

VANCOUVER, B.C. / TheNewswire / June 16, 2016 - [Nicola Mining Inc.](#) (the "Company") is pleased to announce that it has commenced milling operations at its 200 tonne per day mill facility (the "Mill"), located 14 kilometers from Merritt, British Columbia. The Company has completed successful test runs to confirm gold recovery rates and has commenced processing of material received from Gavin Mines Inc. ("Gavin Mines"). Terms of the Milling and Profit Share Agreement (the "GMI Agreement") were announced in the Company's news release of May 31, 2016. Under the GMI Agreement the Company will produce both gravity and flotation concentrates that will be sold to third parties for production of gold dore bars. The Company plans to mill the initial amount of approximately 5,000 tonnes and will consider the option of processing an additional 1,000 tonnes of material located in a separate stockpile.

The Company collected 62 representative samples, approximately 2 kg each, from 31 truckloads of material for grade control prior to processing. All samples returned significant gold grades ranging from 0.575 g/t gold to 33.6 g/t gold, with an average grade of 9.53 g/t gold. 31 of the samples collected returned values over 8 g/t gold.

Peter Espig, Chief Executive Officer of the Company, commented, "We are very excited to have the Mill running and commencing gold processing. The startup has had a few delays and required adjustments; however, we continue to move towards becoming BC's newest high-grade gold and processor."

The Company also announces that it has issued 200,000 options to a key member of the technical team.

Quality Control

The sampling of Gavin Mines mill feed was supervised by Brian May, P.Geo., a Consulting Geologist with the Company, who is responsible for the sampling procedures prior to processing at the Mill. On-site personnel at the project collected 2kg representative samples from each truckload arriving at the Mill. Samples were labeled by the Mill staff according to the truckload number. Samples were then analyzed by the geological team to determine rock type and whether the material was oxide or sulphide. The material was then given defined sample numbers, security sealed and shipped to Actlabs (ISO 17025) in Kamloops, BC for analysis. The Company routinely inserts standard reference material and rock blanks to ensure accuracy and precision.

The Company also records and documents gross weight, tare weight and net weight (in kilograms) and the arrival time and date of all trucks shipping material to site.

Qualified Person

Brian May, P.Geo., a Consulting Geologist with the Company and qualified person as defined by National Instrument 43-101, has reviewed the scientific information that forms the basis for this news release, and has approved the disclosure herein. Mr. May is not independent of the Company, as he is a shareholder of the Company.

[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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