

PRESS RELEASE

No. 250

KWG

Symbol on CSE:
Shares issued and outstanding:

KWG
966,320,281

GLOBE & MAIL'S RING OF FIRE CLAIMS DISREGARDS NEWS AND OTTAWA INVESTMENT

Toronto, Canada, December 22nd, 2016 – The article by Rachele Younglai in yesterday's Globe & Mail overlooks the real news occurring a few days ago, by instead republishing an oft-reported miscalculation and profound understatement of the value of the minerals discovered thus far in the *Ring of Fire* area of Northern Ontario's James Bay Lowlands. **KWG Resources Inc. (CSE: KWG) (FRANKFURT: KW6)** ("KWG"), Probe Resources Ltd. and Noront Resources Ltd. have previously reported (in regulatory filings under NI43-101) that there have been 343.4 million tonnes of chromite delineated by exploration drilling completed there to date, to a very shallow depth. These include measured and indicated resources of 20.5 million tonnes ("MT") at 35.8% Cr₂O₃ ("%"), 137.7MT @ 31.5%, 5.4MT @ 29.3%, 29.1MT @ 31.7%, 8.6MT @ 37.4%, plus inferred resources of 23.5MT @ 33.1%, 3.4MT @ 28.1%, 1.6MT @ 37.8%, 26.8MT @ 29.3%, 0.9MT @ 22.8% and 85.9MT @ 34.5%. The tonnes documented thus far only, contain an average grade of more than 30% chromite.

Until a few days ago, chromium was priced at CA\$1.10 per pound. However, last week terms for delivery from a major supplier in South Africa were settled with its customers in China, which consumes almost two-thirds of the globe's output of this commodity. It was announced that for the first quarter of next year the price will be 50% higher, the equivalent of CA\$1.65 per pound. Yesterday, The Economic Times reported that ferrochrome is expected to maintain higher price levels for an extended time. Accordingly, the values "*between \$31-billion and \$54-billion*" reported by the Globe & Mail are very demonstrably incorrect.

This Press Release contains disclosure required and approved by the Investment Industry Regulatory Organization of Canada which dictated that we remove an extrapolation of 30% chromite in 343.4 million tonnes into pounds of recoverable ferrochrome, or their in-situ value. However, we were required to add: "Please note, this reporting by the Globe and Mail, which we believe to be erroneous, does not meet the requirements for the reporting of mineral resources or mineral reserves as required by publicly reporting companies in Canada like KWG and Noront."

Also, as a participant in both the Steering and Technical Committees supervising the Chromite Research Project of Natural Resources Canada's Canmet-MINING laboratories, KWG is aware of the Government of Canada's commitment to advancing resource development in the Ring of Fire through research and development with industry to address increased efficiency and green processing technologies as they relate to chromite with the understanding that chromite deposits located in Ontario's Ring of Fire have production potential that could make Canada a significant global producer, processor and supplier of products that contain chromium.

About KWG:

KWG is the Operator of the Black Horse Joint Venture after acquiring a vested 50% interest through Bold Ventures Inc. which is carried for 10% (20% of KWG's equity in the JV) by KWG funding all exploration expenditures. KWG also owns 100% of CCC which has staked claims and conducted a surveying and soil testing program, originally for the engineering and construction of a railroad to the Ring of Fire from Aroland, Ontario. KWG subsequently acquired intellectual property interests,

including a method for the direct reduction of chromite to metalized iron and chrome using natural gas. KWG subsidiary Muketi Metallurgical LP is prosecuting two chromite-refining patent applications in Canada, China, India, Indonesia, Japan, Kazakhstan, South Africa, South Korea, Turkey, and USA. The filings have been receipted in each of those jurisdictions.

M. J. (Moe) Lavigne, P.Geo., KWG's Vice-President of Exploration & Development, is the qualified person responsible for preparing, supervising and approving the scientific and technical content of this news release.

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