

Trickle Research

Every raging river, every great lake, every
deep blue sea starts ... with a trickle



Research Notes

Report Date: 12/26/2017

12- 24 month Price Target: \$.21

Allocation: 5

Closing Stock Price at Initiation (01/18/17): \$.115

Closing Stock Price @ Allocation Upgrade (06/16/17): \$.115

Closing Stock Price @ 12/26/17: \$.148

New Jersey Mining



(Stock Symbol - Other OTC: NJMC)

<http://newjerseymining.com/>

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Below is a news release from New Jersey from a couple of weeks ago. We intended to address this a bit sooner, but wanted to provide some comparative analysis to augment it. Recognize, this updated 43-101 does not include a new resource computation, that is, the resource estimates below are actually from the original 2012-2013 report. For the most part, the updated report notes something we have assumed, which is that the project has the potential to be much bigger. However, we think that even the existing resource is telling relative to some other public comps, so we think it is worth pointing out again.

| <u>Company</u> | <u>Symbol</u> | <u>Market Cap</u> | <u>Enterprise Value</u> | <u>Gold Res. M&I</u> | <u>Approximate Reserve Val.-M&I</u> | <u>Enterprise Value/ Reserve Val.-M&I</u> |
|-------------------|---------------|-------------------|-------------------------|--------------------------|---|---|
| New Jersey Mining | NJMC | \$ 15,600,000 | \$ 16,770,000 | 254,000 | \$ 324,104,000 | 5.17% |
| Hecla Mining | HL | \$ 1,600,000,000 | \$ 1,870,000,000 | 176,413,000 | \$ 9,008,075,230 | 20.76% |
| Barrick Gold | ABX | \$ 17,130,000,000 | \$ 21,120,000,000 | 85,000,000 | \$ 108,460,000,000 | 19.47% |
| Gold Corp. | GG | \$ 11,080,000,000 | \$ 13,450,000,000 | 50,000,000 | \$ 63,800,000,000 | 21.08% |
| Agnico Eagle | AEM | \$ 10,550,000,000 | \$ 10,890,000,000 | 15,089,000 | \$ 19,253,564,000 | 56.56% |
| Gold Resource | GORO | \$ 239,000,000 | \$ 218,000,000 | 10,176,300 | \$ 377,522,310 | 57.74% |

The table above references published *measured and indicated* reserves from some other public gold producers. Recognize a few things here. These companies are all larger than New Jersey, and most are *much* larger. Further some of these also produce some other metal (largely as by-products) and we are not sure if/how those credits are included in their reserve calculations, which could understate their values on the basis we are comparing here. We have included two of these comparables (Hecla and Gold Resource for specific reasons. Hecla's Lucky Friday silver project is located in the same mining district as New Jersey, and Gold Resource is a local (Colorado) gold producer that we included because many of our subscribers will remember this story from a long time ago when they were first getting started and presented at some of our past conferences (under our EdgeWater Research label). In any event, as the far right hand column notes, New Jersey's market value (reflected here as its Enterprise Value "EV") is trading at a fraction of its reserves relative to all of these names. For example, in the case of its Neighbor Hecla, New Jersey's M&I reserves are being valued at about 25% of Hecla's. Further that disparity is even greater for some of the other names.

We recognize that on many levels, comparing New Jersey with at least most of these names is not exactly "apples-to-apples", and this analysis is perhaps cursory on the face. However, we think these comparables may help bolster our notion that New Jersey is undervalued, and perhaps markedly undervalued. Public comparable reserves are trading literally at *multiples* of New Jersey's. Again, given New Jersey's small footprint and its relatively recent emergence into production etc. we understand a discount to larger more seasoned public comps, but, *multiples*? Moreover, just to reiterate, this 43-101 update does not include a new resource calculation. Our sense is that the next resource evaluation could very well include measurably larger *measured and indicated* as well as *inferred* resources.

We remain bullish on the prospects at New Jersey, and we think analysis such as this provides a tangible basis for some of that optimism. While gold remains a wild card (which has been under some pressure through Q4), we think the production and ultimately reserve information out of New Jersey is likely to continue to improve.

New Jersey Mining Releases Updated NI 43-101 Technical Report for Its Golden Chest Mine and Provides Corporate Update

Dec 14, 2017

OTC Disclosure & News Service

COEUR D'ALENE, Idaho, Dec. 14, 2017 (GLOBE NEWSWIRE) -- New Jersey Mining Company (OTCQB:NJMC) ("NJMC" or the "Company") today announced the release of an updated National Instrument 43-101 Technical Report (the "Report") on its Golden Chest Mine in north Idaho.

NJMC CEO and President John Swallow stated, "We are pleased to announce the completion of our updated NI 43-101 Report, which reflects mine development and operations since the previous technical report, which was released in 2013. As noted in the Report, *'Small scale-mining has proved that drill core intercepts are representative of mined grades and the results to date are sufficiently attractive to warrant substantial exploration to further define the resource base and potential.'* This commentary supports our belief that the Golden Chest project presents an excellent opportunity for continued mine development and we will continue to pursue near-term and long-term expansion potential – in areas of past exploration and across the Murray Gold Belt."

The NI 43-101 Report presents the Resource Estimate for the Golden Chest Mine as including 4.63-million tonnes grading 1.71 grams per tonne (gpt) gold (totaling 254,000 ounces of gold) in the Measured and Indicated categories and 3.86-million tonnes grading 1.80 gpt gold (totaling 223,000 ounces of gold) in the Inferred category.

The Report has been posted to the Company's website at www.newjerseymining.com

The Company completed its updated Report in connection with the preliminary prospectus it filed with the Ontario Securities Commission (OSC). Following discussions with the OSC, NJMC has subsequently elected to withdraw its amended and restated preliminary prospectus due to the imminent expiry of its time window to file a final prospectus. The Company anticipates refiling its preliminary prospectus with the OSC in early-2018. Refiling the preliminary prospectus is expected to eliminate the need for interim financial information and reduce associated fees.

NJMC also reported today that a trenching and exploration program near surface expressions in the Klondike - Katie Dora area, about 370 meters north of the current operations, is nearing completion. Preliminary analysis is encouraging and the Company expects to provide further details in early-2018.

The technical information in this release has been reviewed by and approved by Grant G. Brackebusch, Vice President of Operations, and a qualified person as defined by National Instrument 43-101, standards of disclosure of mineral projects.

About New Jersey Mining Company

New Jersey Mining Company is headquartered in north Idaho, where it is currently in production at its Golden Chest Mine. It is deploying its mining and milling expertise to build a portfolio of advanced-stage assets with near-term cash flow potential and leverage to higher gold prices.

- NJMC is 100-percent owner of the Golden Chest Mine where it has both open pit and underground operations.
- NJMC also holds a 50-percent interest in the fully-permitted Butte Highlands Gold Project.
- NJMC built and is majority owner and operator of the New Jersey Mill, a 360-tonne per day flotation mill and cyanide leach plant.

Company assets were developed with more than \$50-million of investment dollars from New Jersey and other companies. Management owns more than 17-percent of NJMC stock and has participated in prior financings and made purchases in the open market.

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

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

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