

PRESS RELEASE

No. 227

KWG

Symbol on CSE: **KWG**
Shares issued and outstanding: **871,418,968**

**CHINA RAILWAY FIRST SURVEY & DESIGN INSTITUTE GROUP CO., LTD. TO
NEGOTIATE TERMS FOR KWG FEASIBILITY STUDY**

KWG TO GRANT STOCK OPTIONS, FILE REVISED 43-101

Toronto, Canada, December 29, 2015 - **KWG Resources Inc. (CSE: KWG)** ("KWG") has been advised by **China Railway First Survey & Design Institute Group Co., Ltd.** ("FSDI") through KWG's agent **Golden Share Mining Corporation (TSXV: GSH)** ("GSH"), that an initial analysis by FSDI of KWG's data has been completed. FSDI has indicated that the quality and extent of the data is adequate for FSDI to undertake a Feasibility Study on behalf of the parties. A meeting to establish terms of reference has been mutually scheduled by KWG and FSDI in January 2016.

Stock Option Grants:

Following the expiry of 11 million stock option awards on December 21, the Board of Directors of KWG has granted new options to purchase 13.5 million shares, effective December 30, 2015, under its Incentive Stock Option Plan. The options are exercisable for 5 years at \$0.05 which is the minimum price permitted under the Company's listing agreement with the Canadian Securities Exchange. Options to purchase 3 million shares were granted to four Directors, options to purchase 4 million shares were granted to a Director and Officer, options to purchase 3.5 million shares were granted to two Officers, options to purchase 2 million shares were granted to two employees, and options to purchase 1 million shares were granted to two consultants.

Black Horse 43-101 amended:

At the request of the British Columbia Securities Commission ("BCSC"), KWG will file an amended version of the report "*National Instrument 43-101 Technical Report, Koper Lake Project Chromite Deposit, McFauld's Lake Area, Ontario, Canada, Porcupine Mining Division, NTS 43D16, Updated Mineral Resource Estimation Technical Report, UTM: Zone 16, 548460m E, 5842511m N, NAD83*" which is now dated December 15, 2015. The report was not previously addressed to the property's optionor Fancamp Exploration Ltd. as well as the optionee KWG; this has been corrected. Also, on page 58 the description of the limits of the mineral envelope had incorrect distances to the nearest holes; these have now been corrected. Further, on page 59 a new section titled "Determination of Cut-off Grade" has been added. A version extracted from another report done by the authour for nearby chromite deposits, and vetted by the Ontario Securities Commission, was initially provided but BCSC requested more information. It should be noted that the original facts supporting the use of the cut-off chosen still remain. Section 23 (Other Relevant Information) has been amended by removing all mention of the sample analysis program done using a Niton portable X-ray analyser.

KWG was incorporated and is a reporting issuer in the province of Quebec, the primary regulator of its securities distributions. The Company is also a reporting issuer in Nova Scotia, Ontario, Manitoba and Alberta as well as British Columbia, and its shares were formerly listed for trading on the TSX Venture Exchange as well as the Canadian Securities Exchange where they now trade exclusively. The currently-dated report now addresses all issues raised in prior reviews amongst these regulators.

“It is perhaps a measure of the significance of the Ring of Fire discoveries to witness the attention that the characterization and calculation of our chromite resources are receiving from our many regulators,” said KWG President Frank Smeenk. *“It is not always fun, but it is certainly resulting in an important constituency of the earth sciences community becoming very well informed about this enormous discovery of new Canadian mineral wealth!”*

About FSDI:

Established in 1953, China Railway First Survey & Design Institute Group Co., Ltd. (“FSDI”) holds 26 national Grade-A complex qualification certificates for engineering survey, design, supervision and consultation.

Over the past 60 years since establishment, FSDI has led the design and construction of over 48,000 km of railways represented by western China's railway network, and undertaken over 5,000 km of high-speed railways which have been in operation or are under construction in China.

FSDI has undertaken rail transit projects in over 30 cities of China, fully covering the whole process or industrial chain of planning, design, consultation, supervision, EPC and general property development of means of transport such as subway, light rail and tramcar. It has also undertaken railway, highway and subway consultation and design projects measuring a total of over 2,000 kilometers in over 40 countries.

FSDI's complete survey & design technologies have been up to domestic or world advanced standards in fields such as mountain railways, plateau permafrost railways, desert railways, electrified railways, super long tunnels, large railway hubs or marshalling stations, wireless train control, command scheduling systems, and large interchange engineering.

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. The Company is prosecuting patent applications for both the direct reduction method and for a method of producing high purity chromium metal by continuous smelting.

For further information, please contact:
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