



TSX.V: NIM
NEWS RELEASE

NICOLA MINING ANNOUNCES CLOSING OF NON-BROKERED PRIVATE PLACEMENT

VANCOUVER, B.C., August 25, 2016 – Nicola Mining Inc. (the “**Company**”) is pleased to announce that, on August 24, 2016, it completed a non-brokered private placement financing (the “**Financing**”) as further described in its news release of August 23, 2016. In connection with the closing, the Company sold an aggregate of 18,337,665 units (each, a “**Unit**”), at a price of \$0.12 per Unit, for gross proceeds of \$2,200,519.80. Each Unit consists of one common share of the Company (each, a “**Share**”) and one share purchase warrant (each, a “**Warrant**”). Each Warrant is exercisable into one additional Share at a price of \$0.18 per Share for a period of three years from the date of issuance.

Proceeds from the Financing will be used for general working capital.

The Company paid cash finders fees of \$29,792 and issued 248,266 share purchase warrants (the “**Finder’s Warrants**”) to three finders in connection with certain subscriptions in the Financing. The Finder’s Warrants have the same terms as the Warrants.

Insiders of the Company were issued an aggregate of 933,333 Units under the Financing, which constituted a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The issuance to insiders is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Company’s shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the shares issued to the related parties did not exceed 25% of the Company’s market capitalization.

The securities issued under the Financing, and the Shares that may be issuable on exercise of the Warrants and the Finder’s Warrants, are subject to a statutory hold period expiring on December 25, 2016.

On behalf of the Board of Directors

“Peter Espig”

Peter Espig
CEO & Director

For additional information

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Disclaimer for Forward-Looking Information

Certain statements in this press release related to the Financing and the securities issuable thereunder are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe” or “continue”, or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the proposed use of proceeds of the Financing and the resale restrictions relating to the securities issued. Such statements are subject to inherent risks and uncertainties that may cause such statements to become inaccurate, including factors that cause the Company to spend the proceeds otherwise than as contemplated in this news release, and other factors beyond the control of the Company. Such forward-looking statements should be construed in light of such factors, and the Company is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable laws.

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