

Symbol on CSE: **KWG**
Subordinate shares issued & outstanding: **1,022,316,001**

Symbol on CSE: **KWG.A**
Equivalent multiple-voting shares, if converted 300-for-1: **3,407,720**

**MARTEN FALLS DELEGATION REVIEW RAILROAD FEASIBILITY STUDY AT CHINA RAILWAY
FIRST SURVEY & DESIGN INSTITUTE WITH KWG**

**RAIL DESIGN HAS POTENTIAL TO TRANSPORT 10 MILLION TONNES BY 2030, EXPANDABLE
TO 24 MILLION TONNES BY 2040**

Toronto, Canada, June 1, 2017 – A delegation comprised of representatives from **Marten Falls First Nation** and **KWG Resources Inc.** (CSE: KWG and KWG.A) (FRANKFURT: KW6) ('KWG') were provided with an overview of the feasibility study which commenced last year, when they visited with China Railway First Survey & Design Institute Group ('FSDI') headquarters staff in Xian, China on May 15th.

The delegation was advised by FSDI engineers that their study had concluded the route which traverses the Marten Falls First Nation's traditional territory, was a viable alignment for the construction of an ore-carrying railroad transporting very substantial volumes from the chromite deposits of the *Ring of Fire*. The study estimates that at a capital cost of US\$1.965 billion such a railroad could be constructed to transport 10 million tonnes annually by 2030, potentially growing to a yearly volume of up to 24 million tonnes by 2040.

"We were delighted with the hospitality of the welcome we received from China Railway FSDI," said Marten Falls Chief Ambrose Achneepineskum. *"We were also glad to see and understand the scope of the design of their feasibility study and the very large-volume mining operations that might be possible. This study will be very helpful in assisting our people to understand what this development might entail. We were also gratified by the most informative briefing that we received from Minister Dave Murphy and his staff on May 18th at Canada's Embassy in Beijing. It is helpful to understand the intricacies of doing business with the world's biggest consumer of ferrochrome, for us whose traditional territory may become a big source of its supply through a process of free, prior and informed consent. We also look forward to and welcome the involvement of other regional First Nations whose traditional territory might become a part of the planning process."*

KWG CEO Frank Smeenck added, *"We were grateful to be introduced by our friends at FSDI to the management team of the Overseas Investment Department of their affiliate China Railway Construction Investment Group. We were able, in follow-up meetings, to begin discussions on the parameters of financing programs that might be available under China's 'One Belt - One Road' infrastructure initiatives, for this kind of development opportunity, as our two countries consider free trade negotiations. It was gracious of Chief Achneepineskum, former Chief Lawrence Baxter and MFFN Advisor Qasim Saddique to make the time available to join us in this most informative mission to explore the Ring of Fire's development potential. The scope of the possibilities being considered is certainly breathtaking!"*

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, India, Indonesia, Japan, Kazakhstan, South Africa, South Korea, Turkey, and USA. The national phase filings are under review in each of those jurisdictions.

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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 of the securities 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.*