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 14, 2017

Item 3 News Release

The news release dated November 14, 2017 was issued by Nasdaq GlobalNewswire.

Item 4 Summary of Material Change

The Company announced that 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, 2017. The Exchange has conditionally approved an amendment to the conversion price of the Debentures from $0.275 to $0.22 and the amendment to the maturity date of the Debenture from November 21, 2017 to November 21, 2019.

The Company intends on paying all of the Interest in Shares and in order to incentivize the holders of the Debentures to agree to take such Shares in lieu of the cash payment originally contemplated in the Debentures, it has agreed to settle that outstanding interest payment obligation by the issuance of Shares as if the rate of interest was 12% for the third year of the term of the Debentures.

Accordingly, the Company intends to issue 4,941,799 Shares at a price of $0.17 per Share in settlement of Interest owing of $840,10.84 (the "**Debt Settlement**").

Insiders of the Company will be issued an aggregate of 4,450,589 Shares pursuant to the Debt Settlement, which will constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The intended 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 Company will close 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.

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.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material changes are fully described in Item 4 above and in the News Releases attached hereto.

MI 61-101 Requirements

Peter Espig, the President, Chief Executive Officer and a director of the Company, will be issued 38,824 Shares in settlement of $6,600 Interest owing, Concept Capital Management ("**CCM**"), a 20%+ shareholder of the Company, will be issued 4,129,412 Shares in settlement of $702,000 Interest owing and Peter Beck Performance Fonds GBR ("**Peter Beck Performance**"), a company of which Mr. Högel, a director of the Company, is the president and chief executive officer of, will be issued 282,353 Shares in settlement of $48,000 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. Högel'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, Mr. Högel and CCM:

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*	$6,600	38,824	Undiluted: 6,536,962 Diluted: 10,768,439(1)	Undiluted: 3.8%(2) Diluted: 6.2%(3)	Undiluted: 6,575,786 Diluted: 10,807,263(4)	Undiluted: 3.7%(5) Diluted: 6.0%(6)
Frank Högel *Director*	$48,000	282,353	Undiluted: 980,886(7) Diluted: 4,299,067(8)	Undiluted: 0.6%(2) Diluted: 2.5%(9)	Undiluted: 1,263,239(7) Diluted: 4,581,420(10)	Undiluted: 0.7%(5) Diluted: 2.6%(11)
Concept Capital Management(1)	$702,000	4,129,412	Undiluted: 35,044,578 Diluted: 80,875,117(12)	Undiluted: 20.5%(2) Diluted: 37.3%(13)	Undiluted: 39,173,990 Diluted: 85,004,529(14)	Undiluted: 22.3%(5) Diluted: 39.3%(15)

(1) Comprised of: (a) 6,536,962 Shares; (b) 1,000,000 options, each of which is exercisable into one Share at a price of $0.14 per Share until July 26, 2021; (c) 2,908,750 warrants, each of which is exercisable into one Share, of which 20,000 are exercisable at a price of $0.50 per Share until May 20, 2019, 747,500 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, 850,000 are exercisable at a price of $0.18 per Share until August 24, 2019, 187,500 are exercisable at a price of $0.35 per Share until December 14, 2019 and 55,000 are exercisable at a price of $0.275 per Share until November 21, 2019; (d) 250,000 Shares that may be issuable on conversion of a convertible debenture in the principal amount of $55,000, at a deemed conversion price of $0.22 per Share, until November 21, 2019; 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.

(2) Based on 170,720,950 Shares outstanding prior to the Debt Settlement.

(3) Based on 174,952,427 Shares comprised of: (i) 170,720,950 Shares outstanding prior to the Debt Settlement; (ii) 1,000,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Espig; (iii) 2,908,750 Shares that

may be issuable on exercise of Warrants of the Company held by Mr. Espig; and (iii) 322,727 Shares that may be issuable on conversion of convertible debentures of the Company held by Mr. Espig, all exercisable within 60 days.

(4) Comprised of: (a) 6,575,786 Shares; (b) 1,000,000 options, each of which is exercisable into one Share at a price of $0.14 per Share until July 26, 2021; (c) 2,908,750 warrants, each of which is exercisable into one Share, of which 20,000 are exercisable at a price of $0.50 per Share until May 20, 2019, 747,500 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, 850,000 are exercisable at a price of $0.18 per Share until August 24, 2019, 187,500 are exercisable at a price of $0.35 per Share until December 14, 2019 and 55,000 are exercisable at a price of $0.275 per Share until November 21, 2019; (d) 250,000 Shares that may be issuable on conversion of a convertible debenture in the principal amount of $55,000, at a deemed conversion price of $0.22 per Share, until November 21, 2019; 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.

(5) Based on 175,662,749 Shares outstanding after the Debt Settlement.

(6) Based on 179,894,226 Shares comprised of: (i) 175,662,749 Shares outstanding after the Debt Settlement; (ii) 1,000,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Espig; (iii) 2,908,750 Shares that may be issuable on exercise of Warrants of the Company held by Mr. Espig; and (iii) 322,727 Shares that may be issuable on conversion of convertible debentures of the Company held by Mr. Espig, all exercisable within 60 days.

(7) Comprised of 980,886 Shares held by Peter Beck Performance.

(8) Comprised of: (a) 980,886 Shares held by Peter Beck Performance, (ii) 1,100,000 options held directly, each of which is exercisable into one Share, of which 350,000 are exercisable at a price of $0.11 per Share until June 5, 2020, 400,000 are exercisable at a price of $0.17 per Share until December 13, 2021 and 350,000 are exercisable at a price of $0.11 per Share until June 15, 2020; (iii) 400,000 warrants held by Peter Beck Performance, each of which is exercisable into one Share, exercisable at a price of $0.275 per Share until November 21, 2019; and (iii) 1,818,181 Shares that may beissuable on conversion of a convertible debenture in the principal amount of $400,000 held by Peter Beck Performance, at a deemed conversion price of $0.22 per Share, until November 21, 2019, all exercisable within 60 days.

(9) Based on 174,039,131 Shares comprised of: (i) 170,720,950 Shares outstanding prior to the Debt Settlement; (ii) 1,100,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Högel; (iii) 400,000 Shares that may be issuable on exercise of warrants of the Company held by Peter Beck Performance; and (iii) 1,818,181 Shares that may be issued on conversion of convertible debentures of the Company held by Peter Beck Performance, all exercisable within 60 days.

(10) Comprised of: (a) 1,263,239 Shares held by Peter Beck Performance, (ii) 1,100,000 options held directly, each of which is exercisable into one Share, of which 350,000 are exercisable at a price of $0.11 per Share until June 5, 2020, 400,000 are exercisable at a price of $0.17 per Share until December 13, 2021 and 350,000 are exercisable at a price of $0.11 per Share until June 15, 2020; (iii) 400,000 warrants held by Peter Beck Performance, each of which is exercisable into one Share, exercisable at a price of $0.275 per Share until November 21, 2019; and (iii) 1,818,181 Shares that may beissuable on conversion of a convertible debenture in the principal amount of $400,000 held by Peter Beck Performance, at a deemed conversion price of $0.22 per Share, until November 21, 2019, all exercisable within 60 days.

(11) Based on 178,980,930 Shares comprised of: (i) 175,662,749 Shares outstanding after the Debt Settlement; (ii) 1,100,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Högel; (iii) 400,000 Shares that may be issuable on exercise of warrants of the Company held by Peter Beck Performance; and (iii) 1,818,181 Shares that may be issued on conversion of convertible debentures of the Company held by Peter Beck Performance, all exercisable within 60 days.

(12) Comprised of: (a) 35,044,578 Shares; (b) 19,239,630 warrants, each of which is exercisable into one Share, of which 5,850,000 warrants are exercisable at a price of $0.50 per Share until November 21, 2018 and 13,389,620 warrants are exercisable at a price of $0.15 per Share until November 23, 2017; 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.

(13) Based on 216,551,489 Shares comprised of: (i) 170,720,950 Shares outstanding prior to the Debt Settlement; (ii) 19,239,630 Shares that may be issuable on exercise of warrants of the Company; and (iii) 26,590,909 Shares that may be issued on conversion of convertible debentures of the Company, all exercisable within 60 days.

(14) Comprised of: (a) 35,044,578 Shares; (b) 19,239,630 warrants, each of which is exercisable into one Share, of which 5,850,000 warrants are exercisable at a price of $0.275 per Share until November 21, 2019 and 13,389,620 warrants are exercisable at a price of $0.15 per Share until November 23, 2017; and (c) 26,590,909 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 $0.22 per Share, until November 21, 2019, all of which may be exercised or converted within the next 60 days.

(15) Based on 221,493,288 Shares comprised of: (i) 175,662,749 Shares outstanding after the Debt Settlement; (ii) 19,239,630 Shares that may be issuable on exercise of warrants of the Company; and (iii) 26,590,909 Shares that may be issued on conversion of convertible debentures of the Company, 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 will close 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

November 16, 2017

TSX.V: NIM

NICOLA MINING ANNOUNCES DEBT SETTLEMENT

VANCOUVER, B.C., November 14, 2017 – 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, 2017. The Exchange has conditionally approved an amendment to the conversion price of the Debentures from $0.275 to $0.22 and the amendment to the maturity date of the Debenture from November 21, 2017 to November 21, 2019.

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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.