Nicola Mining Identifies Potential 1.2 Kilometer Mineralized Corridor on Treasure Mountain Silver Property

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Announces Completion of Phase One of the 2020 Soils Sampling and Announces Non-Brokered Private Placement

Vancouver, August 24, 2020 - Nicola Mining Inc. (TSXV: NIM) (FSE: HLI), (the "Company" or "Nicola") is pleased to announce that it has completed the first phase of the soil sampling program (the "2020 Program") at its wholly owned Treasure Mountain Property, a fully-permitted high grade silver mine located approximately 90 minutes to its Craigmont Mill. This first phase included 304 of the planned 530 B-horizon soil samples collected over the MB zone and to the southwest (Figure 1). During the soil sampling program, five outcrops were identified hosting mineralized vein material which were sampled via surface grab samples and shallow drilling, via portable drill. The locations indicate a potential strike length of mineralization of approximately 1.2km, that had previously not been tested by the Company. The soil samples are currently undergoing analysis at MSA Labs in Langley, British Columbia. All rock and drill samples have been submitted for analysis at ActLab, in Kamloops, British Columbia. Both labs are independent commercial laboratories that are ISO 9001 certified and ISO 17025 accredited.

Figure 1: Treasure Mountain Property with completed historic (grey) and recently completed soil samples (black).

To view an enhanced version of this graphic, please visit:
https://orders.newsfilecorp.com/files/4873/62335_f8e16de9b4ad395b_001full.jpg

The 2020 Program objective is to complete the 2019 soil program which was cut short due to inclement weather[1]. Complimentary to the soils program, the Company has revisited reported locations of silver-bearing veins on the property identified in historic literature of the area. A total of five outcrops of sphalerite-galena-chalcopyrite bearing veins (Figure 2 and 3) form a potential mineralized corridor of approximately 1.2 km strike length (Figure 2) was identified. These sites include the Cal Vein, which was sampled as part of the 2019 soils program[2].

Figure 2: Map of vein outcrop and portable drill sites along the mineralization trend.

To view an enhanced version of this graphic, please visit:
https://orders.newsfilecorp.com/files/4873/62335_f8e16de9b4ad395b_002full.jpg

Figure 3: Examples of mineralized vein identified on Treasure Mountain Property

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https://orders.newsfilecorp.com/files/4873/62335_figure3.jpg

The second phase of the 2020 Program aims to complete the planned soil sampling program.These results are very encouraging as they identify the potential for other mineralized structures, outside of the Treasure Mountain underground mine workings, that were previously underexplored by preceding operators on the property.

The Company also announces a non-brokered private placement financing (the "Offering") of up to 5,000,000 (each, a "Unit") at a price of $0.13 per Unit for gross proceeds of up to $650,000. Each Unit consists of one common share of the Company (each, a "Share") and one-half of one share purchase warrant (each whole warrant, a "Warrant"). One Warrant entitles the holder thereof to purchase one additional Share of the Company at a price of $0.20 per Share for a period of two years from closing of the Offering

No finders' fees will be payable in connection with the Offering.

All securities issued in connection with the Offering will be subject to a statutory hold period expiring four months and one day after closing of the Offering. Completion of the Offering is subject to the approval of the TSX Venture Exchange. The aggregate gross proceeds from the sale of the Offering will be used for general working capital.

None of the securities sold in connection with the Offering will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Qualified Person

Michael Frye, 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 and Frankfurt Exchanges that maintains a 100% owned 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 the New Craigmont Project, a high-grade copper property, and an active gravel pit that is located adjacent to its milling operations.

About Treasure Mountain Property

Nicola Mining Inc. owns 100% of the Treasure Mountain Property, an approximately 7,000-acre silver deposit consisting of: 51 mineral tenures, comprising 21 legacy claims: 100 cell units, and five crown grants for a total of approximately 2,850 hectares.

The Company continues to maintain the option of reopening Level 1 in order to extract silver mill feed from Stope 2 and continues to monitor silver prices prior to reconsidering reopening the mine. The Property also has 3 highly prospective targets:

1. MB Zone located approximately 1.5km from the underground mine workings on the undrilled Northern slope of the mountain.
2. JK Vein/Eastern Zone located approximately 1.0 km from the underground mine workings.
3. Jensen Portal located approximately 100 m west of the Level 3 Portal and previously mined in the 1920's.

On behalf of the Board of Directors

"Peter Espig"
Peter Espig
CEO & Director

For additional information

Contact: Peter Espig
Phone: (778) 385-1213
Email: info@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.

Cautionary Statement Regarding Forward-Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements with respect to the expectations of management regarding the proposed Offering, the expectations of management regarding the use of proceeds of the Offering, closing conditions for the Offering, the expiry of hold periods for securities distributed pursuant to the Offering, and Exchange approval of the proposed Offering. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements including that: the Company may not complete the Offering on terms favorable to the Company or at all; the Exchange may not approve the Offering; the proceeds of the Offering may not be used as stated in this news release; the Company may be unable to satisfy all of the conditions to the Closing; and those additional risks set out in the Company's public documents filed on SEDAR at www.sedar.com. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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[1] Nicola Mining Inc. News Release 23 January 2020. Nicola Mining announces results of 2019 soils sampling program at Treasure Mountain property (https://nicolamining.com/nicola-mining-announces-results-of-2019-soils-sampling-program-at-treasure-mountain-prope

[2] Nicola Mining Inc., 21 February 2020. Nicola Mining announces 2019 rock samples results at Treasure Mountain Silver Mine property (https://nicolamining.com/nicola-mining-announces-2019-rock-samples-results-at-treasure-mountain-silver-mine-proper

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