

Brossard (Quebec) / TheNewswire / May 27, 2016 - Nippon Dragon Resources Inc. (the "Corporation" or "Nippon") (TSX-V Symbol: NIP) is pleased to announce that it entered into the final shares for debt settlement agreement dated May 5, 2016 (the "Shares for Debt Settlement Agreement") with certain flow-through subscribers (the "Plaintiffs") pursuant to the proposed shares for debt settlement previously announced on February 19, 2016 and April 6, 2016 and approved at the annual meeting of shareholders held on March 17, 2016 (the "Shares for Debt Settlement").

Pursuant to the Shares for Debt Settlement Agreement, the Corporation issued 11,356,008 common shares of the share capital of the Corporation (the "Debt Shares") at a price of \$0.07 per Debt Share, for an amount of \$794,920.50 (the "Settlement Amount"), as final settlement of the proceedings instituted by the Plaintiffs (the "Proceedings"), without any admission of liability whatsoever.

The Debt Shares are issued to each of the Plaintiffs, registered in their name, and held in trust by an escrow agent on behalf of the Plaintiffs. Debt Shares will be subject to a four-month hold period expiring on September 28, 2016.

By issuing the Debt Shares, the Settlement Amount is definitely extinguished. Each of the Plaintiffs gave a global, final and definitive release to the Corporation regarding the Proceedings pursuant to the terms of the Shares for Debt Settlement Agreement.

The Shares for Debt Settlement was carried out pursuant to prospectus exemptions of applicable securities laws. The TSX Venture Exchange has already accepted for filing the Shares for Debt Settlement. As a result of the Shares for Debt Settlement, 116,108,794 common shares of Nippon are issued and outstanding.

Nippon is active in the exploration and the development of gold resources in Quebec. The Corporation holds a gold property with resources recognized 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.

For additional information:

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This press release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address future exploration drilling, exploration and production activities and events or developments that the Corporation expects, are forward looking statements. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions.

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