

Nicola Mining Inc.

(TSXV:NIM)

Resurrecting an Old Copper Giant

Company Description

Nicola Mining Inc. (“Nicola”) is a copper explorer advancing its flagship 100%-owned, fully-permitted New Craigmont mine located in Meritt, B.C. The Company is the first single shareholder since 1982 to own the Thule property (also referred to as New Craigmont). Nicola also operates the permitted Merritt Mill, the only facility permitted to process Au/Ag from anywhere in the province, which currently processes nearby mining operations (six profit-share agreements) at a rate of ~200 tpd. Nicola plans to increase the mill’s capacity in the future. The Company is unique amongst junior mining companies as it expects positive 2018 operational cash flow, while maintaining significant exploration upside. Lastly, Nicola has a silver option to reopen Stope 2 at its Treasure Mountain mine with a relatively low capital cost.

Investment Highlights

- Ongoing drilling to revive the old Craigmont mine.** The Craigmont mine was previously in operation from 1962-1982, with over 34Mt of ore mined at 1.28% Cu, until it closed due to falling copper prices (US\$0.60/lb). According to a Technical Report from 1985, the mine abandoned ~500M lbs grading 0.42% Cu, with 27,754t grading 1.79% Cu for 1,095,000 lbs Cu in the underground section. Of note, the historical cut-off grade was 0.7% to 1.2% and the waste piles are estimated to have ~88Mt. Nicola Mining is the first company since 1982 to own the Thule property (includes Craigmont), which comprises 10,084 Ha, on a 100% basis. The property continues to remain permitted under M-68.
- Nicola is drilling to expand the Embayment zone, which is a high-grade skarn target at the Craigmont mine.** The first four holes were released on February 28, 2018 and were highlighted by 0.6% Cu over 71.4m, including 1.4% Cu over 16m. As well, the Company noted results to-date have successfully increased the strike length of the Embayment skarn zone to 400m (true width to 150m). In addition, highlights from 2016 drilling include 1.11% Cu over 85.9m. As part of the 2018 exploration program, NIM also plans to drill 80-90Mt waste piles surrounding the pit. As well, the Company plans to conduct exploration on the North & South Embayment Zones, waste piles, Promontory Hill and Marb Zones. For reference, underground development of the Craigmont mine extends ~150m from the Embayment zone corridor.
- Significant exploration targets.** There are two targets that are expected to be drilled in the near-term. The first is only 700m SW from the historic pit and is known as Promontory Hill. Prior to the discovery of the Craigmont pit, Promontory Hill mineralization founded the original company. Recently, Nicola reassessed a 2005 IP Survey and identified the possibility of a significant anomaly that could be as much as twice the size of the historic pit at Craigmont. The potential orebody is estimated to begin 150m below surface, reaching 500m wide, while open at depth. The target has never been drilled, however, the Company plans to begin an initial drill campaign soon. The second target are the waste piles (80-90Mt) and the area surrounding the historic pit, which is known to have a halo around it. Drilling will commence in Q2 of 2018.

Financial Analysis

Cashed up and ready the 2018 exploration program. In December 2017, NIM closed a \$2M flow through at \$0.20/share to fund all 2018 exploration. In addition, NIM recently amended its \$7.0M convertible debenture agreement, reducing the conversion price to \$0.22/share (was \$0.275/share) while extending the maturity date to Nov. 2019.

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Price Performance



Market Data (TSXV:NIM)

Price (March 22, 2018)	\$0.165
Week Range	\$0.14 - \$0.25
Market Cap (M)	\$31.4
Shares Outstanding (basic, M)	190.5
Shares Outstanding (fully diluted, M)	234.9
Free Float	65%
Average Daily Volume (3 months)	196K
Last Reported Debt (M)*	\$8.6
Last Reported (M)*	\$0.8
Total Assets (M)*	\$11.0

Headquarters

Lower Nicola, BC

Website

<http://nicolamining.com/>

Top Shareholders

Management & Insiders	35%
Concept Capital Management	22%
BMO Nesbitt Partners	18%
Mountain Valley Partners	9%
Politte Investment Council	6%
Gravitas Securities	3%

Management

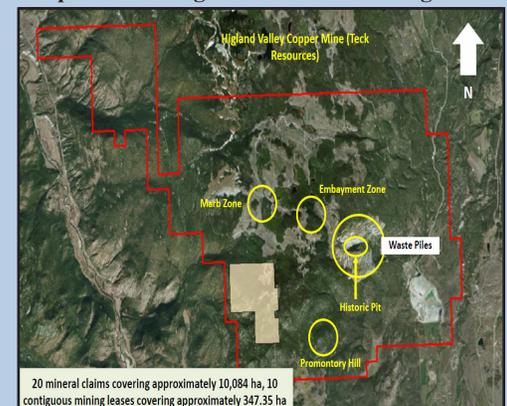
Peter Espig	President, CEO & Director
Warwick Bay	CFO & Corporate Secretary
Frank Hogel	Chairman
Doug Robinson	Director
Paul Johnston	Director

*As of Sept. 30, 2017

All figures in CAD unless otherwise stated.

Source: Company Reports, Thomson Reuters

Exploration Target Zones at New Craigmont



20 mineral claims covering approximately 10,084 ha, 10 contiguous mining leases covering approximately 347.35 ha

Source: Company Presentation

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