

New Jersey Mining Company Provides First Quarter Results of Operations and Corporate Activities

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COEUR D'ALENE, May 17, 2021 - [New Jersey Mining Company](#) (OTCQB:NJMC) ("NJMC" or the "Company") today announced its consolidated operating and financial results for the first quarter of 2021. 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, "We accomplished a great deal in the first quarter - from underground development, increased underground production, and a considerable amount of core drilling (kudos to Eric and Richard for making the drill their own). Additionally, our purchase of the last remaining large block of land in the Murray Gold Belt (MGB) was largely advanced during the quarter, and each employee in the company was awarded stock options for the first time in a while. Looking ahead we plan to further utilize the Company drill at the Golden Chest ahead of underground production and development and to conduct exploration drilling on the surface, therefore increased exploration costs (and corresponding results) are to be expected in the months ahead. The bullets below tell the story; we faced challenges and overcame them with a record production month in March, which was followed by a very strong April. And some of the highest-grade gold numbers we've seen were also released during the quarter."

Highlights during the first quarter of 2021 include:

- At the Golden Chest, ore tonnage from the underground stopes increased significantly in the first quarter of 2021 as 5,700 tonnes of ore were mined from the 842 and 891 stopes. Significant progress was also made in the Main Access Ramp (MAR) and associated development (sumps, muck bays and ventilation drifts). The advance rate in the MAR was substantially increased with the addition of a new 5-cubic meter Caterpillar R1600 LHD in the first quarter of 2021 which reduced muckout times by 60%. Underground mining during the quarter was hampered by a strong windstorm on January 13 that knocked out the power to the mine for a week.
- In January and February, the Company completed 3,500 meters of core drilling at the Golden Chest with a contract core driller. Three areas along the Idaho fault were tested: the Joe Dandy, the Paymaster, and the Skookum. The highlight of the drilling program so far was drillhole GC 21-193 which intercepted 6.3 meters (all reported lengths are true thickness) of quartz vein that assayed 11.5 grams per tonne (gpt) gold (including 2.3 meters of 19.5 gpt gold on the southern end of the property in an area known as the Joe Dandy where very little drilling has been done to date. Additional vein intercepts in the Joe Dandy area were drilled and those holes are in the queue to be logged and sampled.
- Also, during the quarter, the Company drill completed two holes in the Paymaster area and started a third. The first two holes each hit two veins, one on the hanging wall on a monzonite intrusive and the second in the footwall of the monzonite. The intercepts assayed as follows: GC 20-183 intercepted 0.9 meters of 14.7 gpt gold in the upper vein and 0.2 meters of 6.3 gpt gold in the lower vein while GC 21-184 intercepted 1.5 meters of 20.1 gpt gold (including 0.9 meters of 26.7 gpt gold) in the upper vein and 1.4 meters of 3.8 gpt gold in the lower vein.
- For the quarter ending March 31, 2021 a total of 10,118 dry metric tonnes (dmt) were processed at the Company's New Jersey mill with a flotation feed head grade of 3.38 gpt with gold recovery of 89.8%. Throughput suffered in January because of the strong windstorm on January 13 that knocked out power to the mill for a week. In February, cone crusher breakdowns and the loss of the ball mill motor limited tonnage in that month as well. Fortunately, the mill crews worked overtime in March to process a total 4,600 tonnes or 45% of the quarterly mill total.

- Open pit mining progressed from the 1032 bench to the 1036 bench as production averaged 1,080 tonnes per day. Mining continued through the Klondike area as historic stopes were encountered that reduced the ore tonnage modeled. However, a narrow, high-grade footwall vein with abundant visible gold (672 gpt gold over 20 centimeters) was encountered in the Klondike pit. Subsequent to that discovery, the next bench was then drilled and a blasthole intercept of 105 gpt Au in a three-meter vertical blasthole was found in the same area. It appears that some of this vein was mined by the old-timers, however, the Company is planning to study this occurrence as it may have positive implications for future exploration targeting of high-grade footwall veins.
- Subsequent to the end of the first quarter 2021 the Company completed the acquisition of more than 500 acres of private patented mining claims. This claim group consists of 28 patented mining claims and is contiguous with other lands owned by the Company, bringing NJMC's private land holdings in the Murray Gold Belt to over 1,500 acres. [New Jersey Mining Company](#) is now the largest private landowner in this historic mining district.

Corporate Highlights include:

- The Company achieved revenue (from operations) of \$1,586,627 for the three-month period ending March 31, 2021 compared to \$1,400,834 for the comparable periods of 2020. The 2021 increase was the result of higher realized gold price in 2021 compared to 2020.
- The Company had a gross loss for the three-month period ending March 31, 2021 of (\$71,403) compared to a gross profit of \$97,911 the comparable period in 2020. Gross profit decreased primarily as a result of a one-week power outage at the mill and the mine due to a rare high-wind storm. Additionally, the mill lost another three days of production due to cone crusher repairs which took longer than expected because of shipping delays for parts. The Company is making efforts to store more spare parts on site instead of relying completely on a just-in-time inventory approach. Just-in-time, along with our country's reliance on foreign supply chains and the kindness of strangers, has unfortunately become a generational relic more representative of days past and former levels of cooperation.
- Exploration Costs increased to 717,707 in 2021 compared to 41,678 in 2020 as a result of increased exploration activities during the first quarter of 2021.
- Cash cost per ounce increased to \$1,476 for the three-month period ending March 31, 2021 compared to \$1,073 in 2020. Contributing to the increase in cash cost per ounce 2021 was lost production time due to the windstorm and crusher downtime.
- The Company had a net loss of \$1,662,404 for the three-month period ending March 31, 2021, respectively, compared to net loss of \$162,189 for the three-month period ending March 31, 2020. The increased loss in 2021 was mostly a result of increased core drilling and non-cash charges for employee stock options granted in the first quarter of 2021.
- The consolidated net loss for the three months ended March 31, 2021 and 2020 included non-cash charges as follows: depreciation and amortization of \$182,795 (\$135,533 in 2020), write off of equipment of \$0 (\$9,537 in 2020), accretion of asset retirement obligation of \$2,498 (\$2,355 in 2020), and stock-based compensation of \$614,431 in 2021 (\$0 in 20). The Company also incurred over \$700,000 of exploration expenses in Q1, compared to just over \$40,000 in 2020).

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 three-month period ending March 31, 2021 and 2019.

2021	2020
Cost of sales and other direct production costs and depreciation and amortization	
\$ 1,658,030	\$ 1,302,923
Depreciation and amortization	
(182,795)	(135,533)

Change in concentrate inventory	96,960	6,292
Cash Cost	\$ 1,572,196	\$ 1,173,682
Exploration	707,707	41,678
Sustaining capital	49,158	11,549
General and administrative	513,835	86,488
Less stock-based compensation and other non-cash items	(619,321)	(2,355)
All in sustaining costs	\$ 2,233,665	\$ 1,311,042
Divided by ounces produced	1,065	1,094
Cash cost per ounce	\$ 1,476.24	\$ 1,072.83
All in sustaining costs (AISC) per ounce	\$ 2,097.34	\$ 1,198.39

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 three-month period ending March 31, 2021 and 2020.

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 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, risks relating to widespread epidemics or pandemic outbreak including the COVID-19 pandemic; the impact of COVID-19 on our workforce, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business, including our ability to access goods and supplies, the ability to transport our products and impacts on employee productivity, the risks in connection with the operations, cash flow and results of the Company relating to the unknown duration and impact of the COVID-19 pandemic 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

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