

Brossard, Quebec / TheNewswire / October 19, 2016 - [Nippon Dragon Resources Inc.](#) (the "Company" or "Nippon") (TSX-V Symbol: NIP), is pleased to announce it has completed with success its tests on the mini-lance.

Nippon has been working on reducing the size of its actual lance for a certain period of time. The original lance is presently used in South Africa, in Australia, in the United States and in Canada. This lance operates in a 152mm (6.5 in) diameter hole which represents an important obstacle for mining companies with narrow vein ore bodies. The new lance fits into a 115mm (4.5 in) diameter pilot hole, a conventional size in our industry.

The benefits are numerous and important:

The use of a cheaper drill to create a pilot hole;

Important reduction of costs for pilot hole drilling;

Faster drilling;

Easy introduction of the method for our existing clients and our potential new clients .

Nippon will continue to work with the mini-lance in the Arizona mining site in order to measure its effectiveness on different types of rocks and also adjust its settings for operation. The amount of compressed air should substantially diminish without compromising productivity, this will also represent significant energy savings. Our clients have been waiting impatiently for the arrival of this mini-lance. Our future clients can plan the introduction of thermal fragmentation in their operations because they can now use a less powerful drill to ream 115mm diameter holes.

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:

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

For additional information:

John Stella, Investor relations (514) 718-7976 jstella@nippondragon.com

Donald Brisebois, President & CEO (450) 510-4442 dbrisebois@nippondragon.com

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Ressources Nippon Dragon Resources Inc. 7055 Taschereau Blvd., suite 500, Brossard (Quebec) J4Z 1A7

Tel: (450) 510-4442 www.nippondragon.com

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