VANCOUVER, B.C. / TheNewswire / March 1, 2016 - Nicola Mining Inc. (the "Company" or "Nicola") is pleased to announce that it plans to recommence milling operations at its Merritt Mill property in April, 2016. Nicola's mill property is located on the historic Craigmont Mines site, located in south central British Columbia (10 kilometers west of Merritt, BC).

Nicola's 200 tonne per day mill will undergo modifications that will allow it to gravity separate fine free gold, prior to floating the remaining material in floatation tanks. Nicola's mill is situated on 900 acres of freehold land, was constructed to allow floatation expansion, and is fed by a primary crushing circuit that has a 500 tonne per day capacity. The large mill building allows scalability for additional flotation tanks and gold screening units. Since May, 2010, the investment in the mill property consisted of $8.0 MM for the cost of land, $21.6 MM for the cost of the mill and related infrastructure, and $1.8 MM for the cost of the construction of a fully lined tailings facility.

The Company is also exploring options to purchase equipment that will enable it to pour dore bars onsite. Initial production is expected to commence with the processing of material from Siwash Materials Inc.'s property located in the Siwash Creek Area, located approximately 8 km northeast of Yale, B.C. and approximately 90 minutes from Nicola's mill property located near Merritt, BC. The Company announced the Siwash Mining and Milling Profit Share Agreement in a November 2, 2015 news release.

Under the Siwash Agreement, the miner is required to use its best efforts to transport mill feed with greater than 7.08738 g/t Au to the Company's processing facility. Shipping of previously stockpiled material is expected to commence in early April.

The date of commencing production will be subject to the receipt of the required amendment to Nicola's mining permit.

Peter Espig, Chief Executive Officer, commented, "The modifications to the mill enabling it to accept and process gold mill feed and the ability to utilize both gravity and floatation processes that will allow it to produce dore bars and gold concentrate are significant value-added services to our toll milling counterparties. In addition, we feel are excited about the prospects to recommence milling operations in the near future."

On behalf of the Board of Directors

"Peter Espig"
Peter Espig

CEO & Director

For additional information

Contact: (604) 647-0142 or peter@nicolamining.com

Cautionary Note Regarding Forward Looking Information:

This news release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information includes, without limitation, statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company such as the statements that the Company will recommence milling operations in April, that the Company will complete the required modifications to its mill, that Siwash Mineral Inc. will ship material to the Company's processing facility in early April and that the Company will receive the necessary amendment to its mining permit. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information, including the inability of the Company to obtain the necessary amendment to its mining permit, the inability of Siwash Mineral Inc. to obtain all necessary regulatory approvals to allow it to extract and ship mill feed to the Company's mill, the ability of Siwash Mineral Inc. to actually ship mill feed to the Company's facility at all and with the agreed upon quantities and grade and the inability of the Company to raise the capital necessary for the modification to the mill and the operation of the mill and other factors beyond the Company and Siwash's control. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, neither the Company nor Siwash assume any obligation to update forward-looking information should circumstances or management's estimates or opinions change.