations and Corporate Activities

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COEUR D'ALENE, August 14, 2020 - New Jersey Mining Company (OTCQB:NJMC) ("NJMC" or the "Company") today announced its consolidated operating and financial results for the second quarter of 2020. The full version of the Company's interim unaudited consolidated financial statements and management's discussion and analysis (MD&A) can be viewed on the Company's web site, and EDGAR. All amounts are expressed in U.S. dollars unless otherwise specified.

NJMC President and CEO, John Swallow stated, "As mentioned in our recent President's Letter released on August 4, 2020, the second quarter reflects the completion of the first phase of the Idaho Pit in April and preparation for surface and underground development, drilling, etc. During the quarter we also focused on permitting of the Klondike Pit and layback of the Idaho Pit - and the eventual transition of surface operations to the new Klondike Pit. We recognized the rapidly changing global environment and it is our opinion that the adjustments made during the first half of the year fit nicely into a scenario of higher gold prices, increased production, resource expansion and exposure to the raw materials required of a low-carbon future."

Highlights during the second quarter of 2020 include:

- For the quarter ending June 30, 2020 a total of 9,700 dry metric tonnes (dmt) were processed at the Company's New Jersey mill at a head grade of 2.96 grams gold per tonne (gpt) with gold recovery of 85.5%. Gold sales for the quarter were 844 ounces.
- Open pit mining progressed from the 976 bench to the 964 bench. Open pit mine production averaged 1,490 tonnes per day (mineralized material and waste). Mining was focused on the completion of the Idaho pit and preparation tasks such as land clearing and topsoil stockpiling were commenced for a new layback of the Idaho pit and start of the Klondike pit. Effort was expended for the maintenance and improvement of sediment control structures (BMPs) around the mine site. Significant engineering time was also spent working with state regulators on the permitting of the new surface mining areas. NJMC personnel also began the construction of a new shop building at the mine.
- Underground mining focused on the 845 and 836 levels with significant effort spent backfilling the 836 North stope. Development of the new 877 Stope access ramp was started as well as preparations for deepening the main access ramp. Approximately 2,900 tonnes of ore were mined and 1,200 cubic meters of cement backfill were placed. Both the 845 North and 836 North stopes were extended over 40 meters from previous stopes indicating the extension of gold mineralization to the north.
- Subsequent to the end of the second quarter, an additional "Jumbo" drill was purchased targeting additional headings available to drill, which will allow for increased production stoping and development rates. An LHD (underground loader) was also purchased to increase mechanical availability and facilitate the anticipated increased production rate. A second underground crew is anticipated to begin in mid-August so development work and mining can be performed concurrently.

NJMC President and CEO, John Swallow stated, "The 2nd quarter AISC was higher this quarter as reflected by factors discussed above and in the President's Letter. We are already seeing positive results this quarter and look forward to the additional underground crew - and its impact on our ability to mine and develop concurrently."

Corporate Highlights include:

- The Company achieved revenue $1,324,498 and $2,725,331 for the three and six-month periods ending June 30, 2020 compared to $1,547,654 and $2,692,328 for the comparable periods of 2019.
- The Company had a gross profit for the three and six-month periods ending June 30, 2020 of $33,359 and $131,269 respectively compared to a gross profit of $77,535 and $137,464 for the comparable periods in 2019.

- Cash costs and all in sustaining costs per ounce increased for the periods ending June 30, 2020 compared to 2019 due to anticipated decrease in production resulting from backfill operations and a transition to a new open pit on the surface.
- Cash cost per ounce increased to $1,221 and $1,149 in the three and six-month periods ending June 30, 2020 compared to $1,037 and $965 in 2019.
- The Company had a net loss of $374,701 for the six -month period ending June 30, 2020 compared to a net loss of $522,482 in the comparable period of 2019.
- The consolidated net loss for the six months ended June 30, 2020 and 2019 included non-cash charges as follows: depreciation and amortization of $269,317 ($270,858 in 2019), write off of equipment of $9,537 (none in 2019), accretion of asset retirement obligation of $4,745 ($4,471 in 2019), and stock based compensation of $0 in 2020 ($190,019 in 2019).

Cash Costs and All-In Sustaining Costs Reconciliation to GAAP-Reconciliation of cost of sales and other direct production costs and depreciation, depletion and amortization (GAAP) to cash cost per ounce and all-in sustaining costs (AISC) per ounce (non-GAAP) for the six month period ending June 30, 2020 and 2019.

	2020	2019
Cost of sales and other direct production costs and depreciation and amortization	$ 2,594,062	$ 2,554,864
Depreciation and amortization	(269,317)	(270,858)
Change in concentrate inventory	(49,694)	(31,094)
Cash Cost	$ 2,275,051	$ 2,252,912
Pre-development expense	-	65,567
Exploration	88,916	127,185
Sustaining capital	12,690	51,994
General and administrative	190,470	320,345
Less stock-based compensation and other non-cash items	(4,745)	(194,490)
All in sustaining costs	$ 2,562,382	$ 2,623,513
Divided by ounces produced	1,980	2,334
Cash cost per ounce	$ 1,149.02	$ 965.26
All in sustaining cost (AISC) per ounce	$ 1,294.13	$ 1,124.04

The table above presents reconciliations between the most comparable GAAP measure of cost of sales and other direct production costs and depreciation, depletion and amortization to the non-GAAP measures of cash cost per ounce and all in sustaining costs per ounce for the Company's gold production in the six month period ending June 30, 2020 and 2019.

Cash cost per ounce is an important operating measure that we utilize to measure operating performance. AISC per ounce is an important measure that we utilize to assess net cash flow after costs for pre-development, exploration, reclamation, and sustaining capital. Current GAAP measures used in the mining industry, such as cost of goods sold do not capture all of the expenditures incurred to discover, develop, and sustain gold production.

Qualified person

NJMC's Vice President, Grant A. Brackebusch, P.E. is a qualified person as such term is defined in National Instrument 43-101 and has reviewed and approved the technical information and data included in this press release.

About New Jersey Mining Company

Headquartered in North Idaho, New Jersey Mining Company is the rare example of a vertically integrated, operating junior mining company. NJMC produces gold at the Golden Chest Mine and recently consolidated the Murray Gold Belt (MGB) for the first time in over 100-years. The MGB is an overlooked gold producing region within the Coeur d'Alene Mining District, located north of the prolific Silver Valley. In addition to gold, the Company maintains a presence in the Critical Minerals sector and is focused on identifying and exploring for Critical Minerals (Rare Earth Minerals) important to our country's defensive readiness and a low-carbon future.

New Jersey Mining Company possesses the in-house skillsets of a much larger company while enjoying the flexibility of a smaller and more entrepreneurial corporate structure. Its production-based strategy, by design, provides the flexibility to advance the Murray Gold Belt and/or its Critical Minerals holdings on its own or with a strategic partner in a manner that is consistent with its existing philosophy and culture.

NJMC has established a high-quality, early to advanced-stage asset base in four historic mining districts of Idaho and Montana, which includes the currently producing Golden Chest Mine. Management is stakeholder focused and owns more than 15-percent of NJMC stock.

The Company's common stock trades on the OTC-QB under the symbol "NJMC."

For more information on New Jersey Mining Company go to www.newjerseymining.com or call:

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Forward Looking Statements

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended that are intended to be covered by the safe harbor created by such sections. Such statements are based on good faith assumptions that New Jersey Mining Company believes are reasonable, but which are subject to a wide range of uncertainties and business risks that could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such factors include, among others, the, the risk that the mine plan changes due to rising costs or other operational details, an increased risk associated with production activities occurring without completion of a feasibility study of mineral reserves demonstrating economic and technical viability, the risks and hazards inherent in the mining business (including risks inherent in developing mining projects, environmental hazards, industrial accidents, weather or geologically related conditions), changes in the market prices of gold and silver and the potential impact on revenues from changes in the market price of gold and cash costs, a sustained lower price environment, as well as other uncertainties and risk factors. Actual results, developments and timetables could vary significantly from the estimates presented. Readers are cautioned not to put undue reliance on forward-looking statements. NJMC disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE: New Jersey Mining Company