TORONTO, ONTARIO--(Marketwired - Mar 24, 2016) - KWG Resources Inc. (CSE:KWG) (FRANKFURT:KW6) ("KWG") is very pleased that the Government of Canada made allocations in the budget announced on Tuesday that will assist development of the *Ring of Fire.* As reported by the Mining Association of Canada, the budget addressed a number of issues that it had raised, including:

- Investments in key regulatory agencies, such as the Canadian Environmental Assessment Agency (CEAA) and Fisheries and Oceans Canada, that will help ensure sufficient capacity exists to carry out efficient regulatory reviews of major mining projects.
- Funding to support CEAA's capacity to undertake meaningful consultations with Indigenous groups.
- New, long overdue investment in Natural Resources Canada's science laboratories that promises to support new partnerships in clean tech and innovation with the mining sector.
- Support for the Canadian Northern Economic Development Agency to continue its role in supporting northern regulatory efficiencies.
- Renewal of the Mineral Exploration Tax Credit at a critical time for Canada's junior exploration sector.

As announced on Tuesday also, KWG is in the process of filing the National Phase in Canada, China, India, Indonesia, Japan, Kazakhstan, South Africa, South Korea, Turkey and the USA under the Patent Cooperation Treaty to seek patent grants for its method to reduce chromite ore to metallics utilizing natural gas, a carbon reductant, and a catalyst formulation. The grant of a patent will be sought for the invention in each of these countries where the method might have commercial application and viability.

Natural Resources Canada's CanMet research facilities are presently engaged in a program to analyze the opportunities for development of the *Ring of Fire.* As part of its research, the KWG direct reduction method will be evaluated for its economic efficacy and potential contribution to greenhouse gas reduction. KWG management participates in supervision of the CanMet research with membership in both the Steering Committee and the Technical Committee respectively developing and overseeing the research programs.

The abstract for a paper presented to the 2015 Conference of Metallurgists titled: Reducing energy consumption by alternative processing routes to produce ferrochromium alloys from chromite ore cited:

A techno-economic study on the new process identifies a reduction in overall energy consumption of 80% against conventional processing and approximately 40% lower than the current best practice. By utilising more natural gas than coal based energy sources, the KWG process is able to show an overall 50% reduction in greenhouse gas emissions compared with the most energy efficient current practice. The impact of the new process on future processing is therefore regarded as highly significant, with global energy reductions equivalent to the effect of completely eliminating energy demand from a country the size of Italy. (emphasis added)

The study concluded that the potential for this process to completely revolutionise the global ferrochrome industry should not be underestimated. Its impact reaches far beyond exploitation of a regional natural resource.

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.

Shares issued and outstanding: 871,418,968

Contact

Bruce Hodgman
Vice-President
416-642-3575
info@kwgresources.com