

NEW JERSEY MINING COMPANY

October 12, 2006

PRESS RELEASE

New Jersey Mining Company Announces Progress on Leach Plant

Kellogg, Idaho. New Jersey Mining Company (OTCBB:NJMC) announces that it has completed approximately 60% of the construction of its concentrate leach plant at the New Jersey mill site near Kellogg. Once complete, the Company will produce gold-silver dore' on site by leaching its flotation concentrates instead of shipping the concentrates to a custom gold plant or smelter. Construction is expected to be completed in the first quarter of 2007.

The leach plant has been designed to process 10 tonnes of Golden Chest concentrate per day which provides for significant expansion capacity over the current production rate of 1 tonne of concentrate per day. The plant was designed to suit a Golden Chest mining operation of up to 1,000 tonnes per day. Also by producing a gold-silver dore', the Company has a much more marketable product than flotation concentrates, and will receive payment for both metals.

Concentrate will be leached with cyanide in agitated tanks and oxygen will be injected into the slurry to promote the dissolution of gold and silver. The plant is permitted with the State of Idaho DEQ. Leaching is completed within an enclosed building with a concrete slab designed to contain all of the slurry in the unlikely event that every single tank ruptures. Once the leach cycle is complete, the slurry will be fed to a filter press to separate solids from the pregnant solution (solution laden with dissolved gold and silver). Pregnant solution will then be fed to electro-winning cells where gold and silver will be recovered and melted into saleable bars.

As part of the leach plant construction, the Company will use an innovative technique for tailings deposition known as paste tailings disposal. Leached residue from the leach plant will be subjected to the Inco SO₂-Air Process to destroy any remaining cyanide and the residue will be carefully mixed with flotation tailings in a Deep Cone Paste Thickener. The DCP thickener will produce a toothpaste-like underflow of tailings, and clear water will overflow from the top of the thickener to be recycled back into the process. The tailings will be stacked in sloped embankment and reclaimed concurrent with deposition or placed underground as mine backfill. This technique of tailings disposal keeps the plant from discharging water to surrounding surface waters which drastically reduces the impact of the plant to the environment and, naturally, simplifies permitting issues.

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, and several other exploration prospects.

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, 2005.

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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