

PRESS RELEASE

No. 246

**KWG**

Symbol on CSE: **KWG**  
Shares issued and outstanding: **961,320,281**

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**MINING COMMISSIONER ISSUES FINAL ORDER IN CLIFFS BID FOR EASEMENT OVER KWG RAILROAD CLAIMS**

Toronto, Canada, September 27<sup>th</sup>, 2016 – **KWG Resources Inc. (CSE: KWG) (FRANKFURT: KW6)** (“KWG”) advises that the Mining and Lands Commission of Ontario has made a final Order that the “Pending Proceedings” notation be removed from the abstracts of the Mining Claims of KWG subsidiary Canada Chrome Corporation, that the time during which they were the subject of pending proceedings be excluded, and that a new anniversary date for the filing of prescribed assessment work be established.

The final Order also provided that no costs shall be paid by any party to the application.

The final Order follows the Supreme Court of Canada’s (“SCC”) dismissal of Canada Chrome Corporation’s application for leave to appeal the decision of Ontario’s Court of Appeal. The following citation was published on September 4<sup>th</sup>:

**2274659 Ontario Inc. v. Canada Chrome Corporation, 2016 ONCA 145 (36973)** Canada Chrome staked more than two hundred mining claims along the 340-kilometre corridor of high ground [south]ward from its deposit to Exton, Ontario. Canada Chrome wanted to build a railway along that corridor and drilled boreholes for that purpose. When a partner in [the] deposit decided to pursue a different deposit, it approached the Ministry of Natural Resources for easements allowing the construction of a road from that deposit to Nakina, Ontario. The requested easements passed directly over the boreholes drilled by Canada Chrome for its rail lines. When Canada Chrome refused consent to the easements, the Minister referred the application to the Commissioner under s. 51(2) of the *Mining Act*. The Commissioner dismissed the application. The Divisional Court allowed an appeal from that decision (decision of Commissioner set aside; application to dispense with Respondent’s consent granted). The C.A. dismissed the appeal. C.A.: appeal dismissed. “The application for leave to appeal . . . is dismissed without costs.”

*“This means that an application to the Ontario Ministry of Natural Resources which was made by Cliffs Natural Resources in early 2012, for the grant of an easement over the claims of Canada Chrome Corporation, may now proceed,”* said KWG President Frank Smeenk. *“In the decision of the Divisional Court of Ontario issued July 30<sup>th</sup>, 2014 Madam Justice Swinton wrote ‘the issue being decided under s. 51(4) of the Mining Act does not deprive CCC of its ability at the next stage to oppose Cliffs’ easement application or to ask for conditions that would protect its legitimate interests in its mining claims.’ However there is no indication that the easement application will be continued.*

*“At the time of the Divisional Court decision the possibility of CCC building a railroad to transport ore over its claims from the Ring of Fire was dismissed. We believe that our engagement of China Railway First Survey & Design Institute Group Company Ltd. to complete a Bankable Feasibility Study substantially overcomes that incredulity.*

*“It is unfortunate that our exploration industry has generally come to believe that the Court decisions in this contest mean that anyone can use our ‘railroad claims’ for their own competing purpose. We had hoped that the Supreme Court of Canada might address that kind of issue by reviewing the decision of the Ontario Court of Appeal and confirming the ‘finders-keepers’ nature of mining claims staking in doing so. As that was not to be, we are pleased that this gratuitous attack on our company’s assets has now been exhausted and dissipated!”*

**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. KWG subsidiary Muketi Metallurgical LP is prosecuting two chromite-refining patent applications in Canada, China, India, Indonesia, Japan, Kazakhstan, South Africa, South Korea, Turkey, and USA. The filings have been receipted in each of those jurisdictions.

For further information, please contact:

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