

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct 3, 2016) - [Nicola Mining Inc.](#) (TSX VENTURE:NIM) (the "Company") is pleased to announce that it has entered into an Exploration and Material Purchase Agreement (the "Agreement") with Teck Highland Valley Copper Partnership ("HVCP"), a wholly owned subsidiary of [Teck Resources Ltd.](#)

[Nicola Mining Inc.](#) owns 100% of the Thule Copper Property (the "Property") that covers 10,084 hectares along the southern end of the prolific copper-rich Guichon Batholith. The Property is located approximately 20 kilometres south of the Highland Valley Copper mine, the largest open pit copper mine in Canada which is also located within the Guichon Batholith.

The Company will work with HVCP to conduct an exploration program on the historic stockpiles on the Property in order to gather information regarding the grade and other characteristics of the stockpiled material. Following the exploration campaigns, HVCP will have the right to purchase stockpile material mined by the Company. The Company will carry out the exploration and mining program, and HVCP has agreed to reimburse the Company for certain costs related to the exploration and mining programs.

If the mining program proceeds, HVCP will to pay the Company as follows for purchased material:

Copper Price (US\$/lb)*	Price per Tonne of Bought Material (C\$/Tonne)
< \$3.50	\$0.40
\$3.50-\$4.50	\$0.60
>\$4.50	\$0.80

* Average LME copper price for the calendar quarter

HVCP will purchase material on a per tonne basis, as described above. In addition, it agrees to fund the Company for certain costs associated with reclamation and re-sloping work for areas in which stockpiles have been removed.

About the Property

The historic Craigmont Mine, which is part of the Thule Copper Property, operated as an open-pit mine by Craigmont Mines Ltd. from 1961 to 1967 and as an underground sub-level cave mine from 1967 to 1982 and is located on the southern section of the Property. The Craigmont Mine produced approximately 34,000,000 metric tonnes of ore averaging 1.28% copper from Body No. 1 and Body No. 2. Craigmont Mine's historic cut-off grade was 0.7% Cu.

McElhanney Consulting Services Ltd. of Vancouver BC, an ISO 9001 (2008) certified company, flew a LiDAR and air photo survey covering approximately 108 square km of the Thule property. Using the Leica ALS70 LiDAR unit, data was captured at a ground-sampling distance of four points per metre, providing a highly accurate topographic dataset. High-resolution, 20cm pixel colour orthophoto was created for selected areas of the property. Stockpiles are estimated to be 80-90 million tonnes.

On September 7, 2016 the Company announced results from its highly successful five-hole drill exploration program which highlighted an intersection of 1.11% copper over 85.92 metres in THU-002, through the Embayment Zone, located approximately 1 km northwest of the past-producing Craigmont Mine.

Results from the drilling program support the Embayment Zone as a fault-offset, westward continuation of the skarn zone that hosts the Craigmont deposit. A follow-up drill program will be designed to determine continuity of mineralization further west along strike and at depth from THU-002.

President and CEO, Peter Espig, commented, "We are very pleased to team with HCVP on this exciting opportunity. The approximate 88 million tonnes of Stockpiles fed by a known historic cut-off grade of 0.7% Cu could be a mutually beneficial project to both companies by providing additional cash flow through supply of attractive mill feed to HVCP."

Nicola Mining also announces that it has engaged Mocking Jay Inc. and Gold Stock Trades for investor relations and has issued a total of 175,000 stock options.

Nicola Mining Inc. is a junior mining company listed on the TSX Venture Exchange, and is in the process of recommencing mill feed processing operations at its 100% owned state-of-the-art mill and tailings facility, located near Merritt, British Columbia. It has already signed four mill profit share agreements with high grade gold producers. The fully-permitted mill is able to process both gold and silver mill feed via gravity and floatation processes. The Company also owns 100% of Treasure Mountain, its high grade silver property, and a gravel pit, which is located adjacent to its milling operations.

On behalf of the Board of Directors

Peter Espig

CEO & Director

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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