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

June 15, 2021

Item 3 News Release

The news release dated June 15, 2021 was issued by Stockwatch and Market News on June 15, 2021.

Item 4 Summary of Material Change

On June 15, 2021, the Company announced that, after having completed satisfactory due diligence, it is proceeding with the acquisition of 50% of the Dominion Creek Property (the "**Gold Project**"), which is located 43 kilometers northeast of the Town of Wells and about 110 kilometers east-southeast of Prince George, pursuant to the Mineral Purchase Agreement it entered into with High Range Exploration Ltd. ("**High Range**"). The Company announced on September 17, 2020, that it had signed a Strategic Milling and Profit Share Agreement ("**Profit Share Agreement**") with High Range and on September 23, 2020, that it had entered into a Letter of Intent ("**LOI**") to acquire a 50% interest in the Gold Project.

The Company has completed the initial required payment of $225,000, which is to be allocated towards the acquisition of 50% of the Dominion Creek Property ($150,000) and to commence work on a 10,000 tonne bulk sample permit application ($75,000). The Company received the required funds by requesting a non-dilutive Prepayment[1] of US$250,000, which was subsequently received on April 27, 2021. The Company announced that it had signed a purchase contract for gold and silver concentrate with Ocean Partners UK Limited[2], a company that provides global trading services to miners, smelters, and refiners, on April 30, 2021.

The Company and High Range intend to obtain a permit for the Gold Project for a 10,000 tonne bulk sample. In addition to the Gold Project, the Company also announces that it is in final stages of its mill preparation to commence production of gold and silver concentrate with Blue Lagoon Resources[3].

The Dominion Creek Property is a high-grade gold system in which the vein outcrops at surface. On September 23, 2020, the Company announced that it had assayed 23 select samples[4] taken from material

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[1] Prepayment is a revolving US$500,000 prepayment provision that allows the Company to request an advance prepayment of its production for the purpose of working capital.

[2] Ocean Partners UK Limited operates in a number of countries, including Canada, Chile, China, Cyprus, Mexico, Mongolia, Netherlands, Peru, Taiwan, Turkey, United Kingdom, and the United States, and retains agency representation in Argentina, Australia, Bolivia, Brazil, Chile, Ecuador, India, Japan, South Africa, South Korea. The Company maintains a strong global network of relationships and contacts in the base metal mining and smelting sector.

[3] The Company announced in its May 5, 2021 news release that on April 1, 2021, Blue Lagoon Inc. sent to the Company the first truck of gold and silver mill feed from its Dome Mountain Gold-Silver Mine.

[4] Select samples may not be indicative of Number 16 Vein and the Pit Vein zones grades.

extracted from the Number 16 Vein and the Pit Vein zones and sent them to ALS Metallurgy Laboratory[5] ("**ALS Lab**") located in Kamloops, BC. Sample highlights included the following:

- **Sample 204467: 81.7 g/t Au and 136.0 g/t Ag**
- **Sample 204473: 105.0 g/t Au and 156.0 g/t Ag**
- **Sample 204474: 149.0 g/t Au and 270.0 g/t Ag**
- **Sample 204481: 125.0 g/t Au and 256.0 g/t Ag**
- **Sample 204484: 106.0 g/t Au and 164.0 g/t Ag**

The average grade from this sampling is 61.3 g/t Au and 173.7 g/t Ag (see Table 1).

Table 1: Gold and Silver Grades from Select Samples Taken from the 16 Vein and Pit Vein

Sample Number	Au g / t	Ag g / t	Sample Number	Au g / t	Ag g / t
204465	27.0	178	**204476**	68.1	246
204466	38.0	386	**204477**	37.6	130
204467	81.7	136	**204478**	45.6	118
204468	37.4	150	**204479**	71.4	134
205569	24.0	68	**204480**	57.1	138
204470	50.5	164	**204481**	125.0	256
204471	17.8	124	**204482**	45.7	84
204472	63.3	248	**204483**	37.7	178
204473	105.0	156	**204484**	106.0	164
204474	149.0	270	**204485**	51.7	238
204475	78.2	170	**204486**	66.4	132
			204487	25.4	126

Subsequent to assaying the 23 samples taken from the Number 16 Vein and the Pit Vein material, the Company took four chip samples across mineralization exposed in a historical trench comprising vein material and adjacent rock, and one grab sample representative of vein material from both exposed veins. The results, which were in a news release dated October 26, 2020, are shown in Table 2, below:

Table 2: Chip Sample and Representative Vein Grab Sample Results.

Sample	KG	Assay Percentage		Assay g / t	
		Pb	Zn	Ag	Au
Surface Chip (no tag)	2.4	22.1	16.2	209.0	56.2
A00204491	1.3	12.7	8.6	176.0	34.9
A00204490	0.95	0.2	0.1	4.0	0.27
A00204489	1.3	2.7	2.7	46.0	13.2
A00204488	0.96	0.3	0.1	5.0	1.55

DOMINION CREEK PROPERTY HISTORY

The Dominion Creek Property consists of 8 contiguous mineral claims (55 units) totaling approximately 1,040 hectares. A 1,180 tonne bulk sample from the South Zone was excavated in 1992 and limited drilling has occurred. The site was owned by Noranda Exploration Company Ltd., who initially

[5] ALS is the global leader in metallurgical testing and offers mineral processing testing by both bench scale and pilot scale facilities, hydrometallurgical and mineralogical test services, and project management by expert metallurgists.

completed a small (20 sample) geochemical silt survey in 1986 and was encouraged by those results to complete a larger geochemical soil sampling campaign (3,399 samples). There are two mineralized areas that include a small bulk sample pit and a mineralized outcrop containing multiple distinctive veins.

Eighty tonnes of concentrate was shipped and processed at the Cominco smelter in Trail in 1992. The mill head grade determined for the bulk sample was 14.1 g/t Au and the average gold recovery was 93%[6]. Little material sorting was conducted at the time but visual separation of mineralized rock on site prior to transport is viable. This sorting is expected to increase grade and minimize transportation cost. Noranda Exploration Company Ltd.'s exploration program included 53 diamond drill holes, totaling 3,483.7 meters. Drilling in the South Zone covered an area of approximately 300 meters by 200 meters. Limited drilling in the North Zone covered two small areas (approximately 50 meters by 60 meters) 300 meters apart. The drill targets were selected using the geochemical sample data and outcrop sampling from trenches and drill access roads.

A Technical Report on the Dominion Creek Project[7] was completed by Geospectrum Engineering on August 22, 2003.

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 Release which has been filed on SEDAR.

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, 778.385.1213

Item 9 Date of Report

June 24, 2021

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[6] Makepiece, D.A. (2003): Technical Report for Dominion Creek Project. Unpublished. Prepared for XMP Mining Limited. p. 41 p

[7] Dominion Creek Project: Cariboo Mining Division of British Columbia for XMP Mining Limited and written by David K. Makepeace, M.Eng., P.Eng. of Geospectrum Engineering.