



TSXV: NIM
OTCBB: HUSIF
FSE: HLI

NICOLA MINING PROVIDES OPERATIONAL UPDATE

VANCOUVER, BC, December 22, 2021 – Nicola Mining Inc. (TSX.V: NIM) (FSE: HLI), (the “Company” or “Nicola”) is pleased to provide an operational update, including milling and exploration activities.

The Company would like to confirm that its Craigmont mill and tailings facility (the “Mill Site”), which is located near Merritt, British Columbia, has not been adversely affected by the recent flooding experienced in southern British Columbia. While the Merritt and Nicola Region have experienced devastating floods, the Mill Site is elevated above the flooded regions and in a different watershed than areas experiencing flooding. Nicola has been cooperating with local authorities and has been in contact with the Merritt Municipality and Department of Highways to provide support to the local community.

The Mill Site has not been adversely affected by recent southern BC flooding

While the Mill Site has not been directly affected by the flooding, access via Highway 1 and the Coquihalla Highway has been impacted as both routes have experienced landslides and damage. Impaired route access has impacted the transportation of approximately 150 tonnes of gold and silver concentrate, which the Company will look to transport to a shipping port, now that the Coquihalla Highway has reopened for commercial transportation¹.

The Company received final payment for the first Provisional Invoice that was submitted to Ocean Partners UK Limited² (“Ocean Partners”) on [April 30, 2021](#). To date, the Company and Blue Lagoon Resources Inc. (CNSX: BLLG), with whom it has entered into a mining and milling profit share agreement, have received three Provisional Payments³ and one Final Payment⁴ from Ocean Partners. The Company has completed winterization of the mill and is currently preparing for 2022 operations, which includes milling operations, continued work on the Transmountain Expansion Project, dust reclamation and exploration at both Craigmont and Treasure Mountain.

The Company also announces that it intends to pay all of the interest owing on the secured convertible debentures (the “Debentures”) issued on January 9, 2020, by the issuance of common shares (each, a “Share”) of the Company. The Debentures mature on January 9,

¹ Source: <https://www.castanet.net/news/BC/355071/Coquihalla-reopens-to-commercial-vehicles-only-Highway-3-restrictions-to-lift-Tuesday>

² Ocean Partners operates in a number of countries, including Canada, Chile, China, Cyprus, Mexico, Mongolia, Netherlands, Peru, Taiwan, Turkey, United Kingdom, and the United States, and retains agency representation in Argentina, Australia, Bolivia, Brazil, Chile, Ecuador, India, Japan, South Africa, South Korea. The Company maintains a strong global network of relationships and contacts in the base metal mining and smelting sector.

³ Invoice submitted by the Sellers of 90% of the Estimated Price in respect of each shipment of Concentrate, once such Estimated Price has been calculated in accordance with Clause 7 above against presentation of Provisional Documents

⁴ Based on final weights and assays from a third party independent laboratory according to International Standards

2023, and bear interest (“**Interest**”) at a rate of 10% per annum, which Interest is payable under the terms of the Debentures annually, at the option of the Company, in cash or by the issuance of Shares. The Company intends on paying all of the Interest in Shares to holders of the Debentures to settle the outstanding interest payment obligation for the second year of the term of the Debentures. Accordingly, the Company intends to issue 388,236 Shares at a price of \$0.085 per Share in settlement of Interest owing of \$33,000 (the “**Debt Settlement**”).

The Debt Settlement is subject to TSX Venture Exchange approval. The Shares will be subject to a statutory hold period expiring on the date that is four months and one day after the closing of the Debt Settlement.

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, consisting of 30 mineral tenures covering 2513 hectares (ha) and a mining lease covering 335 ha.

On behalf of the Board of Directors

“Peter Espig”

Peter Espig
CEO & Director

For additional information

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