

<i>Subordinate shares issued & outstanding (CSE-KWG)</i>	<u>1,020,332,127</u>
<i>Convertible into Multiple-voting shares (300:1) equal to:</i>	<u>3,401,107</u>
<i>Multiple-voting shares issued & outstanding:</i>	<u>517,049</u>
<i>If all shares convert to Multiple-voting (CSE-KWG.A)</i>	<u>3,918,156</u>

NOTICE OF PROPOSED DEBENTURE ISSUE AND CONVERSION OF CCC EQUITY

Toronto, Canada, January 22, 2021 – **KWG Resources Inc.** (CSE: KWG; KWG.A) (FRANKFURT: KW6) (“KWG” or the “Company”) announces a proposed financing in which it intends to issue Convertible Debentures to raise up to \$1.1 million. Each debenture will be convertible at any time at the option of its holder, in whole or in part, into units (each a ‘Unit’) at \$6.25 each, with each Unit being comprised of one KWG.A multiple voting treasury share and one warrant. Each warrant will be exercisable to acquire at any time within three years one further KWG.A multiple voting treasury share for \$7.85. The debentures will mature in 2 years and will bear interest at 6% payable annually in additional such Units, until maturity or discharge.

The Company also announces that, under the terms of the agreement made between its wholly owned subsidiary, **Canada Chrome Corporation** (‘CCC’), and **Tony Marquis** on January 18, 2021, Mr. Marquis may, over the two-year term of the agreement, earn up to a 10% interest in CCC, for the purpose of which the total value of CCC was deemed to be valued at \$16.8 million. The agreement may be terminated by either party in certain circumstances, provided that a minimum of six months of installment payments are payable in any event. All or any part of any such interest in CCC previously earned and vested in Mr. Marquis may be tendered in payment for KWG.A multiple voting treasury shares at \$3 each.

Mr. Marquis has agreed to be the President and Chief Operating Officer of CCC, a wholly owned subsidiary of KWG, 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. Mr. Marquis has been a top tier executive with both Canadian National Railroad and Canadian Pacific Railroad, where he played an integral role in the two most successful railroad turnarounds in North America. At both companies, he worked closely with his mentor, the legendary Hunter Harrison, who led both railroads to becoming the most efficient in the industry.

About KWG:

KWG is the Operator of the Black Horse Joint Venture (‘JV’) after acquiring a vested 50% interest through Bold Ventures Inc (‘Bold’) from Fancamp Exploration Ltd (‘Fancamp’). KWG funds all JV exploration expenditures and Bold is carried for a 20% interest in KWG’s interest. KWG has also received patents in Canada, South Africa and Kazakhstan and is prosecuting patent applications in India, Indonesia, Japan, South Korea, Turkey and the USA for the direct reduction of chromite to metalized iron and chrome using natural gas and an accelerant. It has also received a USA patent for production of low carbon chromium iron alloys.

For further information, please contact:

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Forward-Looking Statements: *Information set forth in this news release may involve forward-looking statements under applicable securities laws. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this document are made as of the date of this document and KWG disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. This news release does not constitute an offer to sell or solicitation of an offer to buy any securities that may be described herein and accordingly undue reliance should not be put on such. Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this news release.*