

Nicola Mining – Five Year Mine Life Extension at New Craigmont

Rating
BUY
Unchanged

Target Price
\$1.50
Prev. \$1.10

September 17, 2025

Disseminated on behalf of Nicola Mining

All figures in CAD unless otherwise stated

Nicola Mining Inc.	NIM:TSXV
Rating	BUY
Target Price	\$1.50
Return to Target	38%

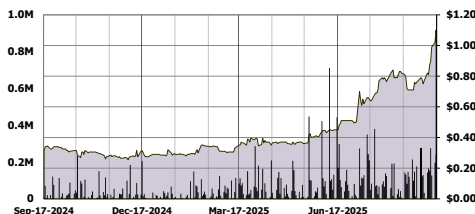
Market Data

Share Price	\$1.09
Average Daily Volume (K)	169.9
FD ITM Shares (M)	184.3
Market Cap (\$M)	\$200.9
Cash (\$M)	\$5.1
Debt (\$M)	\$4.1
Enterprise Value (\$M)	\$199.9

Valuation

New Craigmont Project (\$M)	\$95.0
Merritt Mill & Tailings Facility (\$M)	\$154.4
Treasure Mountain Silver Mine (\$M)	\$8.5
Dominion Creek (75% Interest) (\$M)	\$13.8

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



Nicola Mining Inc. is a junior mining company that maintains a 100% owned mill and tailings facility, located near Merritt, British Columbia and has signed Mining and Milling Profit Share Agreements with high grade gold projects. Nicola's fully permitted mill can process both gold and silver mill feed via gravity and flotation processes.

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What you need to know:

- Nicola received six five-year mining lease extensions for its ~10,800ha New Craigmont Property. This significantly de-risks the project if exploration is successful in discovering a copper porphyry system.
- New Craigmont is a key asset for NIM, combining historic high-grade copper production and ongoing copper porphyry exploration.
- August gold concentrate shipments generated US\$2.3M in sales, while the accelerated warrant exercise added ~\$800K in proceeds.

This morning, Nicola Mining Corp. (NIM:TSXV, HUSIF:OTC) announced that it received six five-year mining lease extensions from the Ministry of Mining and Critical Minerals, covering its wholly-owned New Craigmont property, which sits adjacent to Teck Resources' Highland Valley Copper mine. We view the lease extensions as an important step in de-risking the pathway from exploration to potential development at New Craigmont. In addition, the Company recently announced it began shipping gold concentrate under its agreement with Talisker Resources (TSK:TSX), generating US\$2.3M in August sales, and completed the accelerated exercise of warrants, raising ~\$800K in proceeds. **We are maintaining our BUY rating and increasing our target price to \$1.50/share (previously \$1.10/share) on Nicola Mining.**

Nicola highlighted that the lease extensions strengthen its 10,800ha New Craigmont project, which is home to Canada's highest-grade historic copper mine. This year, the Company has advanced exploration toward a potential porphyry system, launching a 4,000-5,000m drill campaign at the property in June (click [here](#) for our note on this), and will continue working on environmental, consultation, and permitting efforts to support future development.

Shipping of Gold Concentrate

On September 8th, NIM announced that it has begun shipping gold concentrate under a mining, milling, and smelting agreement with Talisker (Figures 1 & 2). In August alone, this partnership sold 707 ounces of gold, amounting to ~US\$2.3M in proceeds. Production benefited from extensive upgrades, including automation to improve flotation recovery and the installation of a large concentrator to optimize free gold recovery from Talisker and Nicola's Dominion Gold Project.

Accelerated Warrant Exercise

Nicola has completed the accelerated exercise of all outstanding share purchase warrants from its February 2025 financings, generating \$807,791 in gross proceeds through the issuance of 2,019,047 common shares at \$0.40 each. The acceleration was triggered in July and gave holders 30 days to act before expiry in August.

Our Take

Today's announcement is another reminder of the many positive initiatives that Nicola has been working on. New Craigmont is NIM's cornerstone exploration project, which holds the most upside for the Company. If exploration is successful in discovering a large copper porphyry system, it would be a game changer as the asset, with mining leases in place, is massively de-risked to production. Meanwhile, Nicola should be heavily cash-flowing from the Merritt Mill, which can fund further exploration at New Craigmont without dilution to shareholders.

Catalysts

- New Craigmont 2025 Exploration Program – Ongoing
- Merritt Mill Production and New Partnerships – Ongoing
- Merritt Mill throughput Permit Amendment – Ongoing



Figure 1: Pre-Processed Ore and Bagged Flotation Concentrate
(Source: Company Documents)



Figure 2: Bagged Gravity Concentrate & Gravity Concentrate Close Up
(Source: Company Documents)

Valuation

NIM has performed exceptionally well over the last year, being up 261% since we initiated coverage on October 24th (read [here](#)). Given the strong developments at New Craigmont, we are increasing our valuation of the project to \$95.0M or \$0.51/share, representing a 66% premium to the valuation placed on the asset by Nittetsu in 2023. Furthermore, we are increasing our assumed gold price from US\$3,000/oz to US\$3,300/oz and silver price from US\$30/oz to US\$33/oz. This moves up our valuation of the Merritt Mill to \$154.2M or \$0.83/share as seen below. Our valuation of the Treasure Mountain Silver Mine and Dominion Creek remain unchanged, resulting in our new \$1.50/share target price (previously \$1.10/share).

	Amount (C\$)	Per Share (C\$/share)
Mining Assets		
New Craigmont Copper Project	95.0	0.52
Merritt Mill & Tailings Facility	154.4	0.84
Treasure Mountain Silver Mine	8.5	0.05
Dominion Creek (75% Interest)	13.8	0.07
Enterprise Value	257.9	1.47
Corporate Adjustments		
(+) Cash	5.1	0.03
(-) Debt	4.1	0.02
Equity Value	258.8	1.48
Target Price (Rounded)		\$1.50
Upside		38%

Figure 3: Valuation Summary

Why We Like NIM

- The New Craigmont Copper Project has all the signs of a legitimate copper asset, and the historical high-grade copper mine only increases our confidence in the Company discovering a sizeable resource.
- Nicola's Merritt Mill and Tailings facility is being utilized for profit-sharing agreements, where it processes ore for its partners in the region. This business is just beginning to ramp up, and we expect new partnerships and cash flows to start rolling in.
- NIM's Mill and the Sand/Gravel Pit and Rock Quarry businesses provide non-dilutive cash flow to fund exploration of its core assets. Additionally, the Pit and Quarry are operated by local aboriginal communities, strengthening its relationships with key stakeholders.
- The Treasure Mountain Mine hosts a silver, lead, and zinc resource and is fully permitted for mineral extraction, making it a highly attractive asset for partnerships with other miners.

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BUY: The stock is expected to generate returns of over 20% over the next 24 months.

HOLD: The stock is expected to generate returns of 0-20% over the next 24 months.

SELL: The stock is expected to generate negative returns over the next 24 months.

NOT RATED (N/R): Atrium does not provide research coverage on the respective company.

RATING	COVERED COMPANIES
BUY	29
HOLD	0
SELL	0

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