

PRESS RELEASE

No. 240

KWG

Symbol on CSE: **KWG**
Shares issued and outstanding: **961,320,281**

KWG RETAINS CANARAIL

Toronto, Canada, July 27, 2016 – **KWG Resources Inc.** (CSE: KWG; FRANKFURT: KW6) (“KWG”) is pleased to announce that it has engaged **CANARAIL Consultants Inc.** to provide the specialized professional services and data that will be required of KWG as the client, for the completion of a rail feasibility study for the Ring of Fire project proposed by China Railway First Survey & Design Institute Group Co. Ltd. (‘FSDI’) as the contractor.

“CANARAIL benefits from the unique expertise that it has gained in providing similar services to other mining interests either here in Canada or abroad”, said KWG President Frank Smeenk. *“CANARAIL’s knowledge of current materials and services pricing in Canada plus what it takes to design and build a mining railway while complying with local environmental, social and other applicable standards will prove to be of great assistance in facilitating and expediting completion of the feasibility study proposed by FSDI.”*

About CANARAIL:

Founded in 1991 and based in Montreal (QC), CANARAIL is a Quebec-based rail consulting and engineering firm that specializes in mining, heavy haul freight, and urban domains. CANARAIL is known for its expertise in feasibility studies, consulting, detailed design, and the supervision of construction of major projects across all components of a railway project: infrastructure, rolling stock, systems, operations, etc. Over the last 25 years, CANARAIL has participated in over 800 projects in Canada, the Middle East, Asia, Africa, North America, Australia, Europe, and Latin America (see: www.canarail.com). Among its accomplishments:

- Eastern Canada: Feasibility Study for a 330km multi-user mining railway in Northern Quebec (Plan Nord)
- Western Canada: Refurbishing of the GoldLeaf cars of the Rocky Mountaineer fleet
- Saudi Arabia: Feasibility study, engineering and supervision of the construction of a new 2400 km rail link: North South Railway
- Afghanistan: Feasibility study for a new 600 km rail link in the northern part of Afghanistan
- East Africa: Feasibility study for the improvement of the accessibility of rail services in Rwanda, Burundi and Tanzania
- Bangladesh: Feasibility study of seven different railway projects to improve the Trans-Asia connectivity

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. 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.

For further information, please contact:
Bruce Hodgman, Vice-President
416-642-3575 • info@kwgresources.com