

VANCOUVER, B.C. / TheNewswire / May 31, 2016 - [Nicola Mining Inc.](#) (the "Company") is pleased to provide the following key updates on corporate operations.

The Company has completed all upgrades to its fully-permitted, modern, 200 tonne per day mill facility (the "Mill"), located 14 kilometers from Merritt, British Columbia. On April 15, 2016, the Company received the required permit amendment to its mine permit M-68 (the "Amendment") that enables it to conduct custom milling of third party material. The Amendment allows the Company to accept mill feed from third parties and execute on milling and profit share agreements by processing material at the Mill. The Company purchased an I-3 industrial zoned property for \$8,000,000 and subsequently constructed the \$21.6 million Mill and a fully-lined tailings facility for \$1.8 million on such property. The Mill was constructed with expansion capabilities and is supported by a 500 tonne per day crushing capacity and 1.7 kVA of hydro-power, of which the current Mill only requires 0.6 kVA and its 1,300,000 gallons per day water permit. The Company prides itself on minimal environmental impact and has installed a circulation system allowing it to reuse water from its lined tailings facility. Recent upgrades include installation of a gravity jig separation system that allows the Company to separate free gold from mill feed, as well as a tabling system that allows it to further separate fine gold from gold concentrate after floatation. The Mill is capable of producing free gold concentrate, gold flotation concentrate, and silver concentrate. The Mill is ready to recommence operations, which the Company expects to occur in June, 2016.

In connection with recommencing milling operations, the Company announces that it has received 1,879 tonnes of material from Siwash Minerals Inc. ("Siwash"). The Milling and Profit Share Agreement between Siwash and the Company was announced in a November 2, 2015 news release. The Company is currently conducting tests on the material to confirm grades.

The Company is also pleased to announce that it has entered into a Milling and Profit Share Agreement (the "GMI Agreement") with Gavin Mines Inc. ("Gavin Mines"). Under the terms of the GMI Agreement, the Company will process approximately 5,000 tonnes of material stockpiled in Quesnel, British Columbia, with the option of processing an additional 1,000 tonnes of material located in a separate stockpile.

The Company expects to start receiving mill feed from Gavin Mines on May 30, 2016 and will commence processing the mill feed immediately after it has processed economic grade material from Siwash. The stockpile will be loaded at an estimated cost of \$2.50 per tonne and transported from Quesnel to the Mill at a cost of \$58.0 per tonne pursuant to a trucking contract. Under the transportation contract, the trucking company is required to deliver 1,000 tonnes to the Mill during the first week commencing May 30, 2016, and a minimum of 750 tonnes per week, until complete, thereafter.

In addition to transportation, the Company will allocate up to \$75.00 per tonne for milling costs but, because the material is already stockpiled, there are no mining costs associate with the mill feed. Under the GMI Agreement, net proceeds are to be evenly distributed.

The Company is also pleased to announce that it has received the initial \$175,000 contribution from its joint venture partner, 1050214 B.C. Ltd. (the "JV Partner") pursuant to the Lower Nicola Joint Venture Agreement, which was announced in a news release on March 30, 2016. As announced, the joint venture provides the JV Partner with the option to acquire a 50% interest in the Company's aggregate property for a consideration of \$1,125,000, payable upon certain milestones being achieved.

Peter Espig, Chief Executive Officer of the Company, commented, "Over the past three years, the Company has successfully overcome numerous obstacles and achieved several significant milestones; however, perhaps none is as exciting as recommencing production operations. We continue to believe that the Mill has the potential to become a milling hub for high-grade gold and silver projects in the province of British Columbia and can maximize the net present value of mining projects by expediting start up and minimizing CAPEX. We will continue to seek value-added mining and milling partnerships as well as consolidation opportunities."

[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 is able to process both gold and silver mill feed via gravity and floatation processes. 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"

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.

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 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; 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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