

NEW JERSEY MINING COMPANY

September 7, 2005

PRESS RELEASE

New Jersey Mining Company Golden Chest Mine Update

Kellogg, Idaho. New Jersey Mining Company (OTCBB:NJMC) announces that its mining operation at the Golden Chest continues to make progress with advancement of the raise and I-drifts on the Katie vein, and encouraging gold grades. In August, the average grade of the ore feed to the rougher flotation cells was 14.0 grams per tonne gold and 136 ounces of gold were recovered to concentrate. Mill recovery has averaged more than 95%. Concentrate shipments to Barrick Gold's Goldstrike facility are occurring on a monthly basis.

Gold mineralization of the ore shoot being mined is better than estimated. The grade of the reserves being mined was calculated to be 13 grams/tonne based on a drift driven in 2004. The strike length of the shoot is 23 m, the same as in the 2004 drift. Also, a series of quartz stringer veins extend vertically into the footwall of the Katie vein and may indicate the presence of parallel footwall vein. Another piece of evidence indicating the possibility of a footwall vein is the surface expression of a mined out stope about 25 meters west of the outcrop projection of the Katie vein.

The mining operation is generating cash to be used to cover overhead and advance exploration work. The amount of cash being generated will be shown on third quarter financial statements. Royalty payments are being made to Metaline Contact Mines (OTCBB:MTLI) under the lease agreement.

Exploration plans at the Golden Chest mine include drilling three 150 m deep holes to evaluate the deep Idaho vein which was intercepted in 2004. It is planned to mobilize a core drill to the site in October.

A film crew from National Football League Films shot a video at the Golden Chest mine and at the New Jersey mill to be shown on national television this coming autumn. A brief preview of the film is being aired from time to time. The next scheduled airing of the preview is September 12 on ESPN (check your local schedule for "NFL Films Presents").

New Jersey Mining Company is involved in exploring for and developing gold, silver and base metal ore resources in the Coeur d'Alene Mining District of northern Idaho. The Company has a portfolio of mineral properties in the Coeur d'Alene Mining District including

the New Jersey mine, the Silver Strand mine, the Golden Chest mine, the CAMP project, the Scotch Thistle project, and the Silver Button project.

This release contains certain forward-looking statements within the meaning of the Federal Securities Laws. Such statements are based on assumptions that the Company believes are reasonable but which are subject to a wide range of uncertainties and business risks. Factors that could cause actual results to differ from those anticipated are discussed in the Company's periodic filings with the Securities and Exchange Commission, including its annual report on Form 10-KSB for the year ended December 31, 2004.

Further information about New Jersey Mining Company can be reviewed on the website of the Securities and Exchange Commission at www.sec.gov or on the company's website at www.newjerseymining.com

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