

Edgar Filing: NEW JERSEY MINING CO - Form 10-Q

NEW JERSEY MINING CO  
Form 10-Q  
November 06, 2001

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the quarterly period ended September 30, 2001

NEW JERSEY MINING COMPANY

-----  
(Name of small business issuer in its charter)

IDAHO

82-0490295

-----  
(State or other jurisdiction  
of incorporation or organization)

-----  
(I.R.S. Employer Identification No.)

P.O. Box 1019 (Street: 89 Appleberg Road)  
Kellogg, Idaho

83837

-----  
(Address of principal executive offices)

-----  
(Zip Code)

(208) 783-3331

-----  
Issuer's telephone number

Securities registered under Section 12(b) of the Act: None

Common

OTCBB

-----  
Title of each class

-----  
Name of each exchange on which registered

Securities registered under Section 12(g) of the Act:

Common Stock- No Par Value

-----  
Title of Class

Check whether the issuer (1) has filed all reports required to be filed by  
Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such  
shorter period that the registrant was required to file such reports), and  
(2) has been subject to such filing requirements for the past 90 days.

Yes XX No .

-----  
The number of outstanding shares of the registrant's common stock at  
October 11, 2001 was 12,947,240 shares

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Page

## Edgar Filing: NEW JERSEY MINING CO - Form 10-Q

Item 1. Financial Statements	2
Item 2. Management's Discussion and Analysis	2

### PART II - OTHER INFORMATION

Item 1. Legal Proceedings	3
Item 2. Changes in Securities	3
Item 3. Defaults Upon Senior Securities	3
Item 4. Submission of Matters to a Vote of Security Holders	3
Item 5. Other Information	3
Item 6. Exhibits and Reports on Form 8-K	3

### PART I

#### ITEM 1.

##### FINANCIAL STATEMENTS

The unaudited financial statements of the Company for the periods covered by this report are included elsewhere in this report, beginning at page F/S-1. The unaudited financial statements have been prepared by the Company in accordance with generally accepted accounting principles for interim financial information with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month period ended September 30, 2001 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2001.

For further information refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2000 incorporated by reference herein.

#### ITEM 2.

##### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cash decreased to \$493 for the current quarter compared to \$1,722 at the end of the last fiscal year and \$1,831 for the quarter ending September 30, 2000. Capital lease obligations declined from \$13,450 one year ago to \$8,919 in the current quarter because of lease payments made. During the quarter a royalty-work commitment for the Silver Strand mine was transferred from Trend Mining Co. to an affiliate, thus reducing any future potential problems with meeting the work commitments. Also, the Company acquired the Roughwater copper-gold-PGE property through an exchange of stock.

The Company currently leases the New Jersey mill and mine facilities to the largest shareholder. Should gold and silver prices rise from the current low levels, the Company may be able to resume financing activities. The Company would be able to end the lease arrangement with the current lessee and resume construction of the mineral processing plant, exploration, and mining activities. It is planned to meet cash requirements in the foreseeable future from royalty payments by the lessee and monthly payments due from the lessee of the CAMP project.

The company is involved in exploring for and developing gold, silver and base

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metal ore resources in the Coeur d'Alene Mining District and nearby areas of northern Idaho. The Company has a portfolio of six mineral properties: the New Jersey mine, the Silver Strand mine, the Lost Eagle project, the CAMP project, the Wisconsin-Teddy project and the Roughwater project. The New Jersey mine and the Silver Strand mine are the Company's development stage properties while the other four properties are exploration stage properties. For a more complete description of the Company's properties refer to the Company's Annual Report on Form 10-KSB for the year ended December 31, 2000.

### PART II

#### ITEM 1.

##### LEGAL PROCEEDINGS

The Company is not currently involved in any legal proceedings and is not aware of any pending or potential legal actions.

#### ITEM 2.

##### CHANGES IN SECURITIES

Neither the constituent instruments defining the rights of the registrant's security holders nor the rights evidenced by the registrant's outstanding common stock have been modified, limited or qualified.

#### ITEM 3.

##### DEFAULTS UPON SENIOR SECURITIES

The registrant has no outstanding senior securities.

#### ITEM 4.

##### SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the registrant's security holders during the period covered by this report.

#### ITEM 5.

##### OTHER INFORMATION

None.

#### ITEM 6.

##### EXHIBITS AND REPORTS ON FORM 8-K

Exhibits  
None

Reports on Form 8-K  
No reports on Form 8-K were filed by the registrant during the period covered by this report.

##### NEW JERSEY MINING COMPANY

##### INDEX TO FINANCIAL STATEMENTS

	Page
Balance Sheets as of September 30, 2001 and September 30, 2000.	F/S-1

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Statements of Operations for the nine months ended  
September 30, 2001 and 2000. F/S-2

Statements of Cash Flow for the nine months ended  
September 30, 2001 and 2000. F/S-3

Notes to Interim Financial Statements F/S-4

### NEW JERSEY MINING COMPANY (A Development Stage Company) BALANCE SHEET

#### ASSETS

	Sept 30 2001 -----	Sept 30 2000 -----
Current Assets		
Cash	\$ 493	\$ 1,831
Property & Equipment		
Building	\$ 33,894	\$ 33,894
Equipment	\$246,536	\$246,536
Other Assets		
Deferred Development Costs	\$ 80,881	\$ 80,881
Investment in Consil Corporation	\$ 3,000	\$ 8,000
Investment in Silver Strand	\$ 74,704	
Mining Reclamation Bond	\$ 2,196	\$ 2,073
Goodwill	\$ 30,950	\$ 30,950
Total Assets	\$472,654	\$404,165

#### LIABILITIES AND STOCKHOLDERS EQUITY

##### Current Liabilities

Accounts Payable & accrued expenses	\$ 0	\$ 0
Current Maturities of Capital Lease Obligations	\$ 4,245	\$ 4,964
Total Current Liabilities	\$ 4,245	\$ 4,964
Capital Lease Obligations (less current maturities)	\$ 4,674	\$ 8,486

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Total Liabilities	\$ 8,919	\$ 13,450
Stockholders Equity		
Preferred Stock		
No shares issued		
Common Stock		
No Par Value, 20,000,000 shares authorized		
2001 Sept 30, 2001		
14,894,984 Issued	\$ 720,899	
2000 Sept 30, 2000		
13,545,334 Issued		\$ 647,836
Treasury Stock	\$ (136,300)	\$ (136,300)
(1,947,744 shares)		
Retained Earnings	\$ (44,229)	\$ (23,738)
Deficit Accumulated in the Development Stage	\$ (74,879)	\$ (74,879)
Net Income	\$ (1,756)	\$ (22,204)
Total Stockholders Equity	\$ 463,735	\$ 390,715
Total Liabilities and Stockholders Equity	\$ 472,654	\$ 404,165

F/S-1

### STATEMENT OF OPERATIONS

	Sept 30 2001 -----	Sept 30 2000 -----
Revenues	\$ 1,847	\$ (15,031)
Operating and Administrative Expenses	\$ 3,603	\$ (7,173)
Net Income from Operations(Loss)	\$ (1,756)	\$ (22,204)
Loss on Devaluation of Investments	\$ -0-	\$ -0-
Net Gain (Loss)	\$ (1,756)	\$ (22,204)
Basic Earnings (Loss) Per Share	\$ (0.000)	\$ (0.002)

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F/S-2

STATEMENT OF CASH FLOWS

	Sept 30 2001 -----	Sept 30 2000 -----
INCREASE (DECREASE) IN CASH		
Cash Flows From Operating Activities		
Net Income (Loss)	\$ (1,756)	\$ (22,204)
Adjustment to reconcile net loss to net cash used in Operating Activities:		
Capital Loss on sale of stock	\$ 2,608	\$ 22,414
Decrease in accounts payable and accrued expenses	\$ 0	\$ 0
Net cash from operating activities	\$ 852	\$ 210
Cash Flows From Investing Activities		
Proceeds from sale of investments	\$ 1,392	\$ 7,586
Increase in Reclamation Bond	\$ (123)	\$ (351)
Net cash from investing activities	\$ 1,269	\$ 7,235
Cash Flows From Financing Activities		
Principal payments on capital lease obligations	\$ (3,400)	\$ (5,896)
Net cash provided by financing activities	\$ (3,400)	\$ (5,896)
Net Increase (Decrease) in Cash	\$ (1,279)	\$ 1,549
Cash, Beginning of Year	\$ 1,772	\$ 282
Cash, End of 3rd Quarter	\$ 493	\$ 1,831

F/S-3

NEW JERSEY MINING COMPANY

NOTES TO INTERIM FINANCIAL STATEMENTS - UNAUDITED

These unaudited financial statements have been prepared by the Company in accordance with generally accepted accounting principles for interim financial information with the instructions to Form 10-QSB and Item 310(b) of Regulation

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S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month period ended September 30, 2001 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2001. For further information refer to the financials statements and footnotes thereto in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2000 incorporated by reference herein.

### Note 1 - Form and Organization

New Jersey Mining Company (the company) is a corporation organized under the laws of the State of Idaho on July 18, 1996. The Company was dormant until December 31, 1996, when all of the assets and liabilities of the New Jersey Joint Venture (a partnership) were transferred to the Company in exchange for 10,000,000 shares of common stock. The New Jersey Joint Venture, a partnership, was formed in 1994 to develop the New Jersey mine.

### Note 2 - Leases of Mining Claims

The Company has been assigned mining leases with Gold Run Gulch Mining Company and William Zanetti. The leases provide for the Company's exploration, development and mining of minerals on patented and unpatented claims through October 2008 and thereafter as long as mining operations are deemed continuous. The leases provide for production royalties of 5% of net sales of ores or concentrates. Additional production royalties of 1% to 5% are due if gold exceeds \$578 per troy ounce. Also, annual advance royalties totaling \$2,900 are required under the leases. The advance royalties, charged to expenses as incurred, are accumulated and will be credited against the production royalty obligations. The lesser may terminate the leases upon the Company's failure to perform under these terms of the leases. The Company may also terminate the leases at any time. Mine Systems Design, Inc., the majority shareholder of New Jersey Mining Company - 66.6%, has agreed to fulfill all mineral lease requirements necessary for mineral lease permits.

F/S-4

### SIGNATURES

In accordance with the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

New Jersey Mining Company

Date: November 5, 2001  
-----

By /s/ FRED W. BRACKEBUSCH  
-----

Fred W. Brackebusch, President,  
Treasurer & Director

Date: November 5, 2001  
-----

By /s/ GRANT A. BRACKEBUSCH  
-----

Grant A. Brackebusch, Vice President &  
Director