

Nicola Mining Inc. Signs Letter of Intent to Acquire 50% (75% Economic Interest) of Dominion Creek Gold Project

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Vancouver, September 23, 2020 - [Nicola Mining Inc.](#) (TSXV: NIM) (FSE: HLI), (the "Company" or "Nicola") is pleased to announce that it has signed a Letter of Intent (the "LOI") with High Range Exploration Ltd. ("High Range") to acquire 50% of the Dominion Creek Property (the "Gold Project") which is located 43 kilometers northeast of the Town of Wells and about 110 kilometers east-southeast of Prince George. The Company announced on September 17, 2020 that it had signed a Strategic Milling and Profit Share Agreement (the "Strategic Agreement") with High Range.

The LOI and Strategic Agreement provides Nicola a 75% economic interest in the Gold Project.

The Company will conduct further due diligence prior to committing to a definitive agreement. Nicola and High Range (the "Parties") intend to bring the project towards a 10,000 tonne bulk sample permit.

Under terms of the LOI, Nicola can acquire 50% of the Gold Project for \$150,000. In addition, the Company agrees to finance estimated startup costs of \$525,000, which will be repaid in full upon sale of the concentrates produced from the bulk sample (see Table 1).

Table 1: Bulk Sample Permit Start Up Costs

Use of Capital	Budget
● Cost to acquire 50% of Dominion Creek Property	\$150,000
● Completion of bulk sample permit application	\$75,000
● Camp	\$50,000
● Road Construction and Infrastructure Upgrades	\$300,000
● Reclamation Bonding	\$100,000

Note: Figures are estimates and may not be accurate

On July 15, 2020 Nicola assayed 23 select samples taken from material extracted from the Number 16 Vein and the Pit Vein zones and sent them to ALS Metallurgy Laboratory¹ ("ALS Lab") located in Kamloops, BC.

Highlights include the following samples:

- Sample 204467: 81.7 g/tonne Au and greater than 136.0 g/tonne Ag
- Sample 204473: 105.0 g/tonne Au and 156.0 g/tonne Ag
- Sample 204474: 149.0 g/tonne Au and 270.0 g/tonne Ag
- Sample 204481: 125.0 g/tonne Au and greater than 256.0 g/tonne Ag
- Sample 204484: 106.0 g/tonne Au and greater than 164.0 g/tonne Ag

The average gold grade of the select samples was 61.3 grams / tonne (see Table 2).

Table 2: Gold and Silver Grades from Select Samples Taken from the 16 Vein and Pit Vein

To view an enhanced version of Table 2, please visit:

https://orders.newsfilecorp.com/files/4873/64424_ec2729ad741a7ba0_001full.jpg

Note: Grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

DOMINION CREEK PROPERTY HISTORY

The Dominion Creek Property consists of 8 mineral claims (55 units) totaling approximately 1,040 hectares. A 1,180 tonne bulk sample from the South Zone was excavated in 1992 and limited drilling has occurred. The site was owned by Noranda Exploration Company Ltd., who initially completed a small (20 sample) geochemical silt sample survey in 1986 and was encouraged by those results to complete a larger soil geochemical survey (3,399 samples). There are two clear mineralized areas that include a small bulk sample pit and a mineralized outcrop containing multiple distinctive veins (Figure 1).

Eighty tonnes of concentrate was shipped and processed at the Cominco smelter in Trail in 1992. The mill head grade determined for the bulk sample was 14.1 g/t Au and the average gold recovery was 93%². Little material sorting was conducted at the time but visual separation of mineralized rock on site prior to transport is viable. This is expected to increase grade and minimize transportation cost. Noranda Exploration Company Ltd.'s exploration program included 53 diamond drill holes, for a total of 3,483.7 meters. Drilling in the South Zone covered an area of approximately 300 meters by 200 meters. Limited drilling in the North Zone covered two small areas (approximately 50 meters by 60 meters) 300 meters apart. The drill targets were selected using the geochemical survey data and outcrop sampling from trenches and drill access roads.

A Technical Report on the Dominion Creek Project³ was completed by Geospectrum Engineering on August 22, 2003.

Noranda Exploration

Noranda Exploration Company Ltd.'s exploration program included 53 shallow diamond drill holes, totaling 3,483.7 meters (average depth of approximately 65.7 metres). Drilling in the South Zone covered an area of approximately 300 meters by 200 meters. Limited drilling in the North Zone covered two small areas (approximately 50 meters by 60 meters) 300 meters apart. The drill targets were selected using the geochemical survey data and trench drill access road data.

The Company will continue to conduct due diligence on the Project prior to committing to signing a Definitive Agreement.

Sample Preparation, Analysis and Quality Assurance/Quality Control

Nicola Mining applies a thorough quality assurance/quality control program at the Project, which is compliant with industry best practices. Samples were collected by Nicola Mining and delivered to ALS Metallurgy in Kamloops, where they were crushed, sub-sampled and pulverized in preparation for analysis. ALS Metallurgy is an ISO 9001:2015 certified laboratory and ran certified reference materials during the analyses, as per industry accepted QA/QC practices. Four high grade gold samples were assayed in duplicate to confirm results.

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 and Frankfurt Exchanges that maintains a 100% owned mill and tailings facility, located near Merritt, British Columbia. 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.

On behalf of the Board of Directors

"Peter Espig"

Peter Espig

CEO & Director

For additional information

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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 ALS is the global leader in metallurgical testing and offers mineral processing testing by both bench scale and pilot scale facilities, hydrometallurgical and mineralogical test services, and project management by expert metallurgists.

² Makepiece, D.A. (2003): Technical Report for Dominion Creek Project. Unpublished. Prepared for XMP Mining Limited. p. 41 p

³ Dominion Creek Project: Cariboo Mining Division of British Columbia for XMP Mining Limited and written by David K. Makepeace, M.Eng., P.Eng. of Geospectrum Engineering.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/64424>

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