

NEW JERSEY MINING CO  
Form DEF 14A  
November 23, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities**  
**Exchange Act of 1934 (Amendment No. \_\_\_\_\_)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

..

Preliminary Proxy Statement

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Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

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**Definitive Proxy Statement**

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Definitive Additional Materials

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Soliciting Material Pursuant to § 240.14a-12

**NEW JERSEY MINING COMPANY**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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No fee required

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Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)

Title of each class of securities to which transaction applies:

(2)

Aggregate number of securities to which transaction applies:

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4)

Proposed maximum aggregate value of transaction:

(5)

Total fee paid:

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Fee paid previously with preliminary materials.

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:



**NEW JERSEY MINING COMPANY**  
**201 N. 3<sup>rd</sup> STREET**  
**Coeur d Alene, Idaho 83814**  
**Notice of Annual Meeting of Stockholders**

Dear Stockholder:

The Annual Meeting of stockholders of New Jersey Mining Company (the *Company*) will be held at the Company's corporate office, 201 N. 3<sup>rd</sup> Street, Coeur d Alene, Idaho, 83814, on December 16, 2016 at 2:00PM Pacific Time, for the following purposes:

1.

The election of the nominees to the Company's Board of Directors to serve until the Company's 2017 Annual Meeting of Stockholders or until successors are duly elected and qualified; the following are nominees for election as Directors: Delbert Steiner, John Swallow, and Grant Brackebusch;

2.

Ratification of the appointment of the Company's independent registered public accounting firm for the ensuing year;

3.

Any other business that may properly come before the Annual Meeting and any adjournment of postponement thereof.

The Board of Directors has fixed November 1, 2016, as the record date for the Annual Meeting. Only stockholders of the Company of record at the close of business on that date will be entitled to notice of, and to vote at, the Annual Meeting. A list of stockholders as of November 1, 2016, will be available at the Annual Meeting for inspection by any stockholder. Stockholders will need to register at the Annual Meeting to attend the Annual Meeting. If your shares of common stock are not registered in your name, you will need to bring proof of your ownership of those shares to the Annual Meeting in order to register to attend and vote. You should ask the broker, bank or other institution that holds your shares of common stock to provide you with a valid proxy card to permit you to vote at the Annual Meeting. Please bring that documentation to the Annual Meeting.

**Your vote is important no matter how large or small your holdings may be. To assure your representation at the annual meeting, please vote your shares by returning the enclosed proxy promptly. You may also vote your proxy over the Internet or via the fax number as instructed in this Notice of Meeting and Regarding the Internet Availability of Proxy Materials.**

**By Order of the Board of Directors,**

/s/ Delbert Steiner

**Delbert Steiner**

New Jersey Mining Company

201 N. 3<sup>rd</sup> Street

Coeur d Alene, Idaho 83814

November 23, 2016

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**NEW JERSEY MINING COMPANY**  
**201 N. 3<sup>rd</sup> Street**  
**Coeur d Alene, Idaho 83814**  
**Proxy Statement**  
**for**  
**Annual Meeting of Stockholders**

**To Be Held December 16, 2016, 2:00PM Pacific Time**

New Jersey Mining Company Corporate Office

201 N. 3<sup>rd</sup> Street, Coeur d Alene, Idaho, 83814

The Board of Directors (the *Board*) of New Jersey Mining Company is soliciting proxies for use at the annual meeting of stockholders to be held on Friday, December 16, 2016, at 2:00 PM., Pacific Time, at the Company's offices, located 201 N. 3<sup>rd</sup> Street, Coeur d Alene, Idaho, and any adjournment or postponement thereof (the *Annual Meeting*) for the purposes set forth in the attached Notice of Meeting and regarding the availability of this Proxy Statement and form of proxy first mailed to holders of our common stock on or about November 23, 2016.

You are invited to attend the Annual Meeting at the above stated time and location. If you plan to attend and your shares are held in street name in an account with a bank, broker, or other nominee you must obtain a proxy issued in your name from such broker, bank or other nominee.

You can vote your shares by completing a proxy card online, completing and returning a proxy card provided to you by mail or fax or, if you hold shares in street name, by completing the voting form provided by the broker, bank or other nominee.

**A returned signed proxy card without an indication of how shares should be voted will be voted FOR the election of all Directors and FOR the ratification of the appointment of the Company's independent registered public accounting firm.**

Our common stock is the only type of security entitled to vote at the Annual Meeting. Our corporate bylaws define a quorum as a majority of all the shares entitled to vote, represented by Shareholders of record in person or by proxy, but in no event shall a quorum consist of less than one-third (1/3) of the Shares outstanding entitled to vote at the meeting. Our Articles of Incorporation do not allow cumulative voting for directors. The nominees who receive the most votes will be elected. A majority of the voting power of the voting shares present, whether in person or by proxy, is required to ratify the appointment of the Company's independent registered public accounting.



## QUESTIONS AND ANSWERS ABOUT PROXY MATERIALS AND VOTING

### Why am I receiving this Proxy Statement and proxy card?

You are receiving this Proxy Statement and proxy card because you were a stockholder of record at the close of business on November 1, 2016 and are entitled to vote at the Annual Meeting. This Proxy Statement describes issues on which we would like you, as a stockholder, to vote. It provides information on these issues so that you can make an informed decision. You do not need to attend the Annual Meeting to vote your shares.

When you sign the proxy card you appoint Delbert Steiner, Executive Chairman and Chief Executive Officer to the Company and John Swallow, Director and President to the Company, as your representatives at the Annual Meeting. As your representatives, they will vote your shares at the Annual Meeting (or any adjournments or postponements) as you have instructed them on your proxy card. With proxy voting, your shares will be voted whether or not you attend the Annual Meeting. Even if you plan to attend the Annual Meeting, it is a good idea to complete, sign and return your proxy card in advance of the Annual Meeting, just in case your plans change.

If an issue properly comes up for vote at the Annual Meeting (or any adjournments or postponements) that is not described in this Proxy Statement, your representatives will vote your shares, under your proxy, at their discretion, subject to any limitations imposed by law.

### When is the record date?

The Board has fixed November 1, 2016, as the record date for the Annual Meeting. Only holders of common stock as of the close of business on that date will be entitled to vote at the Annual Meeting.

### How many shares are outstanding?

As of November 1, 2016, we had 95, 571,388 shares issued and outstanding.

### What am I voting on?

You are being asked to vote on the following:

1.

The election of the nominees to the Company's Board of Directors to serve until the Company's 2017 Annual Meeting of Stockholders or until successors are duly elected and qualified; the following are nominees for election as Directors: Delbert Steiner, John Swallow, and Grant Brackebusch;

2.

Ratification of the appointment of the Company's independent registered public accounting firm for the ensuing year;

3.

Any other business that may properly come before the Annual Meeting.

2.

Any other business that may properly come before the Annual Meeting and any adjournment of postponement thereof.



**How many votes do I get?**

Each share is entitled to one vote. No cumulative rights are authorized, and dissenters' rights are not applicable to any of the matters being voted upon.

The Board recommends a vote **FOR** each of the nominees to the Board and **FOR** the ratification of the appointment of our independent registered public accounting firm.

**How do I vote?**

You have several voting options. You may vote by:

Completing your proxy card over the internet at the following website: <http://www.columbiastock.com/voting/>;

Downloading or requesting a proxy card (as detailed below), signing your proxy card and mailing it to the attention of: Columbia Stock Transfer Company 1869 E Seltice Way Suite 292, Post Falls, Idaho 83854;

Signing and faxing your proxy card to Columbia Stock Transfer Company at 855-664-3544;

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Attending the Annual Meeting and voting in person.

If your shares are held in an account with a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in a street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy card from your broker, bank, or other nominee.

### **Can stockholders vote in person at the Annual Meeting?**

We will pass out written ballots to anyone who wants to vote at the Annual Meeting. If you hold your shares through a brokerage account but do not have a physical share certificate, or the shares are registered in someone else's name, you must request a legal proxy from your stockbroker or the registered owner to vote at the Annual Meeting.

### **What if I change my mind after I return my proxy?**

You may revoke your proxy and change your vote at any time before the polls close at the Annual Meeting. You may do this by:

Signing another proxy with a later date and mailing it to the attention of: Columbia Stock Transfer Company, 1869 E Seltice Way Suite 292, Post Falls, Idaho 83854, so long as it is received prior to 2:00PM Pacific Time on December 14, 2016;

Delivering a written notice of the revocation of your proxy to the attention of: Columbia Stock Transfer Company, 1869 E Seltice Way Suite 292, Post Falls, Idaho 83854, so long as it is received prior to 2:00PM Pacific Time on December 14, 2015; or

Voting in person at the Annual Meeting.

Beneficial stockholders should refer to the instructions received from their stockbroker or the registered holder of the shares if they wish to change their vote.

### **How many votes do you need to hold the Annual Meeting?**

To conduct the Annual Meeting, the Company must have a quorum, which means a quorum for the Annual Meeting consists of a majority of all the shares entitled to vote, but in no event shall a quorum consist of less than one-third (1/3) of shares entitled to vote present in person or represented by proxy. The Company's common stock is the only type of security entitled to vote at the Annual Meeting. Based on 95,571,388 voting shares outstanding as of the record date of November 1, 2016, 31,825,272 shares must be present at the Annual Meeting, in person or by proxy, for there to be a quorum. Your shares will be counted as present at the Annual Meeting if you:

Submit a properly executed proxy card (even if you do not provide voting instructions); or

Attend the Annual Meeting and vote in person.

**What if I abstain from voting?**

Abstentions with respect to a proposal are counted for the purposes of establishing a quorum. Since our bylaws state that matters presented at a meeting of the stockholders must be approved by the majority of the votes cast on the matter, a properly executed proxy card marked *ABSTAIN* with respect to a proposal are not considered votes cast for the foregoing purpose, and will have no effect on the vote for that proposal. Similarly, as described below, election of directors is by a plurality of the votes cast at the meeting. A properly executed proxy card marked *WITHHELD* with respect to the election of directors will not be voted and will not count *FOR* any of the nominees for which the vote was withheld.

**What effect does a broker non-vote have?**

Brokers and other intermediaries, holding shares in street name for their customers, are generally required to vote the shares in the manner directed by their customers. If their customers do not give any direction, brokers may vote the shares on routine matters, but not on non-routine matters. The election of directors is considered a non-routine

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matter because the board's nominees are running uncontested and brokers may not vote shares held in street name for their customers in relation to this item of business. The ratification of the appointment of the Company's independent registered public accounting firm for the fiscal year of 2016 is considered a routine matter and brokers will be permitted to vote shares held in street name for their customers.

The absence of a vote on a non-routine matter is referred to as a broker non-vote. Any shares represented at the Annual Meeting but not voted (whether by abstention, broker non-vote or otherwise) will have no impact in the election of directors, except to the extent that the failure to vote for an individual results in another individual receiving a larger proportion of votes cast for the election of directors. Any shares represented at the Annual Meeting but not voted (whether by abstention, broker non-vote or otherwise) with respect to the proposal to ratify the appointment of the independent registered public accountant, will have no effect on the vote for such proposal.

**How many votes are needed to elect directors?**

The nominees for election as directors at the Annual Meeting will be elected by a plurality of the votes cast at the Annual Meeting. The nominees with the most votes will be elected. A properly executed proxy card marked *WITHHELD* with respect to the election of directors will not be voted and will not count *FOR* or *AGAINST* any of the nominees for which the vote was withheld. Broker non-votes will have no effect on the election of the nominees.

**How many votes are needed to ratify the appointment of the independent registered public accountant?**

The ratification of the appointment of the independent registered public accountant will be approved if the votes cast in favor exceed the votes cast opposing the action. Abstentions and broker non-votes are not considered votes cast for the foregoing purpose, and will have no effect on the vote for this proposal.

**Will my shares be voted if I do not sign and return my Proxy Card?**

If your shares are held through a brokerage account, your brokerage firm, under certain circumstances, may vote your shares; otherwise your shares will not be voted at the meeting. See "What effect does a broker non-vote have?" above for a discussion of the matters on which your brokerage firm may vote your shares.

If your shares are registered in your name, and you do not complete your proxy card over the Internet or sign and return your proxy card, your shares will not be voted at the Annual Meeting unless you attend the Annual Meeting and vote your shares in person.

**Where can I find the voting results of the Annual Meeting?**

We will publish the final results in a current report filing on Form 8-K with the Securities and Exchange Commission (SEC) within four (4) business days of the Annual Meeting.

**Who will pay for the costs of soliciting proxies?**

The Company will bear the cost of soliciting proxies. In an effort to have as large a representation at the Annual Meeting as possible, the Company's directors, officers and employees may solicit proxies by telephone or in person in certain circumstances. These individuals will receive no additional compensation for their services other than their regular salaries. Additionally, the Company may hire a proxy solicitor to help reach the quorum requirement. The Company will pay a reasonable fee in relation to these services. Upon request, the Company will reimburse brokers, dealers, banks, voting trustees and their nominees who are holders of record of the Company's Common Shares on the record date for the reasonable expenses incurred for mailing copies of the proxy materials to the beneficial owners of such shares.

**When are stockholder proposals due for the 2017 annual meeting of Stockholders?**

In order to be considered for inclusion in next year's proxy statement, stockholder proposals must be submitted in writing to the Company's Secretary, Monique Hayes, at New Jersey Mining Company, 201 N. 3<sup>rd</sup> Street, Coeur d'Alene, Idaho 83814, and received a reasonable time before the Company begins to print and send its proxy materials. Such proposals must also comply with the requirements as to form and substance established by the SEC if such proposals are to be included in our proxy statement and form of proxy.

Similarly, stockholder proposals not submitted for inclusion in the proxy statement and received after the Company begins to print and send its proxy materials will be considered untimely pursuant to Rule 14a-5(e)(2) of the Securities and Exchange Act of 1934, as amended.

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**PROPOSAL 1 ELECTION OF DIRECTORS**

**GENERAL QUESTIONS**

**What is the current composition of the Board?**

The Company's current bylaws require the Board to have three or more persons, and may be increased to nine, or decreased from time to time, exclusively by resolution approved by the affirmative vote of a majority of the Board. The current Board is composed of three (3) directors.

**Is the Board divided into classes? How long is the term?**

No, the Board is not divided into classes. All directors serve one-year terms until their successors are elected and qualified at the next Annual Meeting. In the event the Board increases to nine directors, the Board will be divided into three classes.

**Who is standing for election this year?**

The Board of Directors has nominated the following three (3), current Board Members for election at the 2016 Annual Meeting, to hold office until the 2017 Annual Meeting:

Delbert Steiner

John Swallow

Grant Brackebusch

**What if a nominee is unable or unwilling to serve?**

Should any one or more of these nominees become unable or unwilling to serve, which is not anticipated, the Board may designate substitute nominees, in which event the proxy representatives will vote proxies that otherwise would be voted for the named nominees for the election of such substitute nominee or nominees.

**How are nominees elected?**

Directors are elected by a plurality of the votes present in person or represented by proxy and entitled to vote at the meeting.

**How are votes counted?**

**With respect to the election of directors, you may vote for or withhold authority to vote for each of the nominees for the Board. If you withhold authority to vote with respect to one or more director nominees, your vote will have no effect on the election of such nominees. Broker non-votes will have no effect on the election of the nominees. All proxies executed and returned without an indication of how shares should be voted will be voted FOR the election of all nominees.**

**The Board recommends a vote FOR each of the nominees.**

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**INFORMATION ON THE BOARD OF DIRECTORS, EXECUTIVE OFFICERS, AND KEY EMPLOYEES**

The following table sets forth certain information with respect to our current directors and nominees, executive officers and key employees. The term for each director expires at our next Annual Meeting or until his or her successor is appointed and qualified. The ages of the directors and officers are shown as of December 31, 2015.

<b>Name &amp; Address</b>	<b>Age</b>	<b>Position</b>	<b>Term</b>	<b>No. of Shares</b>	<b>Percent of Class</b>
Delbert W. Steiner 201 N. 3 <sup>rd</sup> Street Coeur d Alene, ID 83814	70	CEO & Director	8/29/2013 to present	2,650,000	2.78%
John Swallow 201 N. 3 <sup>rd</sup> Street Coeur d Alene, ID 83814	49	President & Director	8/29/2013 to present	15,077,003	15.80%
Grant A. Brackebusch P.O. Box 131 Silverton, ID 83867	46	Vice President & Director	7/18/1996 to present	2,556,093	2.67%
Monique Hayes 4159 E. Mullan Trail Rd. Coeur d Alene, ID 83814	50	Secretary	11/20/2016 to present	10,000	Less than 1%
R. Patrick Highsmith 9137 Ridgeline Blvd. Suite 250 Highlands Ranch, CO 80129	48	Past President & Past Director	12/1/2014 to 5/4/2015	500,000	Less than 1%

Directors are elected by stockholders at each Annual Meeting of the stockholders to hold office until the next annual meeting of stockholders or until their respective successors are elected and qualified.

**Delbert Steiner** was named the Chief Executive Officer and Chairman of the Board of Directors of the Company on August 29, 2013. In December 2014, he resigned as Chief Executive Officer, and was subsequently reappointed as Chief Executive Officer on May 5, 2015 following the resignation of Mr. Highsmith. He holds a B.S. from Lewis Clark State College and a Juris Doctor from the University of Idaho. He has held the position of CEO and Chairman for the Vancouver based Premium Exploration, Inc. since 2005 and was responsible for day-to-day business and financial decision making. He practiced law for more than 25 years and has an extensive background in environmental and mining law, including permitting projects from the exploration to mining phases. Mr. Steiner's extensive background in the mining industry and in operating a publicly traded company qualifies him to sit on the Board of the Company.



**John Swallow** was named the President and a Director of the Company on August 29, 2013. He resigned as president in December 2014, and subsequently reappointed as President on May 5, 2015 following the resignation of Mr. Highsmith. He holds a B.S. in Finance from Arizona State University. Mr. Swallow was the Vice President of Timberline Drilling, Inc. from November 2011 until accepting the role of President with the Company. From September 2009, until November 2011, Mr. Swallow was self-employed. From January 2006 until September 2009 he served as chairman of Timberline Resources Corporation. He brings wide-ranging experience from within the local mineral exploration industry as well as extensive knowledge of the junior equity markets. Mr. Swallow's extensive experience in the drilling industry, his previous roles as a chairman of a board and as a vice president of a corporation qualify him to sit on the Board of the Company.

**Grant A. Brackebusch, P.E.** has served as the Vice President and a Director of the Company since 1996. He holds a B.S. in Mining Engineering from the University of Idaho. He is registered in Idaho as a Professional Engineer. He has worked for New Jersey Mining Company since 1996, and worked for Newmont Mining previously. Currently, he supervises the daily operations of the exploration program at the Golden Chest, but also has experience with NJMC in mill operations, engineering, and environmental permitting. His background in the mining industry includes open pit mining planning and supervision as well as various engineering and geotechnical tasks. Mr.

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Brackebusch's extensive mining background, knowledge of the Company's day to day operations, and industry expertise qualifies him to sit on the Board of the Company.

**R. Patrick Highsmith** served as President and Chief Executive Officer from December of 2014 through May 2015. He was previously lead advisor to Juniper Resources LLC and has acted as an officer and/or director of several other public and private junior companies. Prior to that, he was Manager of Global Exploration & Business Development at Newmont Mining and also held technical positions at ALS Laboratories, BHP Billiton, and Kennecott. He has a B.Sc. in Geological Engineering and an M.Sc. in Economic Geology (Geochemistry) from the Colorado School of Mines. The Company hired R. Patrick Highsmith as CEO, President, and a director of the Company on December 1, 2014. On May 4, 2015 R. Patrick Highsmith resigned as CEO, President, and a director of the Company. On May 4, 2015 Delbert Steiner was reappointed as CEO and remains as a director of the Company. On May 4, 2015 was reappointed as President and remains as a director of the Company.

### **Executive Officers and Key Employees**

Monique Hayes was appointed Corporate Secretary in November 2016. She has over 10 years of investor relations corporate governance experience in the mining industry and over 10 years of communications and brand management experience. Prior to joining New Jersey Mining Company, Ms. Hayes worked for Hecla Mining Company, Revett Mining Company and Sterling Mining. Her advertising and communications experience includes working for Publicis Dialog Direct and WhiteRunkle Associates where she worked with national accounts including AT&T Wireless, Bell Atlantic and NordicTrack. Ms. Hayes attended City University where she studied business management, brand strategy and communications.

### **Arrangements between Officers and Directors**

To our knowledge, there is no arrangement or understanding between any of our officers and any other person, including Directors, pursuant to which the officer was selected to serve as an officer.

### **Family Relationships**

None of our Directors are related by blood, marriage, or adoption to any other Director, executive officer, or other key employees.

### **Other Directorships**

No directors of the Company are also directors of issuers with a class of securities registered under Section 12 of the United States *Securities Exchange Act of 1934*, as amended (the **Exchange Act**) (or which otherwise are required to file periodic reports under the Exchange Act).

### **Legal Proceedings**

The Company is not aware of any material legal proceedings to which any director, officer or affiliate of the Company, or any owner of record or beneficially of more than five percent of common stock of the Company, or any associate of any director, officer, affiliate of the Company, or security holder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

The Company is not aware of any of its directors or officers being involved in any legal proceedings in the past ten years relating to any matters in bankruptcy, insolvency, criminal proceedings (other than traffic and other minor offenses) or being subject to any of the items set forth under Item 401(f) of Regulation S-K.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Under Section 16(a) of the Securities Exchange Act of 1934, as amended, and the regulations thereunder, the Company's Directors, Executive Officers and beneficial owners of more than 10% of any registered class of the Company's equity securities are required to file reports of their ownership of the Company's securities and any changes in that ownership with the SEC.

Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that during fiscal year ended December 31, 2014, all filing requirements applicable to its officers, directors and greater than 10% percent beneficial owners were complied with.

## **Code of Ethics**

The Company adopted a Code of Ethics at a Board of Directors meeting on December 9, 2003, that applies to the Company's executive officers. The Company also adopted a Code of Ethics for all employees at the Board of Directors meeting on February 18, 2008.

## **CORPORATE GOVERNANCE**

### **Board Nomination Procedures**

There have been no material changes to the procedures by which security holders may recommend nominees to the registrant's board of directors.

### **Board of Directors Structure**

Our current bylaws require the Board to have three (3) or more persons, and may be increased up to nine or decreased from time to time, exclusively by resolution approved by the affirmative vote of a majority of the Board. The current Board is composed of three (3) Directors.

### **Director Independence**

We have three non-independent directors as of November 1, 2016, as follows:

Delbert Steiner

John Swallow

Grant Brackebusch

### **Communications to the Board**

Stockholders who are interested in communicating directly with members of the Board, or the Board as a group, may do so by writing directly to the individual Board member c/o Corporate Secretary, Monique Hayes, at New Jersey Mining Company, 201 N. 3<sup>rd</sup> Street, Coeur d'Alene, Idaho 83814. Our Secretary will forward communications directly to the appropriate Board member. If the correspondence is not addressed to the particular member, the

communication will be forwarded to a Board member to bring to the attention of the Board. Our Secretary will review all communications before forwarding them to the appropriate Board member.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Company's executive compensation program is designed to attract, motivate and retain a talented team of executives who will provide leadership for our success, and thereby increase stockholder value. Base Compensation is comprised of salary and stock option awards in order to align directors and executive officers interests with shareholder interests. The board has granted options to directors in the years 2015 and 2016 in recognition of their services to the Company, which is included in the options incentive plan approved by the Board and to be ratified by the shareholders.

The compensation for the President, Chief Executive Officer and Vice President, as the executive officers of the Company, is generally set on an annual basis by the members of the Board. In determining the appropriate compensation levels for the executive officers, the Board of Directors considers a number of factors, including, but not limited to the executive officers' mining experience and experience with the Company, and the level of compensation paid by the Company's peers in the mining industry. Compensation for the Board of Directors has been approved by the entire Board of Directors. The President and Vice President have been authorized by the Board of Directors to set the salaries and wages of the non-executive employees of the Company, subject to the review of the Board of Directors.

Long-term policies regarding executive compensation may vary significantly from currently paid compensation depending on the ability of the Company to produce increased revenues from mining and milling.

The entire Board of Directors serves as the Compensation Committee and all Directors review personnel policies of the Company that include, but are not limited to, compensation for executive officers of the Company, as well as employee compensation and benefit programs. The Board of Directors has determined that a Compensation Committee is not currently necessary because the Company is a small business. The Company does not have a written charter for the Compensation Committee.

## Compensation of Officers

A summary of cash and other compensation for R. Patrick Highsmith, the Company's prior President and Chief Executive Officer; Grant Brackebusch, the Company's Vice President; Delbert W. Steiner, Executive Chairman; and John Swallow, President (the Named Executive Officers), for the two most recent years is as follows:

**Executive Officer Summary Compensation Table**

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards <sup>1</sup> (\$)	Option Award <sup>1,2</sup> (\$)	Non-equity	Nonqualified	All Other Compensation	Total
						Incentive Plan Compensa- tion	Deferred Compensa- tion		
Delbert Steiner Executive Chairman	2015	91,250			49,448				140,698
John Swallow President	2014	76,250			55,225				131,475
Grant Brackebusch Vice President	2015	103,447			49,448				152,895
R. Patrick Highsmith Past President	2014	87,891			55,255				143,116
	2015	90,927							90,927
	2014	8,500			36,250				44,750

(1) Stock Awards and Options Awards include fees earned as Directors. The Company has valued all Stock Awards granted at fair value as computed in accordance with FASB Accounting Standards Codification Topic 718. The compensation of the Named Executive Officers has been set by disinterested members of the Board of Directors to a level competitive with other mining companies of similar size with similar types of operations. The executive stock compensation is for services as directors.

(2) R Patrick Highsmith received a signing bonus of 500,000 Options at his time of hire, these options expire December 1, 2016.

The Company does not have a retirement plan for its executive officers and there is no agreement, plan or arrangement that provides for payments to executive officers in connection with resignation, retirement, termination or a change in control of the Company.

### **Outstanding Equity Awards at Fiscal Year-end**

As of December 31, 2015, 4,250,000 Options were vested and outstanding to directors Grant Brackebusch, Del Steiner, and John Swallow and past director R. Patrick Highsmith. An additional 1,500,000 options were outstanding but not vested as of December 31, 2015.

### **Director Compensation**

John Swallow, Grant A. Brackebusch, and Delbert Steiner, are executive officers of the Company, therefore, disclosure regarding their compensation as Directors is included in the Executive Officer Compensative Table above.

### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth information as of November 1, 2016 regarding the shares of Company Common Stock beneficially owned by: (i) each person known by the Company to own beneficially more than 5% of the Company's Common Stock; (ii) each Director of the Company; (iii) the CEO and CFO of the Company (the Named Executive Officers); and (iv) all Directors and the Named Executive Officers of the Company as a group. Except as noted below, each holder has sole voting and investment power with respect to the shares of the Company Common Stock listed as owned by that person.

**Security Ownership of Certain Beneficial Owners**

Title of Class	Name and Address Of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class <sup>(1)</sup>
	John Swallow 201 N. 3 <sup>rd</sup> Street		
Common	Coeur d Alene, ID 83814 Steven Mark Bathgate and Margaret Bathgate 5350 S. Roslyn Suite #400	15,077,003	15.80%
Common	Greenwood Village, CO 8011	8,600,000	9.01%

**Security Ownership of Management**

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class <sup>1</sup>
	John Swallow 201 N. 3 <sup>rd</sup> Street	13,277,003	
Common	Coeur d Alene, ID 83814 Delbert W. Steiner 201 N. Third Street	1,800,000 (a) 1,150,000	15.80%
Common	Coeur d Alene, ID 83814 Grant A. Brackebusch 89 Appleberg Road	1,500,000 (b) 290,633 indirect 765,460 direct	2.78%
Common	Kellogg, Idaho 83837 Monique Hayes 4159 E. Mullan Trail Rd. Coeur d Alene, ID 83814	1,500,000 (c)	2.67%
Common Common	R. Patrick Highsmith	10,000 500,000 (d)	Less than 1% Less than 1%



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9137 Ridgeline Blvd. Suite 250

Highlands Ranch, CO 80129

All Directors and Executive

Common	Officers as a group (4 individuals)	19,520,496	20.46%
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(1)

Based upon 95,571,388 outstanding shares of common stock at November 1, 2016.

a)

These shares are held in NFS/FMTC Roth IRA FBO John A. Swallow. Mr. Swallow purchased with personal funds 300,000 units as part of the Company's Regulation D Rule 506(b) equity offering completed on August 13, 2014. Each unit purchased in the offering consisted of two (2) shares of the Company's common stock and one (1) purchase warrant, each warrant is exercisable for one (1) share of the Company's stock at \$0.20 through August 13, 2017. By virtue of these purchases John A. Swallow holds 300,000 warrants. John Swallow also has the right to acquire 1,500,000 shares pursuant to options and an additional 250,000 options will vest in December 2016. John Swallow does not have the right to acquire any additional securities pursuant to options, warrants, conversion privileges or other rights.

b)

Delbert Steiner has the right to acquire 1,500,000 shares pursuant to options and an additional 250,000 options will vest in December 2016. Delbert Steiner does not have the right to acquire any additional securities pursuant to options, warrants, conversion privileges or other rights.

c)

Grant Brackebusch owns 10.4% of Mine Systems Design, Inc. (MSD) which is an S corporation that owns 2,794,550 common shares of the Company. Grant Brackebusch has the right to acquire 1,500,000 shares pursuant to options and an additional 250,000 options will vest in December 2016. Neither MSD nor Grant Brackebusch has the right to acquire any additional securities pursuant to options, warrants, conversion privileges or other rights.

d)

R. Patrick Highsmith has the right to acquire 500,000 shares pursuant to options. R. Patrick Highsmith does not have the right to acquire any additional securities pursuant to options, warrants, conversion privileges or other rights.

None of the Directors or Officers has the right to acquire any additional securities pursuant to options, warrants, conversion privileges or other rights. No shares are pledged as security.

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## Changes in Control

None.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

### Certain Relationships and Related Transactions

On April 30, 2014, 2,250,000 options were issued to management, 750,000 options vested immediately and the remaining 1,500,000 vested at a rate of 750,000 each year on the anniversary for 2 additional years, and they expire after 3 years. Each option allows the holder to purchase one share of the Company's stock at \$0.10 prior to expiration. Utilizing the Black Scholes option pricing model, an expected life of three years, a risk free rate of 0.87%, and expected volatility of 161.30% compensation cost of \$173,844 is associated with these options. Of this \$115,896 was recorded as a general and administrative expense in 2014 and \$43,461 was recognized in 2015, at December 31, 2015 unrecognized compensation cost related to these options was \$14,487 which is expected to be recognized over the next 0.25 years. All options expire on April 30 three years after their vest date.

On December 12, 2014, 1,500,000 options were issued to management, 750,000 options vested immediately and the remaining 750,000 vested after one year. The options expire 5 years after their vestment date. Each option allows the holder to purchase one share of the Company's stock at \$0.15 prior to expiration. Utilizing the Black Scholes option pricing model, an expected life of five years, a risk free rate of 1.65%, and expected volatility of 150.60% compensation cost of \$99,558 is associated with these options. Of this \$49,780 was recorded as a general and administrative expense in both 2015 and 2014. At December 31, 2015, no unrecognized compensation cost related to these options remained.

On December 30, 2015, 1,500,000 options were granted to management, 750,000 options vested immediately and the remaining 750,000 vested on December 30, 2016. The options expire 5 years after their corresponding vestment date. Each option allows the holder to purchase one share of the Company's stock at \$0.10 prior to expiration. Utilizing the Black Scholes option pricing model, an expected life of five years, a risk free rate of 1.80%, and expected volatility of 158.50%, a compensation cost of \$110,208 is associated with the options. Of this, \$55,104 was recorded as a general and administrative expense in 2015. The remaining unrecognized compensation cost of \$55,104 is expected to be recognized in 2016. All options expire on December 30, five years after their vest date. An additional 500,000 options were granted to R. Patrick Highsmith however they were relinquished at the termination of his employment, no compensation expenses were associated with the termination of these options.

On December 31, 2014, 500,000 options which vested immediately and expire after two years were issued to R. Patrick Highsmith in connection with his hiring as the Company's President and CEO. Each option allows the holder to purchase one share of the Company's stock at \$0.11 prior to expiration. Utilizing the Black Scholes option pricing model, an expected life of two years, a risk free rate of 0.49%, and expected volatility of 158.10% compensation cost of \$36,250 is associated with these options and was recorded as a general and administrative expense in 2014. These

options expire December 1, 2016.

These options that were awarded in 2015 and 2014 were for compensation as directors of the company and were recorded as management fees of \$148,344 and \$201,926 respectively.

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## **PRINCIPAL ACCOUNTANT FEES AND SERVICES**

### **Audit Fees**

The aggregate fees billed for professional services rendered by the Company's principal accountant for the audit of the annual financial statements included in the Company's annual report on Form 10-K for the fiscal years ended December 31, 2015 and December 31, 2014 and the review for the financial statements included in the Company's quarterly reports on Form 10-Q during those fiscal years, were \$44,274 and \$47,402 respectively.

### **Audit Related Fees**

The Company incurred no fees during the last two fiscal years for assurance and related services by the Company's principal accountant that were reasonably related to the performance of the audit or review of the Company's financial statements, and not reported under "Audit Fees" above.

### **Tax Fees**

\$3,335 in 2015 and \$2,937 in 2014 was paid to the Company's principal accountant for tax compliance, tax advice, and tax planning services.

### **All Other Fees**

The Company incurred no other fees during the last two fiscal years for products and services rendered by the Company's principal accountant.



**PROPOSAL 4 RATIFICATION OF THE APPOINTMENT OF THE  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The board of directors has selected DeCoria, Maichel & Teague P.S. to be our Independent Registered Public Accounting Firm for the ensuing year. We do not expect that a representative of DeCoria, Maichel & Teague P.S. will be present at the Annual Meeting.

This proposal seeks stockholder ratification of the appointment of DeCoria, Maichel & Teague P.S.

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**INFORMATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

DeCoria, Maichel & Teague P.S. was the Independent Registered Public Accounting Firm for the Company in the fiscal year ended December 31, 2015.

Our financial statements have been audited by DeCoria, Maichel & Teague P.S.; independent registered public accounting firm, for the years ended December 31, 2015 through December 31, 2011.

The following table sets forth information regarding the amount billed to us by our independent auditor, DeCoria, Maichel & Teague P.S. for our two fiscal years ended December 31, 2015 and 2014, respectively:

	<b>Years Ended December 31,</b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>
Audit Fees	\$44,274	\$47,402
Audit Related Fees	\$0	\$0
Tax Fees	\$3,335	\$2,937
All Other Fees	\$0	\$0
<b>Total</b>	<b>\$47,609</b>	<b>\$50,339</b>

**Audit Fees**

Consist of fees billed for professional services rendered for the audit of our financial statements and review of interim consolidated financial statements included in quarterly reports and services that are normally provided by the principal accountants in connection with statutory and regulatory filings or engagements.

**Audit Related Fees**

Consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under Audit Fees .

**Tax Fees**

Consist of fees billed for professional services for tax compliance, tax advice and tax planning. These services include preparation of federal and state income tax returns.

**All Other Fees**

Consist of fees for products and services other than the services reported above.





**How are votes counted?**

**With respect to this proposal, you may vote for, against or abstain from voting on this proposal. If you abstain from voting with respect to this proposal, your vote will have no effect for this proposal. Broker non-votes will have no effect on the vote for this proposal. All proxies executed and returned without an indication of how shares should be voted will be voted FOR the ratification of the appointment of the independent registered public accounting firm.**

**The Board recommends a vote FOR the ratification of the appointment of the independent registered public accounting firm.**

**ADDITIONAL INFORMATION**

Additional information relating to the company is available under the Company's profile on EDGAR at [www.sec.gov](http://www.sec.gov) and on the Company's web site at [www.newjerseymining.com](http://www.newjerseymining.com). Financial information is provided in Company's comparative financial statements and management's discussion and analysis for the year ended December 31, 2015 included in this mailing on Form 10-K.

You may also download a copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, including the financial statements and financial statement schedule information included therein, at [www.newjerseymining.com](http://www.newjerseymining.com) by clicking on Investors and SEC Filings.

**OTHER MATTERS**

As of the date of this Proxy Statement, management does not know of any other matter that will come before the Annual Meeting.

**APPENDICES**

A.

Form of Proxy;

By Order of the Board of Directors,

/s/ Delbert Steiner

**Delbert Steiner**  
*Chief Executive Officer*

New Jersey Mining Company

201 N. 3<sup>rd</sup> Street

Coeur D Alene, Idaho 83814

**November 23, 2016**

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