

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**

April 2, 2018

**Item 3 News Release**

The news release dated April 2, 2018 was issued by Lombardi Publishing Corporation and Stockwatch.

**Item 4 Summary of Material Change**

On April 2, 2018, the Company announced the results of its latest drill hole, as well as a summary of results on its 2017-2018 Winter Drilling Program (the “Program”). The Program focused on extending and defining boundaries on the Craigmont West Zone, previously referred to as the Embayment Zone at the Company’s 100%-owned New Craigmont Project, British Columbia. The name was changed from “Embayment” to “Craigmont West” to denote the westward extension of the mineralized skarn zone mined in the historic Craigmont open pit and underground mine.

The program was designed to target the full width and western extent of a segment of copper-iron-skarn mineralization believed to be the continuation of the mineralized zone extending west from the historic Craigmont Mine. The initial drilling results at Embayment were reported in news releases dated February 28, 2018, January 12, 2018 and December 21, 2017. The Company has since received all results from the remaining drilling to date.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

The material change is fully described in the News Release attached hereto.

*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**

April 4, 2018



TSX.V: NIM

NEWS RELEASE

## **Nicola Mining Drills 100.6 Metres of 1.33% Copper and Reports on the Winter Drilling Program at the New Craigmont Project, British Columbia.**

**April 2, 2018, Vancouver, BC.:** Nicola Mining Inc. (TSX.V: NIM), (the “**Company**” or “**Nicola**”) is pleased to provide the results of their latest drill hole, as well as a summary of results on its 2017-2018 Winter Drilling Program (the “**Program**”). The Program focused on extending and defining boundaries on the Craigmont West Zone, previously referred to as the Embayment Zone at the Company’s 100%-owned New Craigmont Project, British Columbia. The name was changed from “Embayment” to “Craigmont West” to denote the westward extension of the mineralized skarn zone mined in the historic Craigmont open pit and underground mine.

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### **Hole NC-2018-03 Highlights**

- Hole NC-2018-03 intersected the following:
  - **100.6 metres at 1.33% Cu including:**
    - **40.2m at 2.52% Cu**
    - **And 15.0m grading 5.18% Cu**

The results have improved the geological understanding of the area and continue to establish the width and continuity of the Craigmont West Zone.

### **Previous Craigmont West Zone Exploration Highlights include:**

- **\*71.4 metres at 0.6% Cu from hole NC-2018-01 (Released Feb. 28, 2018) including:**
  - 16m at 1.4% Cu
- **\*32 metres at 0.3% Cu from NC-2017-01 (Released Dec. 21, 2017) including:**
  - 10m at 0.6% Cu
- **\*85.6 metres at 1.1% Cu from DDH-THU-002 (Released Sept. 7, 2016) including:**
  - 13.8m at 2.71% Cu

\* indicates results released previously



*Peter Espig, CEO commented, "Results from the initial stages of drilling at Craigmont West have been very encouraging and more drilling is clearly necessary for advancing the project toward establishing a resource and exploring west along strike and at depth. This drilling has intersected grades and widths comparable to mineralized zones mined at the historical Craigmont Mine." Frank Hogel, Chairman commented, "It is becoming increasingly clear that this is a very special project and we look forward to providing an explanation on the ongoing exploration program in a subsequent news release."*

## **Exploration Summary**

From September 2017 to February 2018, a total of 8 diamond drill holes were drilled at Craigmont West, totaling 4436.13 metres (Figure 1). The drill holes were planned as a follow-up to the drilling program Nicola executed in 2016 which intercepted 85.92 metres of 1.11% Cu in hole DDH-THU-002. Although the intersection in DDH-THU-002 was significant in grade and width, the mineralized zone in this hole was cut-off by the Embayment fault and the true-width potential of the zone could not be evaluated. The objectives of the 2017-2018 exploration program were to:

- Successfully intersect and define the full width of the mineralized skarn zone, particularly between historic holes S-100 and DDH-THU-002:
- Test the continuity of the zone to the west and at depth: and
- Gain further understanding of the lithologic sequence and its control on mineralization.

Out of the 8 holes drilled, 6 successfully intersected skarn mineralization within an approximately 200-metre long segment of the Craigmont West zone (Table 1), and the final hole NC-2018-03 intersected the entire width of the zone from 292.7 to 393.3 metres downhole.

The Embayment Fault cuts mineralization where it was exposed in underground development and displaced the mineralized zone on the west side of the fault to the north by approximately 300 metres. While the underground mine was active, underground development was extended to within 150 metres of the Craigmont West Zone before low copper prices forced the mine to close in 1988 and exploration ceased. Exploration of the Craigmont West Zone, which remains open along strike and at depth has been the focus of the drilling programs executed by the Company in 2016 and 2017-2018.

Integration of the recent drilling results with historical data is on-going by Nicola's geological team. Once complete, a follow-up drill program will be designed to expand the mineralization zone encountered in the current drill program and test other targets identified within the Craigmont West Zone.



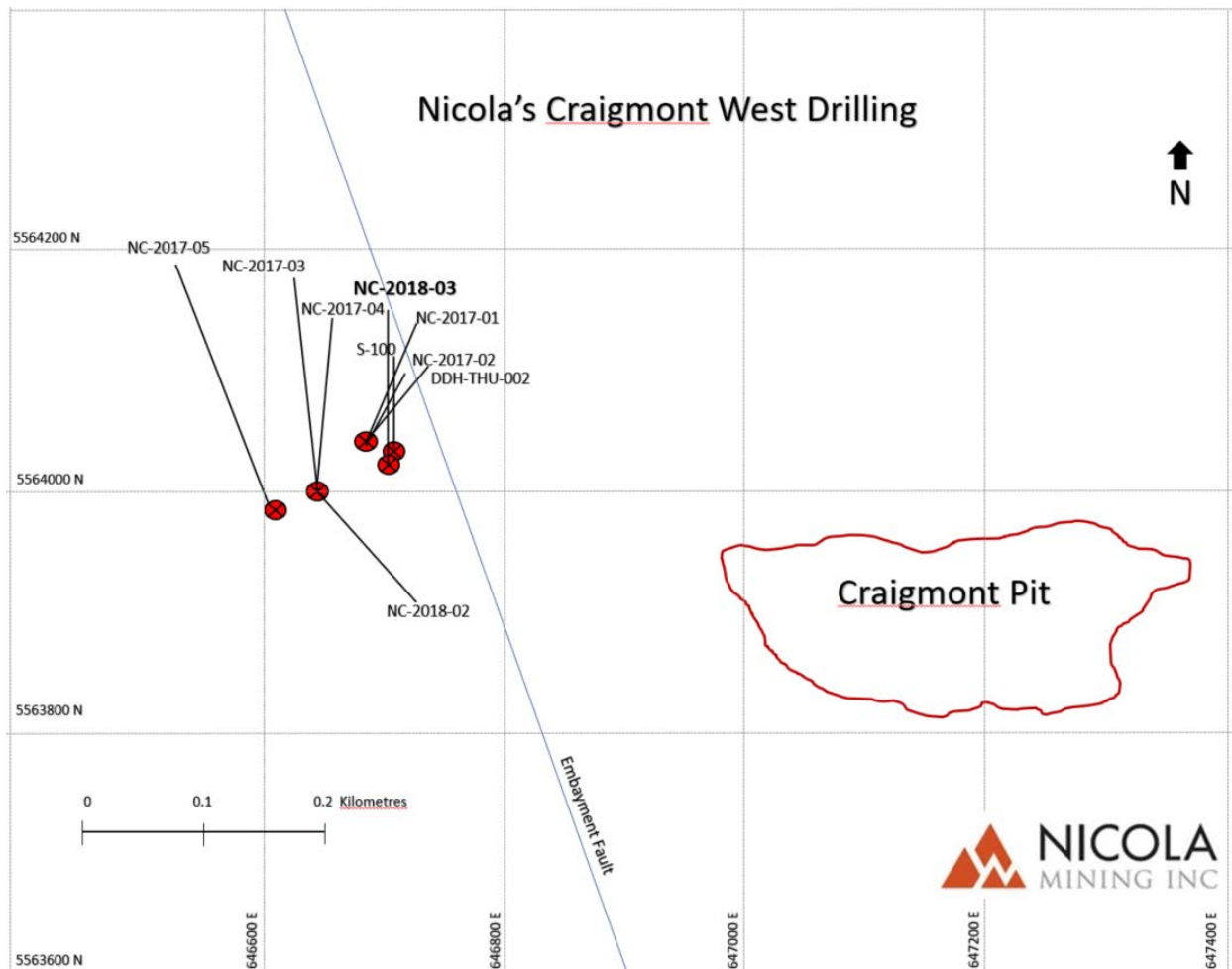
Table 1. Assay Results for Craigmont West Drilling (reported widths are based on a vertically dipping zone; however, data is insufficient at this time to reliably determine the orientation of the mineralized zone).

Hole ID	Azimuth	Dip	From (m)	To (m)	Interval (m)	Estimated Vertical Depth from Surface (m)	**Estimated True Width (m)	Cu (%)
NC-2017-01	30	-70	252.0	261.0	9.0	236.9 - 245.3	3.1	0.3
			464.0	468.0	4.0	436.2 - 439.9	1.4	1.1
NC-2017-02	50	-55	300.5	301.9	1.5	246.4 - 247.6	0.8	0.7
NC-2017-03 <i>incl.</i>	10	-55	444.0	463.0	19.0	364.1 - 379.7	10.8	0.3
			<b>460.0</b>	<b>463.0</b>	<b>3.0</b>	<b>377.2 - 379.7</b>	<b>1.7</b>	<b>0.8</b>
			508.0	526.0	18.0	416.6 - 431.2	10.3	0.4
			550.0	554.0	4.0	451.0 - 454.3	2.3	0.8
			568.0	574.0	6.0	465.8 - 470.7	3.4	0.8
NC-2017-04 <i>incl.</i>	0	-55	438.0	470.0	32.0	359.2 - 385.4	18.2	0.3
			<b>442.0</b>	<b>452.0</b>	<b>10.0</b>	<b>362.4 - 370.6</b>	<b>5.7</b>	<b>0.6</b>
			540.0	550.0	10.0	442.8 - 451.0	5.7	0.6
NC-2017-05	<i>No Significant Intercept</i>							
NC-2018-01 <i>incl.</i>	30	-57	316.3	387.6	71.4	265.4 - 325.6	38.7	0.6
			341.0	357.0	16.0	286.4 - 299.9	8.6	1.3
NC-2018-02	<i>No Significant Intercept</i>							
NC-2018-03	357	-59	<b>292.7</b>	<b>393.3</b>	<b>100.6</b>	<b>254.7 - 342.2</b>	<b>50.3</b>	<b>1.33</b>
			294.8	335	40.2	256.5 - 291.5	20.1	2.52
			294.8	309.8	15	256.5 - 269.5	7.5	5.18

\*\* Assumes the Craigmont West zone is vertical



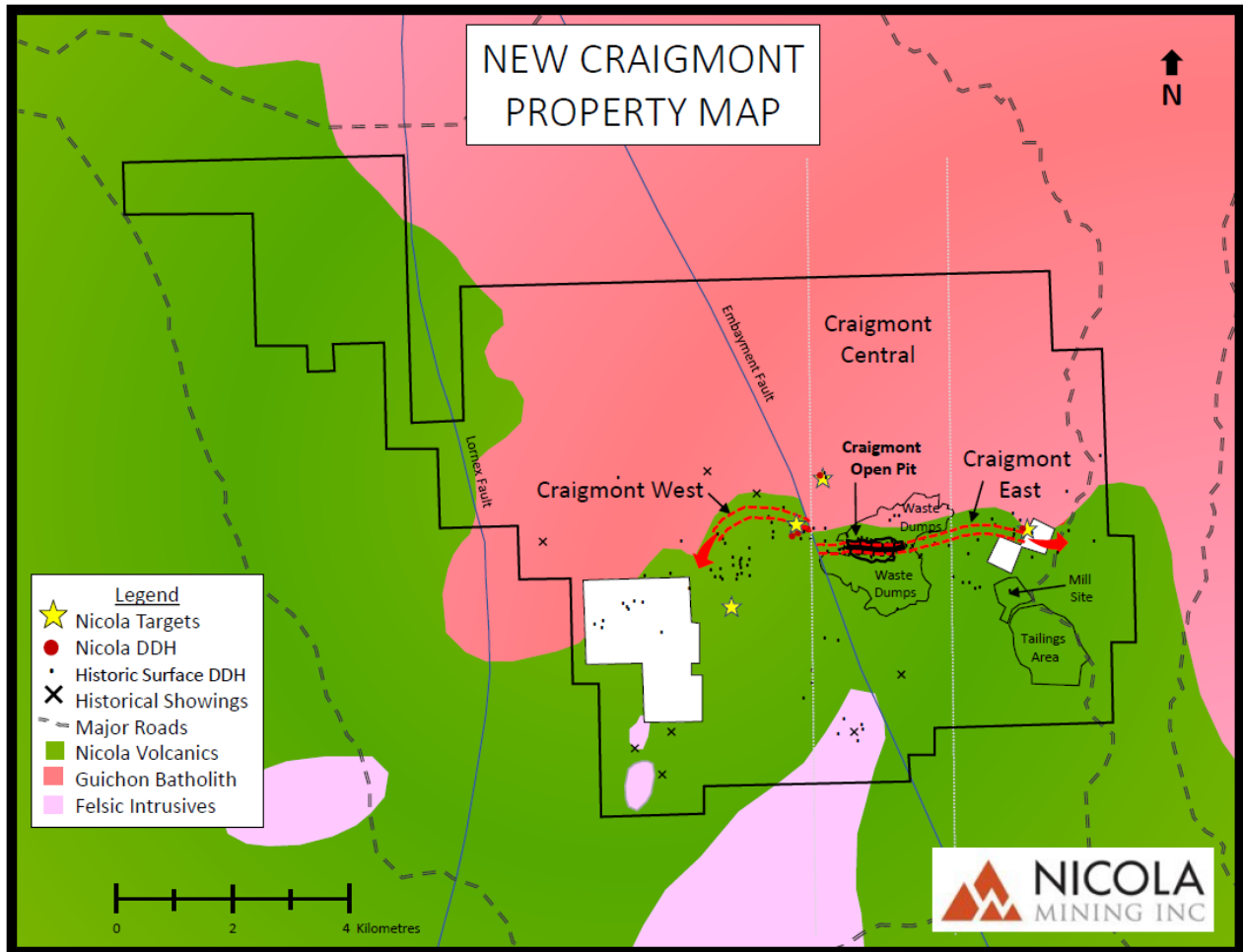
Figure 1. Location map of Nicola's Craigmont West drilling.



### The Craigmont Skarn Zone: East, Central and West

Since beginning drilling in 2016, Nicola has successfully traced the Craigmont Skarn Zone for approximately 1km west and 2km east of the Craigmont Pit (Figure 2). It is now believed that this east-west corridor is one continuous mineralized system. Therefore, Nicola has decided to change the naming convention to Craigmont East, Central and West. The Company believes the revised names are more appropriate for identifying segments along the continuous skarn alteration and mineralization zone rather than referring to seemingly isolated entities. Craigmont West extends from NC-2017-04 east to the Embayment Fault. Within Craigmont West lies the former “Embayment Zone”. Craigmont Central is defined to the west by the Embayment fault and to the east by the eastern extent of the Craigmont waste dumps. It encompasses the historic open pit and the majority of historic underground mine workings. Craigmont East extends eastward from the limit of the Waste Dumps to the Eric showing.

Figure 2. Location and geology of the New Craigmont Property identifying Craigmont East, Central and West.



### Scientific and Technical Information

All information of a scientific or technical nature contained in this document, including sampling, analytical and test data has been reviewed and approved by Kevin Wells, P. Geo., a consulting Geologist to the Company. Mr. Wells is a Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

### Sample Preparation, Analysis and Quality Assurance/Quality Control

Nicola Mining applies a thorough quality assurance/quality control program at the New Craigmont Project compliant with industry best practices. A qualified geoscientist has logged and sampled all core and samples have been delimited according to lithologic, alteration and mineralization characteristics. This includes systematic insertion of blank, duplicate, and certified reference materials into the sample batches by Nicola’s geological staff. Core is then



halved, where the sample is placed in a labelled sample bag with sample tag and the other half of the core is retained on site as a physical record. Samples are placed in sealed bags and transported to Actlabs (ISO 17025 Certified) in Kamloops, British Columbia for analysis, following a Chain of Custody. Samples are crushed up to 80% passing 2mm, rifle split (250 g) and pulverized to 95% passing 105 µm. Samples are analyzed using Fire Assay (1A2) and Aqua Regia-ICP-OES 38-element (1E3) packages. All samples greater than 10,000 ppm Copper are tested using over-limit mass spectrometry methods (8-AR). All results included in this release have passed the QA/QC procedures as described above and have been reviewed by Kevin Wells, P.Geo. There are no known factors that could materially affect the reliability of data collected and verified. No quality assurance/quality control issues have been identified to date.

### About Nicola Mining

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 producers. The fully-permitted mill can process both gold and silver mill feed via gravity and flotation processes. The Company also owns 100% of Treasure Mountain, its high-grade silver property, and an active gravel pit that is located adjacent to its milling operations.

On behalf of the Board of Directors

*"Peter Espig"*

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Peter Espig  
CEO & Director

#### For additional information

Contact: Peter Espig  
Phone: (778) 385-1213  
Email: [info@nicolamining.com](mailto:info@nicolamining.com)

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