**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

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