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NEWS RELEASE

### **Nicola Mining Provides Update on Thule Project Exploration Activities**

VANCOUVER, B.C., June 8, 2016 – Nicola Mining Inc. (the “**Company**” or “**Nicola**”) is pleased to provide an update on its 2016 Thule Project (“**Thule Project**” or the “**Property**”) exploration activities. The Thule Project is a wholly-owned exploration opportunity that covers an area of 10,084 hectares in the Nicola Mining Division, located 14 kilometres northwest of Merritt in southern British Columbia. It is located near Highland Valley Copper and is the site of the historical Craigmont Copper Mine.

During the first half of 2016, the Company is pleased to announce the following achievements:

- 1) Successfully re-logging and cataloging 7000 metres of historical drill core covering the Embayment, Eric and Titan Queen mineral showings;
  - 53 trench samples collected with a range from 71 ppm Cu to 1.68% Cu. The current programs was highlighted by the following detailed chip channel sampling results from the Eric, WP, and Titan Queen mineral showings 0.52% Cu over 9 meters at the Eric Shaft, including 1.3% Cu from 5-6 meters
  - 0.37% Cu over 10 meters at WP Trench 1
  - 0.71% Cu over 4 meters at the WP Shaft, including 1.68% Cu from 2-3 meters
  - 0.30% Cu over 16 meters at Titan Queen Trench 1, including 0.51% Cu from 10-12 meters
  - 0.56% Cu over 10 meters at Titan Queen Trench 2, including 0.96% Cu from 5-6 meters
  - 0.60% Cu over 6 meters at Titan Queen Trench 3, including 0.74% Cu from 10-11 meters
- 2) Approximately 4000 drill hole locations from 27 drill levels have been entered into the Craigmont drill database. The Craigmont drill database remains a priority for the Company, with additional data entry focused on lithology and historic assay data. The Company plans on using historical drilling data in order to create a 3D geological model of the Craigmont deposit.

Further exploration work will consist of: 1) continued re-logging and cataloging of historical surface and underground drill core, with particular focus on the East Embayment and underground drill levels, 2) additional detailed sampling and mapping around the WP, Titan Queen and Marb mineral showings to complement the 2016 drill program.

The Company is currently in the final stages of consultation on the Notice of Work for its 2016 Exploration Drill Program, which will commence upon receipt of permit.

#### **Property Geology**

An east-northeast trending, steeply dipping, volcanic pile of Upper Triassic Nicola Group rocks, bound to the north by the Early Jurassic-Late Triassic Guichon Creek Batholith and unconformably overlain by the Middle and Upper Cretaceous Spences Bridge Group underlies the Thule Property.

The Thule Property holds at least two types of mineralization described as copper-iron skarn and copper porphyry. Carbonate-rich, silicate-rich or intrusive rocks along the southern flank of the Guichon Batholith host the two types of mineralization.

Several major faults cut through the property including the north-trending Lornex Fault on the west, responsible for controlling the large-tonnage porphyry copper deposits to the north, including Highland Valley, Lornex, Bethlehem and Highmont. Faults controlling mineralization around the mine include the northwest trending east and West Embayment Faults, the Mine East Fault and the East-West Fault.

### **Assay Quality Control**

A strict QA/QC program was followed by integrating rock blanks and certified reference materials (standards) to the rock samples all of which were assayed by ActLabs (ISO 17025 Certificate) in Kamloops, BC. Samples were analyzed using an ICP Aqua Regia 38-element (IA3) package with samples greater than 10,000 ppm copper tested using over-limit mass spectrometry methods (8-AR ICP-MS).

### **Sampling Protocol**

Rock samples consisted of 1 to 2 metre chip channel samples from historic trenches and shaft. Copper values ranged from 93 ppm to 1.68%. Samples were collected from known BC MINFILE showings, including: TITAN QUEEN (092ISE034), ERIC (092ISE036) and the WP Trench (092ISE068). All samples were washed and cleaned prior to submission to the labs. Sample lengths were measured and spray painted prior to sampling. Metal tags are located with specific samples numbers for each of the samples. Lithology, alteration, mineralization and structure were recorded for each sample interval as well as being sketched on tracing paper for future analysis. 1 representative sample from each sample submitted to the lab is kept at the Merritt Mill facility for record keeping purposes.

Mineralization is primarily hosted in the following formations:

- I. Malachite-mineralization along fracture zones within quartz diorite and potasically altered volcanic rock;
- II. Quartz veins with finely disseminated chalcopyrite within quartz diorite, and;
- III. Within magnetite or specularite + epidote skarn-altered volcano sedimentary rocks with malachite +/- azurite +/- chalcopyrite mineralization.

### **Property History**

The Property covers a large area along the southern extents of the Guichon Batholith where many of the copper prospects on the Property have been intermittently explored since as early as the 1930's. The most important discovery to date has been the past producing Craigmont Copper-Iron mine located in the central part of the claim holdings.

Craigmont was operated as an open-pit mine by Craigmont Mines Ltd. from 1961 to 1967 and as an underground sub-level cave mine from 1967 to 1982. Over its operating life, the mine produced 34,000,000 metric tonnes of ore averaging 1.28% copper from Body No. 1 and Body No. 2. A policy decision was made by the board of Craigmont to shut down the mine in 1982, at a time when the copper price was approximately \$0.60 per pound.

From 1982 to 1992, Craigmont shipped up to 60,000 tonnes of clean metallurgical magnetite per year from its stockpile to coal producers in North America for use in the coal flotation process. After 1992, Craigmont continued to produce a limited amount of products from the coal industry from re-worked iron fines in the tailings pond. Craigmont Mines Limited shut down their magnetite facility in 2014 after the magnetite was exhausted.

On March 3, 2011, Nicola agreed to buy all of the outstanding shares of Craigmont Holdings Ltd. in consideration for certain cash and share payments. On November 19, 2015, Nicola acquired the remaining shares of Craigmont Holdings Ltd. for a 2.0% net smelter royalty. The Company now owns 100% of the Property.

## **Historical Estimates**

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. The material is from the previously mined out No.1 Body and No.2 Body.

It should be noted that these historical estimates do not meet the requirements needed to conform to NI 43-101 standards. The Company notes that an independent QP 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 Thule copper property, see the technical report entitled "TECHNICAL REPORT on the THULE COPPER - IRON PROPERTY, Southern British Columbia, Canada", filed on May 8, 2013 on Sedar at [www.sedar.com](http://www.sedar.com).

## **Qualified Person**

The foregoing geological disclosure has been reviewed and verified by Brian May, P.Geo., a qualified person for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects.

## **Nicola Mining Inc.**

**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 properties. 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 the Treasure Mountain project, a 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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