Nicola Mining Announces Positive Field Sampling and IP Survey Results

13.12.2018 | Newsfile

Vancouver, December 13, 2018 - Nicola Mining Inc. (TSXV: NIM), (the "Company" or "Nicola") is pleased to announce positive field reconnaissance and grab sampling results ("Sampling Program") along with the completion and interpretation of an induced polarization survey ("IP survey"). The IP Survey and Sampling Program are part of the Company's 2018 Exploration Program at its wholly-owned New Craigmont project, as explained in its May 1, 2018 news release. The permitted mine project is located on the historic Craigmont Copper Mine, located approximately 15 km from Merritt, British Columbia.

The IP Survey totaled 8.55 line-kilometers over two areas of interest while the Sampling Program focused on historic showings exhibiting porphyritic characteristics within the northern portion of the property.

Marb Zone Field Sampling

Field reconnaissance and grab sampling focused on the historical MARB showing to review outcrop exposure and validate previously sampled outcrops. A total of 5 samples at the MARB Zone were collected with the results summarized in Table 1.

Table 1. 2018 Grab Samples with Assays

To view an enhanced version of Table 1, please visit:
https://orders.newsfilecorp.com/files/4873/41630_10e80adc74252af8_001full.jpg

* Datum-NAD 83 UTM Zone 10N
** The Company is currently in the process of confirming ratios of magnetite and hematite as part of iron composition on the property. In addition to recovery ratios of the copper, magnetite and hematite, Nicola is reviewing the potential use of magnetic conveyor systems to upgrade material.

Key takeaways of the grab samples are the following:

- The MARB showing has elevated copper grades within favourable intrusive host-rock for a porphyry system.
- Sample ID 1446404 occurred within basalt lithology (extrusive) while the others were all diorite (intrusive).

Follow-up detailed outcrop mapping plus potential drilling and IP will be planned for 2019 to further explore the MARB showing.

Induced Polarization Survey

A ground IP survey, which captured chargeability, resistivity and magnetic data was designed in 2 parts: as a westward continuation of the 2017 lines over Craigmont West (Embayment and Titan Queen) testing an interpreted increase in chargeability to the west; and second, over a magnetic-high at North Promontory (MARB) that has outcrop exposure with visible surface mineralization and elevated copper assays.

Table 2. IP Survey Line Details

To view an enhanced version of Table 2, please visit:
https://orders.newsfilecorp.com/files/4873/41630_10e80adc74252af8_002full.jpg

North Promontory

Three North-South lines, totalling 4950 meters were surveyed over an area of elevated magnetics, and where samples have been collected from surface (as recently as 2018) with assay values of up to 1.7% Copper.

The intent of the survey was to identify whether the magnetic anomaly and associated elevated copper grades in grab samples are related to an undiscovered porphyry system. An inversion of the data was completed by Dr. Jules Lajoie, P. Eng, who interpreted that although the chargeability values begin to increase to the east, the chargeability amplitudes are relatively low, approximately 8mV/V, likely representative of the Guichon diorite border phase, which correlates with mapped outcrop and magnetic data. In summary, there is no significant anomaly resulting from this portion of the survey.

Craigmont West

Two north-south lines, totalling 3600 meters were surveyed at Craigmont West as a westward step-out from the lines surveyed in 2017. The inversion plot identified a weak chargeability response at the south end of the lines, which was anticipated to increase toward the west in association with a mag-low in the area, however it was found to weaken on the westernmost line. There is however the potential to pick the chargeability response back up further to the south, which would require extending some of the existing lines further south. This will be considered a potential option for 2019.

Figure 1. 2018 IP lines and grab sample locations with 2017 IP lines and Total Magnetic Intensity

To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/4873/41630_10e80adc74252af8_003full.jpg

Scientific and Technical Information

All information of a scientific or technical nature contained in this document, including sampling, analytical and test data has been reviewed and approved by Kevin Wells, P. Geo., a consulting Geologist to Nicola Mining. Wells is a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Sample Preparation, Analysis and Quality Assurance/Quality Control

Nicola Mining applies a thorough quality assurance/quality control program at the New Craigmont Project compliant with industry best practices. A qualified geoscientist has logged and sampled all core and samples have been delimited according to lithologic, alteration and mineralization characteristics. This includes systematic insertion of blank, duplicate and certified reference materials into the sample batches by Nicola's geological staff. Core is then halved, where the sample is placed in a labelled sample bag with sample tag and the other half of the core is retained on site as a physical record. Samples are placed in sealed bags and transported to Actlabs (ISO 17025 Certified) in Kamloops, British Columbia for analysis, following a Chain of Custody. Samples are crushed up to 80% passing 2mm, rifle split (250 g) and pulverized to 95% passing 105 µm. Samples are analyzed using Aqua Regia-ICP-OES 38-element (1E3) packages. All samples greater than 10,000 ppm Copper are tested using over-limit mass spectrometry methods (8-AR). All results included in this release have passed the QA/QC procedures as described above and have been reviewed by Kevin Wells, P.Geo. There are no known factors that could materially affect the reliability of data collected and verified. No quality assurance/quality control issues have been identified to date.

About Nicola Mining

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 can process both gold and silver mill feed via gravity and flotation processes. The Company also owns 100% of Treasure Mountain, a high-grade silver property, and an active gravel pit that is located adjacent to its milling operations.

About New Craigmont

The New Craigmont Project (the "Property") is a wholly-owned copper property with an active mine permit (M-68), located within the world-class Highland Valley porphyry district. It benefits from excellent infrastructure. The Property is at the corner intersection of the Nicola and Guichon batholiths, of which the latter is the precursor to mineralization at Highland Valley. In November of 2015, Nicola became the first group in decades to consolidate ownership of the Property and has been actively conducting mineral exploration since.

There are currently no mineral resource estimates on the Property. Historical "non-NI 43-101" resource calculations are recorded in internal memos and geological reports for Placer Development. An internal memo written by J.F. Bristow on October 30, 1985 to Craigmont Mines Ltd. reported a zone known as Body No. 3 containing a historic estimate of 1,290,000 tons (1,170,268 metric tonnes) of copper grading 1.53% copper. This estimate assumes a 0.7% copper cut-off and a 20-foot mining width between drill sections 6565E and 8015E. The material in Body No. 3 contains mineralization primarily in silicate-rich rocks.

Additionally, J.F. Bristow reported in an internal memo on July 22, 1985 to Craigmont Mines Ltd., a rough calculation of 60,000,000 pounds (1.6 million short tons or 1.45 metric tonnes) of +1.5% copper from an original ore estimate of 27,754,000 short tons (25,178,005 metric tonnes) of copper grading 1.79% copper left behind in the sub-level cave. In addition, the Bristow report highlights a 50.0 million tonne halo grading greater than 0.4% surrounding the high-grade underground ore body.

It should be noted that these historical estimates do not meet the requirements needed to conform to National Instrument 43-101 standards. The Company notes that an independent Qualified Person has not done sufficient work to verify and classify the historical estimates as current mineral resources and is therefore not treating the historical estimates as current mineral resources or mineral reserves. For further details on the Property, see the technical report entitled "TECHNICAL REPORT on the THULE COPPER - IRONPROPERTY, Southern British Columbia, Canada", filed on May 8, 2013 on Sedar at www.sedar.com.

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

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All statements in this release, other than statements of historical fact, are "forward-looking information" within the meaning of applicable Canadian securities laws, including statements that address future exploration and drilling plans, including with respect to the 2018 DD Program; the expected information to be derived therefrom; and potential mineralization. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company to differ materially from those anticipated in such forward-looking information. Such factors include, among others: changes in 2018 DD Program parameters as plans continue to be refined; risks related to the interpretation and actual results of historical exploration at the Property; reliance on technical information provided by third parties, including access to historical information on the Property; current exploration and development activities; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labor disputes and other risks of the mining industry; and delays in obtaining governmental approvals, financing or in the completion of exploration. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Forward-looking information is provided as of the date hereof and accordingly is subject to change after such date. The Company does not undertake to update any forward-looking information included in this news release, except as required by applicable securities laws.