

NEW JERSEY MINING COMPANY

September 5, 2006

PRESS RELEASE

New Jersey Mining Company Increases Resources

Kellogg, Idaho. New Jersey Mining Company (OTCBB:NJMC) completed Phase I of its 2006 drilling program at the Golden Chest mine near Murray, ID. The underground Idaho vein resource was increased by 100% to 160,000 tonnes grading 5.5 grams gold per tonne.

Nine holes were used to calculate the resource, and the holes are spaced at about 40 m thus making the category of indicated resources. Phase I of the 2006 drilling program tested the west-dipping Idaho vein mostly to the south and up-dip from previous drilling. The gold mineralization was found to weaken toward the south. Surface trenching was then completed on the outcrop of the Idaho vein to the north of the current resource where high grade samples containing visible gold were collected.

Phase II of the 2006 drilling program, planned to commence later this month, will test the Idaho vein down-dip from the outcrop where visible gold samples were collected. About 27% of the open pit-able resource defined by previous Newmont drilling occurs in this area of the Idaho vein outcrop. In addition, Phase II of the drilling program will evaluate the down-dip and northerly projections of the Katie-Dora vein system where mining operations are currently underway. One of the Katie-Dora Phase II drill holes will be targeted near a vein intercept from an underground drill hole drilled in 1969 in which a one meter thick sulfide-bearing vein was intercepted, but was not assayed.

Enough information has been collected, in management's opinion, to justify driving a southerly ramp extension from the existing production operation to evaluate the Idaho vein resource by drifting on the vein and drilling short core holes to more quickly increase the gold resource.

Management's goal is to define enough resources to support investment in an underground mine which would be operated in conjunction with a seasonal open pit mine. The goal is to define more than 500,000 ounces of reserves and resources in the combined open pit and underground mines. Currently there are about 300,000 ounces, mostly in the resources category.

Management has hired a field geologist to focus on finding other gold resources in the Murray area. Exploration progress will be reported soon.

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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