

<i>Subordinate shares issued &amp; outstanding (CSE-KWG)</i>	<u>1,030,269,327</u>
<i>Convertible into Multiple-voting shares (300:1) equal to:</i>	<u>3,434,231</u>
<i>Multiple-voting shares issued &amp; outstanding:</i>	<u>1,472,749</u>
<i>If all shares convert to Multiple-voting (CSE-KWG.A)</i>	<u>4,906,980</u>

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## KWG ANNOUNCES CLOSING OF THIRD TRANCHE OF ITS CONVERTIBLE DEBENTURE PRIVATE PLACEMENT

Toronto, Canada, October 22, 2021 - **KWG Resources Inc. (“KWG” or the “Company”)** (CSE: KWG; KWG.A) (FRANKFURT: KW6) (“KWG”) is pleased to announce the closing today of the third tranche of its previously announced private placement (the “**Private Placement**”) of convertible debentures (see news releases dated August 23, 2021, September 29, 2021, and October 7, 2021). This third tranche was comprised of an aggregate of \$3,642,800 of debentures, bringing the total principal amount of debentures issued under all three tranches of the Private Placement to \$7,404,117.08.

The debentures are convertible into units (each a “**Unit**”) with a deemed value of \$15 per Unit (i) at the holder’s option at any time or (ii) at the option of KWG after September 29, 2022. The debentures mature on June 30, 2023 and bear interest at 12% per annum, accruing daily, compounding annually and payable concurrently with the payment of principal at the earliest of maturity, redemption or conversion, such payment to be made either (i) at the Company’s option on 30 days’ notice, by payment in cash (other than in the event of a conversion) or (ii) by the issuance of Units at a deemed value of \$15.00 per Unit. Each Unit will be comprised of two KWG.A multiple-voting shares (as such KWG.A shares are presently constituted; or six KWG.A multiple-voting shares if the proposed subdivision of KWG.A multiple-voting shares is implemented) and one multiple-voting share purchase warrant enabling its holder to acquire one further KWG.A multiple-voting share (as such KWG.A shares are presently constituted; or to acquire three KWG.A multiple-voting shares if the proposed subdivision of KWG.A multiple-voting shares is implemented) from treasury upon payment of \$9.60 (for each such KWG.A share as presently constituted; or \$3.20 for each KWG.A multiple voting share if the proposed subdivision of KWG.A multiple-voting shares is implemented) exercisable at any time on or before December 15, 2023.

Officers and directors of the Corporation (the “**Insiders**”) participated in this third tranche of the Private Placement for an aggregate of \$1,397,800 of debentures to settle debts owed by the Corporation to such Insiders.

The proceeds received by the Corporation from the sale of the debentures will be used for the costs and fees associated with the Private Placement, for general corporate overhead expenses including repaying current debts and liabilities and for payment of exploration and other operating expenses. The working capital deficiency and balance sheet of the Corporation will be improved, which should facilitate future financings or other transactions.

All of the securities to be issued pursuant to this tranche of the Private Placement are subject to a four (4) month hold period.

The part of the Private Placement in respect of the issuance of debentures to Insiders constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 - *Protection of*

*Minority Security Holders in Special Transactions (“MI 61-101”).* A formal valuation was not required under MI 61-101 because the Corporation’s securities are not listed on any of the stock exchanges specified in MI 61-101 and the fair market value of the consideration for the transaction involving the Insiders does not exceed 25% of the Corporation’s market capitalization as of the date hereof, which is approximately \$49 million. Minority shareholder approval was also not required under MI 61-101 because the fair market value of the consideration for the transaction involving the Insiders does not exceed 25 percent of the Corporation’s capitalization as of the date hereof.

The Insiders who participated in this third tranche of the Private Placement only made their decisions to do so shortly before the closing of the third tranche of the Private Placement and, given the uncertainty as to whether Insiders would participate in this third tranche of the Private Placement and to what extent, the Corporation did not have the opportunity to announce this related party transaction 21 days in advance of closing.

**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 staked mining claims between Aroland, Ontario and the Ring of Fire. CCC has conducted a surveying and soil testing program to assess the prospects for the engineering and construction of a railroad along that route between the Ring of Fire and Aroland, Ontario. Currently, CCC has engaged Cormorant Utilities and Rail-Veyor Technologies for completion of Engineering Proposals for the construction of a utility corridor within the route. KWG has also 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 has acquired two chromite-refining patents in Canada and one in the USA and in South Africa and is prosecuting an application in Turkey.

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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 securities that may be 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.*