

## PRESS RELEASE

No. 149

KWG

Symbol on TSX Venture Exchange: KWG  
Shares issued and outstanding: 691,577,273

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### KWG COMMENTS ON RING OF FIRE DEVELOPMENTS

Montreal, Canada – June 17, 2013 – **KWG Resources Inc.** (TSXV: KWG) wishes to update stakeholders on its position concerning the development of its interests in the Ring of Fire.

**Chromite development:** KWG is studying the feasibility of utilizing low cost natural gas with the Ring of Fire’s high-grade chromite to facilitate the production of direct-reduction iron and ferro-chrome products for export. A sufficient export market share would enable the achievement and maintenance of profitable mining production rates.

**Road vs. Railroad:** KWG declined a previous proposal from Cliffs Natural Resources Inc. (“Cliffs”) for consent to an easement over the mineral claims held for the construction of a railroad from Nakina to the Big Daddy deposit, because the easement was desired for the construction of a roadway to mine the Black Thor deposit. KWG has a 30% interest in the Big Daddy deposit, but no interest in the Black Thor deposit. Cliffs then made application to the Mining and Lands Commissioner for an Order that the easement be granted without KWG’s consent. A two-week trial concluded on February 12, 2013 and the Commissioner’s decision has not yet been rendered.

**ONR “New Deal”:** After the Province’s announcement of the proposed liquidation of the Ontario Northland Transportation Commission, the leadership of its unionized employees developed a plan to avert the divestiture of the ONTC by extending the ONR railroad network to serve the development of the Ring of Fire (the “New Deal”). KWG responded with indicative terms on which its railroad right-of-way might be transferred under such a plan.

**James Bay & Lowlands Ports Authority:** The Mushkegowuk and Matawa First Nations leaderships were solicited for their support for the creation of an agency to be governed by them and affected neighbouring communities within the Federation of Northern Ontario Municipalities, to operate the transportation utility. It was recommended to the Government that the ONR operations might then be transferred on a going concern basis to a newly-created James Bay & Lowlands Ports Authority.

**Other developments:** The extension to Webequie of the road from Pickle Lake is a highly desirable development of Ontario’s transportation network which will connect the large First Nations communities of Webequie, Neskantaga (Lansdowne House) and Eabametoong (Fort Hope) to that network. The proposal to send nickel slurry by pipeline to the road (80 kilometers west of the Ring of Fire) is an inspired solution to traversing the area’s impassable wetlands. However, lump chromite ore cannot be transported in this way so the route will be of no benefit to the development of the Ring of Fire’s principal commodity.

**Processing:** KWG has regularly repeated in its MD&A filings that its Ring of Fire mining claims should be the beneficiary of any Ontario Cabinet exemption from the Mining Act's requirement that further processing of recovered minerals occur in Canada. This position was articulated in response to media reports that Ontario's government had agreed with Cliffs the basis of a term sheet of items for negotiation, which included: funding to build a private industrial road; provision of an electricity rate that would make attractive the possible building of a ferrochrome refinery in Capreol; and, allowing the export of unprocessed chromite in the meantime. KWG believes such assistance, to facilitate the creation of market share for a new Canadian export, should not exclude the remaining domestic participant.

**About KWG:** KWG has a 30% interest in the Big Daddy chromite deposit and the right to earn 80% of the Black Horse chromite where resources are being defined in a drilling program now under way. KWG also owns 100% of Canada Chrome Corporation which has staked claims and conducted a \$15 million surveying and soil testing program for the engineering and construction of a railroad to the Ring of Fire from Exton, Ontario.

This news release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of United States federal securities legislation (collectively, "forward-looking statements"). All statements other than statements of historical facts included in this press release, including statements regarding our industry and our prospects, plans, financial position and business strategy may constitute forward-looking statements. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate as well as beliefs and assumptions made by our management. Such statements include, in particular, statements about our plans, prospects, financial position and business strategies. Words such as "may," "will," "expect," "continue," "intend," "estimate," "anticipate," "plan," "foresee," "believe" or "seek" or the negatives of these terms or variations of them or similar terminology are intended to identify such forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Such statements are also subject to assumptions concerning, among other things: our anticipated business strategies; anticipated trends in our business; and our ability to continue to control costs. We can give no assurance that these estimates and expectations will prove to have been correct. Actual outcomes and results may, and often do, differ from what is expressed, implied or projected in such forward-looking statements, and such differences may be material. For additional information regarding some important factors that could cause actual results to differ materially from those expressed in these forward-looking statements and other risks and uncertainties, and the assumptions underlying the forward-looking statements, you are encouraged to read statements concerning risks located in the Corporation's Management Discussion and Analysis for the year ended December 31, 2012 and the other factors contained in our filings with the Canadian securities regulators. Each of these forward-looking statements speaks only as of the date of this press release. We will not update these statements unless applicable securities laws require us to do so.

***For further information, please contact:***

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