51-102F3
MATERIAL CHANGE REPORT [F]

Item 1 Name and Address of Company

Nicola Mining Inc. (the "**Company**")
3329 Aberdeen Road
Lower Nicola, BC V0K 1Y0

Item 2 Date of Material Change

November 23, 2016 and December 5, 2016

Item 3 News Release

The news releases dated November 23, 2016 and December 5, 2016 were issued by Stockwatch and Market News.

Item 4 Summary of Material Change

On November 23, 2016, the Company announced that it intends to pay all of the interest owing on the secured convertible debentures (the "**Debentures**") issued on November 21, 2014 by the issuance of common shares (each, a "**Share**") of the Company. The Debentures mature on November 21, 2017 and bear interest ("**Interest**") at a rate of 10% per annum, which Interest is payable annually as to 50% in cash and 50% by the issuance of Shares at a price per Share equal to the Market Price (as defined in the Policies of the TSX Venture Exchange (the "**Exchange**")) on the anniversary of the date of issuance of the Debentures, being November 21, 2016.

The Company intends on paying all of the Interest in Shares. Accordingly, the Company intends to issue 4,242,960 Shares at a price of $0.165 per Share in settlement of Interest owing of $700,088.20 (the "**Debt Settlement**").

The Company received Exchange approval to the Debt Settlement and issued the Shares on December 5, 2016. 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.

Insiders of the Company were issued an aggregate of 3,545,455 Shares under the Debt Settlement, 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.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in Item 4 above and in the News Releases filed on SEDAR at www.sedar.com.

MI 61-101 Requirements

Peter Espig, the President, Chief Executive Officer and a director of the Company, was issued 33,333 Shares in settlement of $5,500 Interest owing and Concept Capital Management, a company wholly owned by Frank Hõgel, a director of the Company, was issued 3,545,455 Shares in settlement of $585,000 Interest owing. As such, a portion of the placement was a "related-party transaction" as such term is defined in MI 61-101. Mr. Espig's and Mr. Hõgel's participation in the Debt Settlement was approved by disinterested members of the board of directors of the Company.

MI 61-101 requires that issuers obtain a formal valuation and minority shareholder approval of related party transactions, unless an applicable exemption is available. The Company has determined that exemptions from both such requirements were available, given that the fair market value of the consideration of the Shares issued to related parties did not exceed 25% of the company's market capital (as determined in accordance with MI 61-101) and the Company is not listed on a specified market as set out in MI 61-101.

The following table sets out the effect of the Debt Settlement on the percentage of securities of the Company beneficially owned or controlled by each of Mr. Espig and Mr. Hõgel:

Name and Position	Dollar Amount of Shares Issued	Number of Shares Issued	No. of Shares Held prior to the Issuance	Percentage of Issued and Outstanding Shares prior to the Issuance	No. of Shares Held After the Issuance	Percentage of Issued and Outstanding Shares After the Issuance
Peter Espig *President, Chief Executive Officer and Director*	$5,500	33,333 common shares	Undiluted: 4,036,587 Diluted: 9,798,439[(2)]	Undiluted: 2.6%[(3)] Diluted: 6.1%[(4)]	Undiluted: 4,069,587 Diluted: 9,831,439[(5)]	Undiluted: 2.5%[(6)] Diluted: 5.9%[(7)]
Concept Capital Management[(1)]	$585,000	3,545,455 common shares	Undiluted: 31,499,123 Diluted: 58,621,850[(8)]	Undiluted: 20.2%[(2)] Diluted: 32.1%[(9)]	Undiluted: 35,044,578 Diluted: 62,167,305[(10)]	Undiluted: 21.9%[(6)] Diluted: 33.2%[(11)]

*Less than one percent

(1) Concept Capital Management ("**CCM**") is a company wholly owned by Frank Hõgel, a director of the Company.

(2) Comprised of: (a) 3,186,587 Shares; (b) 1,767,500 options, each of which is exercisable into one Share, of which 17,500 are exercisable at a price of $14.50 per Share until September 10, 2017, 750,000 are exercisable at a price of $0.06 per Share until June 19, 2019 and 1,000,000 are exercisable at a price of $0.14 per Share until July 26, 2021; (c) 2,871,625 warrants, each of which is exercisable into one Share, of which 55,000 are exercisable at a price of $0.375 per Share until November 20, 2015 and at a price of $0.50 per Share between November 21, 2015 and November 21, 2018, 20,000 are exercisable at a price of $0.375 per Share until May 20, 2016 and at a price of $0.50 per Share between May 21, 2016 and May 20, 2019, 685,375 are exercisable at a price of $0.15 per Share until November 23, 2017, 1,062,500 are exercisable at a price of $0.15 per share until March 22, 2018 and 1,048,750 are exercisable at a price of $0.15 per Share until April 29, 2018; (d) 200,000 Shares that may be issuable on conversion of a convertible debenture in the principal amount of $55,000, at a deemed conversion price of $0.275 per Share, until November 21, 2017; and (e) 72,727 Shares that may be issuable on conversion of a convertible debenture in the principal amount of $20,000, at a deemed conversion price of $0.275 per Share, until May 20, 2018, all of which may be exercised or converted within the next 60 days.

(3) Based on 155,646,505 Shares outstanding prior to the completion of the Debt Settlement on December 5, 2016.

(4) Based on 161,408,357 Shares comprised of: (i) 155,646,505 Shares outstanding prior to the completion of the Debt Settlement on December 5, 2016; (ii) 1,767,500 Shares that may be issuable on exercise of stock options of the Company held by Mr. Espig; (iii) 3,721,625 Shares that may be issuable on exercise of warrants of the Company held by Mr. Espig; and (iii) 272,727 Shares that may be issued on conversion of convertible debentures of the Company held by Mr. Espig, all exercisable within 60 days.

(5) Comprised of: (a) 4,069,587 Shares; (b) 1,767,500 options, each of which is exercisable into one Share, of which 17,500 are exercisable at a price of $14.50 per Share until September 10, 2017, 750,000 are exercisable at a price of $0.06 per Share until June 19, 2019 and 1,000,000 are exercisable at a price of $0.14 per Share until July 26, 2021; (c) 3,721,625 warrants, each of which is exercisable into one Share, of which 55,000 are exercisable at a price of $0.375 per Share until November 20, 2015 and at a price of $0.50 per Share between November 21, 2015 and November 21, 2018, 20,000 are exercisable at a

price of $0.375 per Share until May 20, 2016 and at a price of $0.50 per Share between May 21, 2016 and May 20, 2019, 685,375 are exercisable at a price of $0.15 per Share until November 23, 2017, 1,062,500 are exercisable at a price of $0.15 per share until March 22, 2018, 1,048,750 are exercisable at a price of $0.15 per Share until April 29, 2018 and 850,000 are exercisable at a price of $0.18 per Share until August 24, 2019; (d) 200,000 Shares that may be issuable on conversion of a convertible debenture in the principal amount of $55,000, at a deemed conversion price of $0.275 per Share, until November 21, 2017; and (e) 72,727 Shares that may be issuable on conversion of a convertible debenture in the principal amount of $20,000, at a deemed conversion price of $0.275 per Share, until May 20, 2018, all of which may be exercised or converted within the next 60 days.

(6) Based on 159,889,465 Shares outstanding following the completion of the Debt Settlement on December 5, 2016.

(7) Based on 165,651,317 Shares comprised of: (i) 159,889,465 Shares outstanding after the completion of the Debt Settlement on December 5, 2016; (ii) 1,767,500 Shares that may be issuable on exercise of stock options of the Company held by Mr. Espig; (iii) 3,721,625 Shares that may be issuable on exercise of Warrants of the Company held by Mr. Espig; and (iii) 272,727 Shares that may be issuable on conversion of convertible debentures of the Company held by Mr. Espig, all exercisable within 60 days.

(8) Comprised of: (a) 31,499,123 Shares; (b) 5,850,000 warrants, each of which is exercisable into one Share, exercisable at a price of $0.375 per Share until November 20, 2015 and at a price of $0.50 per Share between November 21, 2015 and November 21, 2018; and (c) 21,272,727 Shares that may be issuable on conversion of a convertible debenture in the principal amount of $5,850,000, at a deemed conversion price of $0.275 per Share, until November 21, 2017, all of which may be exercised or converted within the next 60 days.

(9) Based on 182,769,232 Shares comprised of: (i) 155,646,505 Shares outstanding prior to the completion of the Debt Settlement on December 5, 2016; (ii) 5,850,000 Shares that may be issuable on exercise of warrants of the Company held by CCM; and (iii) 21,272,727 Shares that may be issued on conversion of convertible debentures of the Company held by CCM, all exercisable within 60 days.

(10) Comprised of: (a) 35,044,578 Shares; (b) 5,850,000 warrants, each of which is exercisable into one Share, exercisable at a price of $0.375 per Share until November 20, 2015 and at a price of $0.50 per Share between November 21, 2015 and November 21, 2018; and (c) 21,272,727 Shares that may be issuable on conversion of a convertible debenture in the principal amount of $5,850,000, at a deemed conversion price of $0.275 per Share, until November 21, 2017, all of which may be exercised or converted within the next 60 days.

(11) Based on 187,012,192 Shares comprised of: (i) 159,889,465 Shares outstanding after the completion of the Debt Settlement on December 5, 2016; (ii) 5,850,000 Shares that may be issuable on exercise of Warrants of the Company held by CCM; and (iii) 21,272,727 Shares that may be issuable on conversion of convertible debentures of the Company held by CCM, all exercisable within 60 days.

As this material change report is being filed less than 21 days before the transaction, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. The Company closed on the payment of the Interest in Shares in less than 21 days as the payment of Interest is due pursuant to the terms of the Debentures.

5.2 Disclosure for Restructuring Transactions

Not Applicable

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable

Item 7 Omitted Information

None

Item 8 Executive Officer

Peter Espig, President and Chief Executive Officer, 604.647.0142

Item 9 Date of Report

December 5, 2016

TSX.V: NIM
NEWS RELEASE

NICOLA MINING ANNOUNCES DEBT SETTLEMENT

VANCOUVER, B.C., November 23, 2016 – Nicola Mining Inc. (the "**Company**") today announces that it intends to pay all of the interest owing on the secured convertible debentures (the "**Debentures**") issued on November 21, 2014 by the issuance of common shares (each, a "**Share**") of the Company. The Debentures mature on November 21, 2017 and bear interest ("**Interest**") at a rate of 10% per annum, which Interest is payable annually as to 50% in cash and 50% by the issuance of Shares at a price per Share equal to the Market Price (as defined in the Policies of the TSX Venture Exchange (the "**Exchange**")) on the anniversary of the date of issuance of the Debentures, being November 21, 2016.

The Company intends on paying all of the Interest in Shares. Accordingly, the Company intends to issue 4,242,960 Shares at a price of $0.165 per Share in settlement of Interest owing of $700,088.20 (the "**Debt Settlement**").

The Debt Settlement is subject to 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.

On behalf of the Board of Directors

"Peter Espig"
Peter Espig
CEO & Director

For additional information contact:

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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.

Disclaimer for Forward-Looking Information

Certain statements in this press release related to the Debt Settlement 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 settlement of the Interest, resale restrictions relating to the securities to be issued and receipt of the approval of the TSX Venture Exchange. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding the

Company’s ability to complete the Debt Settlement, including the risk that the Debt Settlement may not be completed as expected or at all, that the TSX Venture Exchange may not approve the Debt Settlement and such other factors beyond the control of the Company. Such forward looking statements should therefore 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. 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.

TSX.V: NIM

NICOLA MINING ANNOUNCES ISSUANCE OF SHARES IN SETTLEMENT OF INTEREST OWING ON CONVERTIBLE DEBENTURES

VANCOUVER, B.C. December 5, 2016 – Nicola Mining Inc. (the "**Company**") is pleased to announce that, further to its News Release of November 23, 2016, it has issued 4,242,960 common shares (each, a "**Share**") in settlement of the $700,088.20 interest owing on the secured convertible debentures issued on November 21, 2014 (the "Debt Settlement").

Insiders of the Company were issued an aggregate of 3,578,788 Shares pursuant to the Debt Settlement, which constitutes 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 to be issued to the related parties will not exceed 25% of the Company's market capitalization.

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.

On behalf of the Board of Directors

"Peter Espig"
Peter Espig
CEO & Director

For additional information contact:

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