

## PRESS RELEASE

**KWG**

**No. 104**

Symbol on TSX Venture Exchange: **KWG**  
Shares issued and outstanding: **636,878,941**

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### **KWG SUBSIDIARY CANADA CHROME CORP & GREENSTONE ECONOMIC DEVELOPMENT CORP FILE APPLICATION FOR \$496 MILLION PPP CANADA FUNDING**

Montreal, Canada – June 30, 2011 – **KWG Resources Inc.** (TSXV: KWG) is pleased to announce that its subsidiary Canada Chrome Corporation, together with Greenstone Economic Development Corporation, have today filed an application with PPP Canada for consideration of funding support of up to \$496 million for the construction of a railroad to the *Ring of Fire* mining discoveries in the James Bay Lowlands of Northern Ontario.

On May 4, 2011 PPP Canada launched Round Three call for proposals of the P3 Canada Fund, encouraging provinces, territories, First Nations and municipalities to consider the P3 model for their public infrastructure needs. The P3 Canada Fund is a merit-based program designed to generate an increase in P3 public infrastructure. Eligible projects can receive up to 25% of the direct cost of construction for a P3 project.

Canada Chrome Corporation has undertaken preliminary engineering and construction cost estimates to build a railroad from a junction with the Trans-Canada line of the Canadian National Railway at Exton, Ontario. The project is presently estimated to cost \$1.984 billion.

The co-applicants made the submission for themselves and a joint venture anticipated to be formed with the Municipality of Greenstone and a First Nations Regional Economic Development Corporation to be created by the Matawa and Mushkegowuk First Nations.

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**Forward-Looking Information**

This news release contains or refers to forward-looking information. All statements, other than statements of historical fact that address activities, events or developments that KWG believes, expects or anticipates will or may occur in the future are forward-looking information. Such forward-looking information includes, but is not limited to, statements regarding the application to PPP Canada for funding support, the engineering and construction of a railroad to the Ring of Fire and the estimated cost thereof, the creation of the proposed joint venture among the Municipality of Greenstone and a First Nations Regional Economic Development Corporation.

This forward-looking information reflects the current expectations or beliefs of KWG based on information currently available to it. In connection therewith, certain factors and assumptions have been considered, including (without limitation) completion of the railroad engineering model, and eventual construction, financing and permitting risks associated with railway construction, consideration of the application by the P3 Canada Fund, and the cooperation of the proposed joint venture partners. Although KWG believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future actions and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results to differ materially from the conclusions or forecasts discussed in the forward-looking information, and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on KWG. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the railroad engineering model producing unfavourable results, inability to complete the construction of the railroad to construction problems, insufficient financing, or inability to obtain required permits, inability to obtain financing from investors, the application for funding to PPP Canada not being approved by PPP Canada and inability of the joint venture partners to arrive at a satisfactory joint venture agreement, and considerations and risks normally incidental to exploration and development of, and production from, mineral properties and/or adverse changes in securities markets, economic and general business and financial conditions.

Forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, KWG disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.