

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Apr 6, 2017) - [Nicola Mining Inc.](#) (the "Company" or "Nicola") (TSX VENTURE:NIM) is pleased to announce that it has entered into a long-term Mining and Milling Profit Share Agreement ("LT Agreement") with Gavin Mines Inc. ("Gavin Mines"). On May 31, 2016, the Company announced that it had entered into a Milling and Profit Share Agreement with Gavin Mines. The Company subsequently announced that it had commenced milling operations on June 16, 2016. Under the original Milling and Profit Share Agreement Gavin Mines shipped approximately 5,700 tonnes of stockpile material that the Company processed and produced approximately 47,193 grams Au (1,517.3 troy ounces) and 249,628 grams Ag (8,025.7 troy ounces). Gross proceeds for the stockpile material was approximately USD \$1,706,711.

Whereas the original agreement focused on processing a stockpile, the four-year LT Agreement will focus on material mined from the Gavin Mine's Dome Mountain (the "Mine Site"), which is located near Smithers, British Columbia. The LT Agreement replaces and supersedes the original 2016 agreement.

Pursuant to the LT Agreement, Gavin Mines has agreed to ship up to 40,000 tonnes of mill feed per year to the Company's 200 tonne per day mill facility (the "Mill"), located 14 kilometers from Merritt, British Columbia. On April 2016, the Company announced that it had received an amendment to its mine permit, M-68, allowing it to process third party material. Because the Mill is centrally located in British Columbia, maintains a fully-lined tailings facility and is constructed on a wholly-owned freehold mine site, it can serve as a project facilitator / consolidator for BC-based small-to-mid sized mine projects. In Linden Mining and Consulting's 2012 Update Report, which was not filed with the BCSC, the Mineral Reserve tonnes was increased to 146,992 tonnes. Average grades are as follows:

- Gold: 11.61 grams Au per tonne, using a cutoff grade of 6.0 grams / tonne, and;
- Silver: 100.8 grams Ag per tonne

Note: the "Probable Mineral Reserve" changed to "Mineral Reserve." This has been reviewed by Daryl Hanson, QP, PGeo.

Under the LT Agreement, Gavin Mines will receive up to C\$263.50 for all aspects associated with mining, operations, and transportation of the material to the Mill, while the Company will receive up to C\$55.00 for processing of the material. In addition, there are costs associated with assays and sale of concentrate that will be shared by both parties. In order to maximize revenues and profitability, material will be sorted at the Mine Site to prior to shipping to the Mill, with a targeted above average grades of the 2012 Update Report. The LT Agreement is intended to provide the Company with a stable source of cash flow revenue and utilization of the Mill.

The Company has continued to upgrade its approximate \$22.0 million mill processing facility, which was completed in 2013, with the intention of increasing throughput capacity. The modern facility is constructed with the intention of minimal environmental impact.

Nicola continues to monitor the option of opening and commencing mining activity on its wholly-owned Treasure Mountain Mine. Mining activity would commence by extracting 14,000 tonnes of material from Level 1 Stope 2. Per the technical report entitled "Technical Report, Project Update Treasure Mountain Property Tulameen River Area, BC, Canada" dated June 7, 2012, Level 1 Stope 2 contains a resource of 430,000 oz. Ag, 1,590,000 lbs. Pb, and 940,000 lbs. Zn. The Mill has the permit capacity to process the material from both Treasure Mountain and Gavin Mines and is considering further mill modifications to allow it to process two material sources concurrently.

Thule Copper Property. The Company continues to increase the emphasis on its wholly-owned Thule Copper property. It has submitted a notice of work for its 2017 drill program that will focus primarily on the Embayment and Titan Queen Zones. In its 2016 Exploration Program the Company intersected 1.11% copper over 85.92 metres in the Embayment Zone. Nicola also continues to prepare for exploration on its waste dumps and has entered into an Exploration and Material Purchase Agreement with Teck Highland Valley Copper Partnership, a wholly owned subsidiary of [Teck Resources Ltd.](#), as announced in the Oct. 3, 2016 news release.

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 modern mill and tailings facility, located near Merritt, British Columbia. The fully-permitted mill is able to process both gold and silver mill feed via gravity and floatation processes. The Company has 100% of the Thule Copper property covering 10,084 hectares along the southern end of the Guichon Batholith. In addition, 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.

Disclaimer for Forward-Looking Statements

This news release contains projections and forward-looking statements that involve various risks and uncertainties regarding future events. Such forward-looking statements are based on current expectations of management and a number of risks and uncertainties and are not guarantees of future performance of the Company. These statements, including information relating to the quantity and quality of projected mill feed and concentrate produced, include statements regarding the Company's expected processing timing and capabilities, statements regarding the milling and profit sharing agreements and statements regarding potential future plans. 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 effect the expanded operations; the timing of delivery of material to the Mill site; the timing and price of delivery and processing of same may not be the quantity and quality of mill feed and concentrate as expected; and other factors beyond the Company's control. Actual results and future events could differ materially from those anticipated in such forward-looking statements. These and all subsequent written and oral forward-looking statements 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, the Company does not assume any obligation to update any forward-looking statements in this news release should circumstances or management's estimates or opinions change.

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