



Nippon's 'Dragons' get a positive independent report on its performance and low energy consumption

Brossard, Quebec, January 6th, 2017 Nippon Dragon Resources Inc. (the "Company" or "Nippon") (TSX-V Symbol: NIP) is pleased to announce that it has obtained an independent report following a test on a mine site located in the Abitibi region of Quebec, Canada last September. The report, carried out by the firm Technologies and Services OXX, an energy efficiency company very active in the mining sector. The primary objective was to demonstrate that the thermal fragmentation mining method could replace other mining methods currently employed for drop raising in a safe, economical and energy efficient manner. The report is available on the Nippon website at http://www.nippondragon.com/images/2016_December_13_Report_final.pdf.

"This finding in the report has enabled us to precisely measure that our system is much less energy intensive than we had estimated and therefore allows our mining method to be even more competitive," said Donald Brisebois, President and CEO of Nippon.

Nippon plans to produce a similar performance report in 2017 using its new mini-burner (see press release issued on October 19th, 2016). We anticipate that this will allow for greater savings in energy and time due to the reduced diameter in drilling of the pilot holes required with our mining method of only 115 mm in diameter.

About Nippon

Nippon is active in the exploration and the development of gold resources in Quebec. The Corporation holds a gold property with resources recognised in accordance with NI43-101, a modular treatment plant and also an exclusive license for the Thermal Fragmentation mining method.

The company's growth strategy is based on:

- *The development of its gold deposits with the objective of producing revenue from its operations;*
- *Increasing the value of its mining assets by prioritizing the exploration targets; and*
- *The commercialisation and employment of its thermal fragmentation technology.*

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