

Brossard, Quebec / TheNewswire / September 6th, 2016 - [Nippon Dragon Resources Inc.](#) (the "Company" or "Nippon") (TSX-V Symbol: NIP), is pleased to announce that it has entered into a gold production agreement with Au Consolidated inc. (AC), an Arizona Company.

Nippon will conduct thermal fragmentation operations on selected high grade narrow surface veins at Au Consolidated Inc.'s property located in Cochise County, near Willcox in the State of Arizona, U.S.A.

The initial term of the agreement will terminate once 2000 gold ounces have been extracted from the selected surface veins. Recovered gold ounces will be shared on an 80/20 ratio. Nippon will be entitled to 80% of the gold ounces whereas AC will be entitled to 20% of the gold ounces produced. Once the initial gold production as stipulated in the agreement is reached, a long-term agreement or sale of Nippon's thermal fragmentation unit(s) may be negotiated between the parties.

Donald Brisebois, Nippon's President and CEO stated: 'During my site visit, I was very impressed by the professional work conducted by the geological team, they have identified several gold bearing vein structures that are amenable to our thermal fragmentation mining method.'

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.

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