Nippon Dragon Resources Inc. Closes First Tranche of its Combined Hard Dollar and Flow-Through Private Placements

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Brossard, Dec 23rd, 2020 - Nippon Dragon Resources Inc. (“Nippon” or “NDR”) (TSXV:NIP) (OTC:RCCMF), announces that it closed the first tranche of its previously announced non-brokered private placement through the issuance of 7,140,000 Hard Dollar Units at the price of 0.05 per Unit and 24,840,000 Flow-Through Units (FT Units) at the price of 0.05 per FT Unit for the total of gross proceeds of

$1,599,000.00.

Each HD Unit is comprised of one (1) common share of the Company and one (1) common share purchase warrant (each a “Unit Warrant”), with each Unit Warrant entitling the holder thereof to acquire one additional common share of the Company at a price of $0.075 for a period of twenty-four (24) months following the closing of the Offering.

Each FT Unit is comprised of one (1) common share of the Company that qualifies as a “flow-through common share” (a “FT Share”), and one-half of one common share purchase warrant (each whole warrant, a “FT Unit Warrant”), with each FT Unit Warrant entitling the holder thereof to acquire one additional common share of the Company at a price of $0.075 for a period of twenty-four (24) months following the closing of the Offering.

The proceeds from the sale of the HD Units will be used for corporate and general working capital purposes. The proceeds from the issuance of the FT Units will be used for “Canadian exploration expenses” and will qualify as "flow-through mining expenditures" (the "Qualifying Expenditures"), as defined in subsection 127(9) of the Income Tax Act (Canada). The Company intends to renounce the Qualifying Expenditures to subscribers of FT Units for the fiscal year ended December 31, 2020.

All securities issued in connection with the Private Placement will be subject to a statutory hold period of four months plus one day as prescribed by the TSX Venture Exchange and applicable securities laws. In connection with this tranche, the Company issued a total of 1,426,000 broker warrants (each, a “Broker Warrant”), equal to 7% of the Units issued to subscribers introduced to the Company by certain eligible finders. Each Broker Warrant entitles the holder thereof to acquire one Common Share at an exercise price of $0.075 for a period of 24 months from the date of issuance. Finders' fees totalling $62,300.00 were paid relating to the Private Placement.

An insider of the Company subscribed for an aggregate of 300,000 Flow-through Units pursuant to the Offering. The transaction constitutes a related party transaction within the meaning of Multilateral Instrument 61-101 (“MI 61-101”). The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by the insider does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

About Nippon

Nippon is active in the exploration and the development of gold resources in Quebec. The Corporation holds two gold properties, Rocmec 1 with resources recognised in accordance with NI43-101 and the Denain

property. Nippon also has an exclusive license for the Thermal Fragmentation mining method.

Le présent communiqué est disponible en français site web de Ressources Nippon Dragon.

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 its 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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