Nicola Mining Announces Results of Phase Two Soil Samples at Treasure Mountain and Completion of the 2020 Exploration Program

22.12.2020 | Newsfile

Vancouver, December 22, 2020 - Nicola Mining Inc. (TSXV: NIM) (FSE: HLI), (the "Company" or "Nicola") is pleased to announce that it has received assay results from 167 soil samples collected during Phase Two of the 2020 Program[1] at its wholly owned Treasure Mountain Property, a fully-permitted high grade silver mine located approximately 90 minutes to its Craigmont Mill. The soil samples were consistently collected from the B-horizon. The Second Phase of the Program ("Phase Two") extended the 2019 and 2020 soil grid eastward along the northern slope of Treasure Mountain.

These results conclude the 2020 Program, which was successful in identifying a semi-continuous ~2km long northeast trending silver soil anomaly (Map 1).

Map 1: Treasure Mountain Property silver assays from 2019 and 2020 soil sampling programs. Results presented in this release are from the Phase Two soils program, denoted by the black box.

To view an enhanced version of this graphic, please visit:
https://orders.newsfilecorp.com/files/4873/70800_0fc730b2a446996d_001full.jpg

Highlights of the assay results include the following:

From a total of 167 samples:

- Six were anomalous in silver ranging from 1000- 3670 ppb[2].
- Three samples were anomalous in zinc with a maximum value of 308 ppm[2].
- One sample was anomalous in lead with a maximum value of 216.5 ppm[2].

The anomalous silver values in soils are co-incidental with outcrop of exposed sphalerite (ZnS)-galena (PbS) vein material that was tested with a portable drill during Phase One Program (Map 2). The results of this portable drilling confirmed that silver mineralization is associated with these galena and sphalerite bearing veins exposed at surface.

The silver, lead and zinc soil anomalies are spatially associated with one another, suggesting little dispersion. The source of this soil anomaly is interpreted to be at shallow depth along this trend. Further work is required to prove that the vein is continuous along this anomalous soil trend. The weakening of the soil anomaly toward the east of the soil grid suggests that these mineralized veins may not occur at surface to the east.

Map 2: Interpreted 2019 - 2020 Phase One soils with anomalous Ag (red), Pb (blue) and Zn (green).

To view an enhanced version of this graphic, please visit:
https://orders.newsfilecorp.com/files/4873/70800_0fc730b2a446996d_002full.jpg

The Company plans to include the area of anomalous silver, lead and zinc into a multi-year exploration

permit and will work toward further testing of this soil anomaly.

Technical information

Nicola Mining applies a thorough quality assurance/quality control (QA/QC) program at the Project, which is compliant with industry best practices. Trained personnel collected and logged soil samples according to soil horizon, soil type and characteristics (Figure 1). The soil sample, which aims to be collected from a developed B horizon, is then placed in a labelled sample kraft bag along with its sample tag. Of the 167 soil samples collected 162 were B-horizon and 5 were transitional B/C horizon samples. Suitable certified reference material is inserted into sample batches, which are submitted to the MSA Laboratory (ISO 17025 Certified) in Langley, British Columbia. Soils are dried and screened through a -80 mesh. Of the total samples, 166 samples had sufficient material for a 20g Aqua Regia digestion (IMS-117) and one sample had insufficient material, requiring a 0.5g digestion (IMS-116). All digestions were finished with an ICP-MS 39-element analysis. All results included in this release have passed the QA/QC procedures. There are no known factors that could materially affect the reliability of data collected and verified.

Figure 1: An example of the soil profile encountered at Treasure Mountain.

To view an enhanced version of this graphic, please visit:
https://orders.newsfilecorp.com/files/4873/70800_0fc730b2a446996d_003bfull.jpg

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 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 the New Craigmont Project, a high-grade copper property, and an active gravel pit that is located adjacent to its milling operations.

About Treasure Mountain Property

Nicola Mining Inc. owns 100% of the Treasure Mountain Property, consisting of 29 mineral tenures covering 2178 hectares (ha) and a mining lease covering 335 ha.

The Company continues to maintain the option of reopening Level 1 in order to extract silver mill feed from Stope 2 and continues to monitor silver prices prior to reconsidering reopening the mine. The Property also has 3 highly prospective targets:

1. Recent soil sampled of the "MB Zone" extended the anomalous soils toward vein outcrop. This is located 1.5km from the underground mine workings on the undrilled Northern slope of the mountain
2. JK Vein/Eastern Zone located approximately 1.0 km east of the underground mine workings.
3. Jensen Portal located approximately 100 m west of the Level 3 Portal and previously mined in the 1920's.

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

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] Commencing of the 2020 Program was announced in a news release on July 21, 2020. https://nicolamining.com/nicola-mining-commences-2020-exploration-at-treasure-mountain/

[2] Anomalous levels were considered to be assays from soils collected with greater or equal to 1000 ppb silver, 150 ppm zinc and 100 ppm lead.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/70800