

PRESS RELEASE

No. 220

KWG

Symbol on CSE: **KWG**
Shares issued and outstanding: **838,526,118**

KWG FILES UPDATED NI 43-101 TECHNICAL REPORT FOR THE KOPER LAKE PROJECT BLACK HORSE CHROMITE INFERRED RESOURCE NOW 85.9 MILLION TONNES @ 34.5%

Toronto, Canada, July 20, 2015 - **KWG Resources Inc. (CSE: KWG; Frankfurt: KW6 ("KWG"))** has received an updated geological report and calculation of the resources inferred from drilling data done to date from the Black Horse chromite deposit. The technical report, entitled "National Instrument 43-101 Technical Report, Koper Lake Project Chromite Deposit, McFaulds Lake Area, Ontario, Canada, Porcupine Mining Division, NTS 43D16, Updated Mineral Resource Estimation Technical Report, UTM: Zone 16, 548460m E, 5842511m N, NAD 83", is dated July 14, 2015 (the "Koper Lake Report") and was authored by Alan Aubut, P. Geo., under the provisions of National Instrument 43-101.

The resources inferred in the Koper Lake Report include a more complete delineation of a major structure named "Frank's Fault", a regional scale deformation zone that transects the chromitite and is responsible for the up-plunge termination of the Black Horse chromite deposit. Frank's Fault is traced northeastwards past the Big Daddy chromite deposit where it is interpreted to undercut the deposit at depths greater than the existing drilling. As such, the Black Horse and the Big Daddy are on opposite sides of Frank's Fault and are likely fault offset counterparts of what had been a continuous chromitite horizon. In this interpretation Frank's Fault is the product of a 6 kilometer horizontal displacement between a block on the northeastern side containing the Big Daddy, Black Creek and Black Thor chromite deposits, and a block on the southwestern side containing the Black Horse and Blackbird chromite deposits. A schematic illustration of this geological interpretation may be viewed at KWG's website at: www.kwgresources.com

The vertical component of displacement along Frank's Fault remains yet to be determined. The line of intersection between Frank's Fault and the Black Horse chromite deposit plunges shallowly to the northeast. Follow-up drilling will confirm the northeastern continuity of the Black Horse chromite deposit below this line of intersection. Based on an interpretation of the gravity survey it is very likely that this line of intersection and the chromitite layer are interrupted by late cross faults that result in pushing the entire rock sequence upwards at two locations on the Koper claims and the claims newly acquired from MacDonald Mines. The opportunity that the chromitite layer comes close to surface at these two locations will also be investigated by drilling.

The inferred resources contained in the Koper Lake Report supersede those reported in KWG's press release dated May 13, 2014. The Koper Lake Report can be found on KWG's SEDAR profile at www.sedar.com and provides in part:

Using the drill hole data available as of May 11, 2014, including new drilling done in early 2014, an Ordinary Kriged block model was created for the Koper Lake Project chromite deposit. The volume modelled is 0.6 km long and has a down dip extent of approximately 1.0 km with the top of the mineral zone as high as 350 metres below surface and has been traced down to a depth of approximately 1400 metres below surface. All of the resources present have a low confidence in the estimate such that they can be classified only as Inferred Resources. The following table provides the identified Inferred Resources using a cut-off of 20% Cr₂O₃.

<u>Classification</u>	<u>Tonnes (millions)</u>	<u>% Cr₂O₃</u>
Inferred Resources	85.9	34.5

- 1 *CIM Definition Standards were followed for classification of Mineral Resources.*
- 2 *The Mineral Resource estimate uses drill hole data available as of May 11, 2014.*
- 3 *The cut-off of 20% Cr₂O₃ is the same cut-off used for the Kemi deposit as reported by Alapieti et al. (1989) and for the nearby Big Daddy chromite deposit (Aubut, 2012).*
- 4 *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.*

Using this 20% cut-off, there are 85.9 million tonnes at a grade of 34.5% Cr₂O₃ of Inferred Resources. Due to the uncertainty in the estimate and that no mineability and dilution studies have been applied to these resources, they may not all be economically recoverable.

M.J. (Moe) Lavigne, P.Geo., is the Qualified Person (QP) with respect to this project and has reviewed and approved the related information within this press release. Alan Aubut, P.Geo., author of the Koper Lake Report, has reviewed and approved the related information within this press release.

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 Canada Chrome Corporation which has staked claims and conducted a \$15 million 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 patent interests, including a method for the direct reduction of chromite to metalized iron and chrome using natural gas. The company has determined that the reduction method can be employed to metalize finely ground chromite which may be recovered from slurry delivered to Aroland in an underground pipeline constructed within the Canada Chrome claims.

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