Nicola Mining 2023 Drilling Program at New Craigmont Copper Project Reveals Significant Porphyry-style Alterations

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Vancouver, December 21, 2023 - Nicola Mining Inc. (TSXV: NIM) (FSE: HLI) (OTCQB: HUSIF) (the "Company") announces the completion of its 2023 drilling exploration program (the "2023 Program") at the New Craigmont Copper Project ("New Craigmont"), a wholly owned venture located near Merritt, BC, and 33 km south of Teck Resources Ltd.'s Highland Valley Copper, Canada's largest open pit copper mine.

The Company initiated the 2023 Program on June 6, 2023, drilling six diamond holes totaling 2,684 metres on Mineral Lease 237643, adjacent to the historic Craigmont Copper Mine (Figure 1 and 2). The 2023 Program aimed to explore the potential of a southeastern extension of the historic Craigmont skarn ore body and to investigate the potential of a porphyry copper system.

Figure 1. Mineral tenure map of the New Craigmont Project.

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/4873/191908_f196d2e9c43e08bd_001full.jpg

Figure 2. Map of 2023 drilling program (projected in NAD 83, UTM 10N).

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/4873/191908_f196d2e9c43e08bd_002full.jpg

KEY FINDINGS

- Drill holes NC23-001, NC23-002, NC23-003, NC23-004a were drilled southeast of the historic Craigmont Copper Mine to test the potential of continued skarn mineralization. NC23-001 intercepted two intervals of (weakly mineralized) exoskarn hosted in Nicola Group limey sedimentary rocks, namely from 67.25 m to 99.8 m and 172.43 m to 185.50 m. The skarn intervals are composed of banded actinolite, magnetite, epidote, brown garnet and veinlets of chalcopyrite (Figure 3). The holes NC23-002, NC23-003 and NC23-004a have discovered extensive alteration (epidote, chlorite and biotite) in Nicola Group sedimentary and volcaniclastic rocks, while no exact skarn interval was found in the drill core. This alteration is characteristic of porphyries and supports the possibility of a proximal porphyry system.
- Drill holes NC23-005 and NC23-006 were drilled northeast and north of the historic pit and targeted the Guichon Quartz Diorite. Extensive potassic alteration (K-feldspar, Figure 4), propylitic alteration (epidote and chlorite, figures 4 and 5) and veinlets of chalcopyrite +/- molybdenite (Figure 6) were observed in the core, suggesting the presence of a porphyry copper system at New Craigmont. The presence of these features along with discreet zones of significant copper grade (>0.1% Cu; Table 1), all in proximity to the historic high-grade skarn, support the hypothesis that there is a porphyry centre (or several) on the property and that a copper porphyry system is the mineralization source for the historic Craigmont skarn.

Table 1: Intercepts ≥0.1% Cu*

Hole ID	From (m)	To (m)	Length (m)	Cu (%)	Lithology
NC23-001	48.77	50.29	1.52	0.12	hydrothermal silica healed fault breccia
NC23-001	51.81	53.33	1.52	0.13	intercalated polylithic vocaniclastic

NC23-001	53.33	54.86	1.53	0.22	intercalated polylithic vocaniclastic
NC23-001	64.01	67.06	3.05	0.33	intercalated polylithic vocaniclastic
NC23-001	126.50	128.02	1.52	0.17	contact between biotite-hornfels volcaniclastic and biotite-hornfels rhyol
NC23-001	224.00	226.00	2.00	0.12	diorite
NC23-001	247.80	249.80	2.00	0.10	diorite
NC23-002	91.44	94.49	3.05	0.13	diorite
NC23-002	131.00	132.00	1.00	0.10	diorite
NC23-002	180.80	182.30	1.50	0.22	diorite
NC23-002	246.30	247.36	1.06	0.48	diorite
NC23-003	61.00	62.50	1.50	1.14	fault breccia
NC23-003	74.60	77.70	3.10	0.44	rhyolitic tuffaceous volcaniclastic sequence
NC23-003	200.60	202.05	1.45	0.32	diorite
NC23-003	234.00	235.25	1.25	0.27	magnetite skarn
NC23-004a	220.90	222.50	1.60	0.10	felsic dyke
NC23-004a	247.47	251.28	3.81	0.33	rhyolitic tuffaceous volcaniclastic sequence (possible dacite volcaniclas
NC23-004a	266.00	267.42	1.42	0.13	diorite
NC23-004a	269.21	270.45	1.24	0.32	diorite
NC23-004a	309.28	310.00	0.72	0.11	diorite
NC23-005	115.50	116.70	1.20	0.62	rhyolitic crystal tuffaceous sequence
NC23-005	137.00	138.00	1.00	0.12	polylithic volcaniclastic tuffaceous sequence
NC23-005	197.50	198.50	1.00	0.11	quartz diorite
NC23-005	209.50	210.60	1.10	0.12	quartz diorite
NC23-005	322.64	324.00	1.36	0.16	diorite plug
NC23-005	408.36	409.36	1.00	0.71	epidote-diopside-magnetite-garnet exoskarn
NC23-005	411.36	412.36	1.00	0.24	massive garnet skarn
NC23-005	419.40	420.62	1.22	0.18	feldspar-fragmental sediments
NC23-005	520.00	521.50	1.50	0.16	feldspathic sandstone/gritty sequence
NC23-005	598.67	600.00	1.33	0.16	quartz diorite
NC23-005	637.00	639.00	2.00	0.12	massive to banded actinolite-epidote-garnet skarn
NC23-005	648.00	649.70	1.70	0.11	massive to banded actinolite-epidote-garnet skarn
NC23-005	809.22	809.75	0.53	0.71	quartz diorite
NC23-006	324.69	326.52	1.83	0.45	quartz diorite
NC23-006	455.00	456.00	1.00	0.24	quartz diorite

*These results are considered preliminary as they are still undergoing quality control

Figure 3. Banded actinolite-magnetite-epidote-garnet skarn with disseminated chalcopyrite at 83.5m in NC23-001.

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/4873/191908_f196d2e9c43e08bd_003full.jpg

Figure 4. Potassic alteration and epidote alteration in in Guichon Quartz Diorite at 293 m in NC23-006.

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/4873/191908_f196d2e9c43e08bd_004full.jpg

Figure 5. Epidote-chlorite propylitic alteration in Guichon Quartz Diorite at 198.0 m in NC23-005.

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/4873/191908_f196d2e9c43e08bd_005full.jpg

Figure 6. Quartz vein hosting chalcopyrite with molybdenite at 326.5 m in NC23-006.

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/4873/191908_f196d2e9c43e08bd_006full.jpg

2024 EXPLORATION PLAN

- The Company continues to work diligently to compile a database of all, both historic and current, core logs and lab results. Once complete, Nicola will begin building a 3D geological interpretation using core logs, mapping data and geophysics. This will greatly aid in target generation and allow the Company to refine working hypotheses, as well as integrate subsequent data.
- Induced polarization ("IP") surveys are being planned for spring of 2024 over two key areas of interest, which will help fill existing IP data gaps. Data will be utilized in conjunction with magnetic and resistivity data to augment interpretations of structure, lithology, alteration, and mineralization. Previous IP results correlate well with high-grade copper intercepts at Embayment (Figure 10).
- Nicola anticipates using the results of the IP surveys, along with existing data to plan drill holes over one or both areas to be drilled later in the summer of 2024.
- Nicola's exploration team continues to collaborate closely with the University of British Columbia's ("UBC") Mineral Deposit Research Unit ("MDRU") on the MDRU's ongoing study of porphyry-style alteration and mineralization at the New Craigmont property.

Figure 7. Areas of interest for 2024 exploration

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/4873/191908_f196d2e9c43e08bd_007full.jpg

Figure 8. Aeromagnetic MVI plan view of surface showing cross-section lines for figures 9 & 10.

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/4873/191908_figure8.jpg

Figure 9. Aeromagnetic MVI cross-sections (200m thick) illustrating proven mineralization at (A-A') Craigmont and (B-B') Embayment corresponding with high magnetic anomalies and observed mineralization on surface at (C-C') CAS and (D-D') MARB corresponding with (not yet drill-tested) high magnetic anomalies.

NOTE: The outcroppings seen in the cross-sections coincide with the outcroppings seen at surface.

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/4873/191908_f196d2e9c43e08bd_009full.jpg

Figure 10. IP chargeability cross-section (200m thick) through the Embayment Zone showing higher chargeability anomaly corresponding with high-grade Cu intercepts.

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/4873/191908_figure8_550.jpg

Mr. Peter Espig, CEO of Nicola Mining Inc., commented on the findings: "Overall the 2023 Program yielded encouraging results. While we would have liked to have seen more mineralization directly southeast of the historic pit, the drilling northeast uncovered extensive alteration and indicates the potential of other mineralization bodies. Particularly, we are extremely excited to see that the outcroppings, which we mapped extensively this time, coincide perfectly with the cross-section diagrams displaying electromatic anomalies. These findings reinforce our commitment to exploring and developing the New Craigmont Project."

The Company looks forward to further analysis and potential exploration based on these promising results.

QUALITY ASSURANCE AND QUALITY CONTROL (QA/QC)
Nicola maintains tight sample security, and quality assurance and quality control (QA/QC) for all aspects of its exploration program. All core samples from 2023 were logged, photographed and sampled on site by staff or consulting geologists and geotechnicians. The samples were picked up and transported from site by Activation Laboratories Ltd. (Actlabs) to their ISO 17015 accredited lab in Kamloops, BC for preparation (crushing and pulverizing) and analyzed for 38-element ICP-OES by aqua regia (partial) digestion with specified limits (method code 1E3). Company protocols include the insertion of quality control (QC) samples consisting of Certified Reference Materials (CRMs), blanks and duplicates into the sample stream at a rate of 1 in 20. Nicola geologists are currently reviewing the results of the QC program, pending lab re-runs of select sample batches.

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. It has signed Mining and Milling Profit Share Agreements with high grade gold projects. Nicola's fully-permitted mill can process both gold and silver mill feed via gravity and flotation processes.

The Company owns 100% of the New Craigmont Project, a high-grade copper property, which covers an area of 10,913 hectares along the southern end of the Guichon Batholith and is adjacent to Teck Resources Ltd.'s Highland Valley Copper, Canada's largest copper mine. The Company also owns 100% of the Treasure Mountain Property, which is comprised of 51 mineral tenures, 21 legacy claims: 100 cell units, and five crown grants for a total of approximately 2,850 hectares.

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
URL: www.nicolamining.com

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