**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**

May 18, 2022 and May 20, 2022

**Item 3 News Release**

The news release dated May 18, 2022 was issued by Market News and Stockwatch on May 18, 2022 and the news release dated May 20, 2022 was issued by Market News and Stockwatch on May 20, 2022.

**Item 4 Summary of Material Change**

On May 18, 2022, the Company announced that it intends to pay all of the interest owing on the outstanding secured convertible debentures (the "**Debentures**") that were issued on May 20, 2020 by the issuance of common shares (each, a "**Share**") of the Company. The Debentures mature on May 20, 2023 and bear interest ("**Interest**") at a rate of 10% per annum, which Interest is payable under the terms of the Debentures annually, at the option of the Company, in cash or by the issuance of Shares.

The Company intends on paying all of the Interest in Shares to holders of the Debentures to settle the outstanding interest payment obligation for the second year of the term of the Debentures.

Accordingly, the Company intends to issue 270,587 Shares at a price of $0.085 per Share in settlement of Interest owing of $23,000 (the "**Debt Settlement**").

The Debt Settlement is subject to TSX Venture Exchange (the "**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 May 20, 2022, the Company announced that it received approval from the Exchange for the issuance of 270,587 Shares, which Shares were issued on May 20, 2022. The Shares are 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 filed on SEDAR at www.sedar.com.

*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**

May 20, 2022