

PRESS RELEASE

No. 158

KWG

Symbol on TSX Venture Exchange: KWG
Shares issued and outstanding: 697,577,273

BUSINESS PLAN FOR ONR DEVELOPMENT OF RING OF FIRE

Toronto, Canada, September 16, 2013 – **KWG Resources Inc. (TSX-V: KWG)** has previously advised the Minister of Northern Development and Mines (MNDM) that it would support the business plan proposed by the “*New Deal*” of the General Chairperson’s Association (GCA) representing unionized employees at Ontario Northland.

It is a simple plan:

- MNDM would lodge its shares in ONR with a new agency governed by the First Nations and other residents of Northern Ontario, under federal oversight, thus avoiding the very substantial termination and closure liabilities attending the previously proposed liquidation;
- KWG would make its railroad engineering and right-of-way claims available for extension of the ONR network to the *Ring of Fire*; and
- The new agency would finance the new construction and continuing operations of the ONR by providing transportation “at cost” to the new *Ring of Fire* mines, to repay borrowings made at current low interest rates but amortized over the very long life of the new mines and rail line.

Developing the Ring of Fire with a Northern Ontario transportation utility:

- Providing egress at cost, will give the Canadian chromium an important advantage that it needs in order to earn a market share.
- This newly developing Canadian natural resource is too important to the national and provincial economies to encumber its exploitation into the next century with thin margins and the uncontrollable cost risks and environmental degradation of trucking.
- It was very fortunate that this globally significant resource was discovered near to a provincially-owned railroad network that could address this challenge.

Cause of the delay:

After staking the right-of-way claims and conducting preliminary railroad engineering design and assessment, the development of the railroad concept in the *Ring of Fire* has been delayed for almost three years due to the dispute with Cliffs Natural Resources before the Mining and Lands Commissioner following its request from the Ministry of Natural Resources for a road access easement over KWG's mining claims.

“We were disappointed that things got delayed and ended up in legal proceedings,” said KWG President Frank Smeenk. *“We believe the railway is in the public interest and can be used to benefit the various mines in the Ring of Fire as well as local communities and is a much better alternative to a private road, a higher-cost transportation option, which the government was currently considering funding.”*

About KWG: KWG has a 30% interest in the *Big Daddy* chromite deposit and the right to earn 80% of the *Black Horse* chromite deposit. 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.

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