

Brossard, Quebec / TheNewswire / October 26th, 2016 [Nippon Dragon Resources Inc.](#) (the "Company" or "Nippon") (TSX-V Symbol: NIP) is pleased to announce that it has mobilized its 75 t/d flotation plant on Au Consolidated Inc. (AU) property located in Cochise County, near Wilcox in the state of Arizona, USA.

The installation, commissioning and start-up of the plant will be completed during the month of November. A specialized company was contracted to perform the work. The expected gold recovery rate is 90%. With the addition of Nippon's treatment plant, the original agreement between the parties was modified to add an additional 1,000 ounces to 2000 ounces previously planned.

The additional 1,000 ounces of gold recovered will be shared based on a ratio of 60/40. Nippon will be entitled to 60% of the gold ounces and AU will be entitled to 40% of the gold ounces produced. Once gold production reaches the initial target of 3,000 ounces as stipulated in the agreement, a long-term agreement or sale of the thermal fragmentation unit(s) and Nippon's treatment plant can be negotiated between the parties.

Furthermore, given that the mining operations with the thermal unit and treatment plant will be carried out on surface, Nippon will seize this opportunity to create a comprehensive technological showcase for mining companies that have demonstrated a keen interest in the implementation of the technology within their own operations.

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 commercialization and employment of its thermal fragmentation technology.

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