Nicola Mining Announces Completion and Positive Results from Reverse Circulation Drilling on Portal-3060

01.03.2019 | Newsfile

Vancouver, March 1, 2019 - Nicola Mining Inc. (TSXV: NIM) (the "Company") is pleased to announce final results on its 39-hole Reverse Circulation drill program on the 3060-Portal ("3060 RC Program" (Table 1). This program is designed to evaluate the copper equivalent grade and volume of historical material excavated from underground workings of the Craigmont Mine and piled at 3060-Portal (Figure 1). These results confirm significant grades of copper and magnetite, which are combined to create a copper equivalent ("CuEq")[1].

The historical mine terraces, which equate to approximately 80-90 million-tonnes, surrounding the Craigmont Mine Open pit (Figure 2) and 3060-Portal benefit from having previously incurred all costs associated with mining, which is greater than 50% of the cost of production[2]. The Company previously announced positive 3060-Portal RC drill results, however these results did not incorporate the CuEq contribution from magnetite[3] .

The second phase of RC drilling, conducted in 2018, use an updated CuEq calculation[4] for both 2017 and 2018 RC drill holes. The highlights of these results include:

- An average grade of 2424 ppm Cu and 0.4% CuEq for the 39 drill holes
  - An average grade of 9095 ppm Cu (1.03% Cu) and 1.08% CuEq for Hole CC-RC-18-63
  - An average grade of 10,332 ppm Cu (1.03% Cu) and 1.27% CuEq for Hole P-34
  - An average grade of 8632 ppm Cu (0.86% Cu) and 1.03% CuEq for Hole P-72

Assay results from the drill program are summarized in Table 1. All results are calculated from surface.

Table 1: Composite of Reverse Circulation ("RC") Drill Results at Portal 3060

To view an enhanced version of Table 1, please visit:
https://orders.newsfilecorp.com/files/4873/43140_e51408d4c4c55912_002full.jpg

Figure 1: Map of Reverse Circulation ("RC") drill locations proximal to the 3060 Portal.

To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/4873/43140_e51408d4c4c55912_003full.jpg

Figure 2: Map of completed RC Drill Program (Phase 1 and Phase 2) on historic terraces.

To view an enhanced version of Figure 2, please visit:
https://orders.newsfilecorp.com/files/4873/43140_e51408d4c4c55912_004full.jpg

Results on the Phase 1 and Phase 2 targets of the historic terraces will be released in 1H of 2019.

Peter Espig, Chief Executive Officer of the Company, commented, "The Phase 1 RC Program proved extremely valuable as it provides us with insight into the significant economic potential of the material surrounding the historic pit, historically considered to be non-economic based on a $0.60/lb. copper price. We are encouraged that the Cu and magnetite grades of these terraces are associated with location and not depth, which limits amount of material that needs to be processed and allows the Company to focus on areas of most economic potential. In addition, because the largest cost of mining, which includes engineering, infrastructure, surveying, and blasting have all been incurred, the value of the historic terraces is significant.

Quality Control

The Company implemented a quality control program for this program to ensure best practices are utilized for sample collection and analysis of RC cuttings. Samples were collected at 2.0 m intervals down hole with lithology, alteration and mineralization documented for each interval. Quality control measures include insertion of standards and duplicates into the sample stream at a frequency of 1 blank and 1 standard for every group of 20 samples, and field duplicates at a rate of 3 per 100 samples. Activation Laboratory (ISO 17025 Certified) in Kamloops, British Columbia conducted sample analysis using ICP Aqua Regia 38-element (IE3) and fire assay gold (IA2) packages. Certified reference standards and rock blanks were placed in the sample stream with a ratio of approximately one sample out of 10.

Qualified Person

Kevin Wells, P.Geo, a consulting geologist to the Company is the independent qualified person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects for the technical disclosure contained in this news release.

About Nicola Mining

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 can process both gold and silver mill feed via gravity and flotation processes. The Company also owns 100% of Treasure Mountain, a high-grade silver property, and an active gravel pit that is located adjacent to its milling operations.

About New Craigmont

The New Craigmont Project (the "Property") is a wholly-owned copper property with an active mine permit (M-68), located within the world-class Highland Valley porphyry district. It benefits from excellent infrastructure. The Property is at the corner intersection of the Nicola and Guichon batholiths, of which the latter is the precursor to mineralization at Highland Valley. In November of 2015, Nicola became the first group in decades to consolidate ownership of the Property and has been actively conducting mineral exploration since.

There are currently no mineral resource estimates on the Property. Historical "non-NI 43-101" resource calculations are recorded in internal memos and geological reports for Placer Development. An internal memo written by J.F. Bristow on October 30, 1985 to Craigmont Mines Ltd. reported a zone known as Body No. 3 containing a historic estimate of 1,290,000 tons (1,170,268 metric tonnes) of copper grading 1.53% copper. * This estimate assumes a 0.7% copper cut-off and a 20-foot mining width between drill sections 6565E and 8015E. The material in Body No. 3 contains mineralization primarily in silicate-rich rocks.

Additionally, J.F. Bristow reported in an internal memo on July 22, 1985 to Craigmont Mines Ltd., a rough calculation of +60,000,000 pounds (1.6 million short tons or 1.45 metric tonnes) of +1.5% copper from an original ore estimate of 27,754,000 short tons (25,178,005 metric tonnes) of copper grading 1.79% copper left behind in the sub-level cave. The material is from the previously mined out No.1 Body and No.2 Body.

It should be noted that these historical estimates do not meet the requirements needed to conform to

National Instrument 43-101 standards. The Company notes that an independent Qualified Person has not done sufficient work to verify and classify the historical estimates as current mineral resources and is therefore not treating the historical estimates as current mineral resources or mineral reserves. For further details on the Property, see the technical report entitled "TECHNICAL REPORT on the THULE COPPER - IRON PROPERTY, Southern British Columbia, Canada", filed on May 8, 2013 on Sedar at www.sedar.com.

On behalf of the Board of Directors

"Peter Espig"
Peter Espig
CEO & Director

For additional information contact:

Peter Espig
Telephone: (778) 385-1213
Email: peter@nicolamining.com

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.

_____

[1] Magnetite contribution to CuEq used the average of four values: high-grade / high recovery, high-grade / low recovery, low-grade / high recovery and low-grade / low recovery.
[2] U.S. Congress, Office of Technology Assessment (1988). Copper: Technology and Competitiveness-Chapter 9 Production Costs [online] Available at: https://www.princeton.edu/~ota/disk2/1988/8808/880811.PDF [2019-02-25]
[3] Nicola Mining Inc. (2017) Nicola Mining Announces Results Of Reverse Circulation Drilling On 3060-Craigmont Portal Terraces [News Release] 26 September. Available at: http://nicolamining.com/nicola-mining-announces-results-of-reverse-circulation-drilling-on-3060-craigmont-portal-terrace
[4] Nicola Mining Inc. (2018) Nicola Mining Announces Test Results From Magnetite Recovery Which Results In An Increase In Copper Equivalent Grades Of Up To 34% [News Release] 19 February. Available at: https://nicolamining.com/nicola-mining-announces-test-results-from-magnetite-recovery-which-results-in-an-increase-in

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/43140