Nippon provides test results of 2 Thermal Fragmentation trials in Australia

Brossard, Quebec, February 28th, 2017 Nippon Dragon Resources Inc. (the "Company" or "Nippon") (TSX-V Symbol: NIP) is pleased to provide summary information regarding its Thermal Fragmentation activities in Australia with its distributor SAFESCAPE. Thermal fragmentation activities in Australia has consisted of two trials, one of which was conducted at narrow gold vein mine located in Victoria in order to evaluate several key points of the equipment and process, including but not limited to its efficiency and versatility. Three holes were made, two in waste rock and one in a gold bearing quartz reef. The equipment performed well in horizontal, downhole and uphole configurations. In the uphole configuration adjustments were required to account for the rapid rate of fragmentation of the material. Further metallurgical testwork on the ore mined generated a lot of interest. It was discovered that a significant portion of the coarse grained gold separated from the quartz during mining, additionally, while the thermal material is much smaller than blasted material they found that it also contained inclusions and micro fractures on a microscopic scale which resulted in significant improvements in comminution costs when compared to blasted and crushed material of the same genesis.

The second trial was conducted at a narrow vein gold mine in Western Australia and was the first step to engage with the WA Department of Mining and Petroleum to obtain approval to employ the thermal fragmentation mining process for a trial in Western Australia. The equipment performed well and fragmentation of the orebody was very good. A trial in a portion of the orebody that consisted mainly of sulfide minerals resulted in very fast fragmentation however minor SO_2 was generated, a situation that is avoidable by the installation of a standard scrubber unit to capture the exhaust and send it to a return airway. In future, all new thermal fragmentation extraction work in sulfide ore bodies will include a scrubber as part of a complete system.

‘The technology has generated significant amount interest in Australia and several companies are considering trials of their own. Opportunities have also been identified in the construction and tunneling industries which will be followed up during the coming year.’ stated Steve Durkin managing director of SAFESCAPE

About SAFESCAPE
SAFESCAPE manufactures and installs the Safescape Laddertube escapeway system to mining and other industries. SAFESCAPE commenced operations in 2010, since then, its Laddertube escapeway systems has been adopted by 73 mines across 12 countries. With offices in Bendigo, Victoria, Perth, Western Australia and Denver,USA, SAFESCAPE is able to meet the needs of mining companies globally. SAFESCAPE’ vision is to create a safer and better underground mining workplace globally and its success has been recognized through various awards. Please visit the website www.safescape.com

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