

KWG Resources Announces Closing of Another Tranche of Its Convertible Debenture Private Placement

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Toronto, March 18, 2019 - [KWG Resources Inc.](#) (CSE: KWG) (CSE: KWG.A) (FSE: KW6) ("KWG" or the "Corporation") is pleased to announce closing on March 15, 2019 of another tranche of its private placement (the "Private Placement") convertible debentures. This tranche was comprised of an aggregate of \$775,647.58 of debentures. The debentures are convertible at the option of KWG into units (each a "Unit") with a deemed value of \$21 per unit. Each subscriber received an option to acquire an equal amount of additional debentures at any time within four (4) months from closing.

Each Unit is comprised of four (4) KWG.A multiple voting shares and four (4) multiple voting share purchase warrants, with each such warrant enabling its holder to acquire one further KWG.A multiple voting share from treasury upon payment of \$7.50 at any time on or before December 15, 2019. The debentures bear interest at a rate of 12% per annum, accruing daily, compounding annually and payable at the earlier of maturity, redemption or conversion, in KWG.A multiple voting shares from treasury at their volume-weighted average price ("VWAP") for the ten trading days prior to payment. The debentures secure repayment of the principal, plus interest earned thereon to the date of payment, plus a bonus of 20% of the original principal amount payable immediately following issuance of the debenture by the issuance of Units with a deemed value of \$21 per Unit. At any time and from time to time, KWG will have the right to redeem the debentures in whole or in part by payment in cash, or convert the debentures in whole or in part into Units.

The following officers and directors of the Corporation (collectively, the "Insiders") participated in the Private Placement for an aggregate of \$560,207.58 of debentures plus 5,333 Units representing the bonus of 20% of the original principal amount, with the Units being comprised of an aggregate of 21,332 multiple voting shares and 21,332 warrants representing the equivalent of 1.18% of the Corporation's issued and outstanding subordinate voting shares (calculated on the basis of conversion of the multiple voting shares into subordinate voting shares on a ratio of 300:1) on a partly diluted basis following closing of the Private Placement:

Name and Position with the Corporation	No. of Subordinate Voting Shares held (and %) prior to Private Placement	No. warrants
Frank Smeenk Director and Officer	27,573,846 (2.56%)	
Douglas Flett Director	5,685,000 (0.54%)	
Thomas Masters Officer	7,054,371 (0.65%)	
Bruce Hodgman Officer	2,647,862 (0.24%)	
Donald Sheldon Director and Officer	3,930,357 (0.36%)	
Total:	46,891,436 (4.35%)	

In the event that KWG exercises its right to convert the principal of all of these debentures, the Insiders' ownership of KWG shares would increase as follows:

Name and Position with the Corporation	No. of Subordinate Voting Shares held (and %) following completion of Private Placement
Frank Smeenk Director and Officer	31,515,846 (2.90%)
Douglas Flett Director	6,233,400 (0.57%)

Name and Position with the Corporation No. of Subordinate Voting Shares held (and %) following completion of Private

Thomas Masters Officer	7,893,171 (0.73%)
Bruce Hodgman Officer	3,333,062 (0.30%)
Donald Sheldon Director and Officer	4,315,557 (0.40%)
Total:	53,291,036 (4.90%)

The foregoing does not include any consideration of shares issuable for interest as the exchange rate cannot be calculated at this time as the amount of interest will depend on the length of time the debentures are outstanding and the number of shares issuable is based on the VWAP for the 10 trading days prior to payment. As well, the foregoing does not include any consideration of the options to acquire additional debentures; however, if all such options were to be exercised the same numbers of shares and warrants would be issuable for the debenture premium and the conversion of the principal would result in the same numbers of shares and warrants being issued as described above.

The debentures were paid for by some subscribers by payment of cash and by other subscribers by settlement of bona fide debt. The cash proceeds received by the Corporation from the sale of the debentures will be used for the costs and fees associated with this Private Placement and for general corporate overhead expenses including repaying current debt. 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 Private Placement are subject to a four (4) month hold period.

The Private Placement, in part, is a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") as Insiders purchased debentures. A formal valuation was not required under MI 61-101 because the Corporation is not listed on any of the stock exchanges specified in MI 61-101. Minority shareholder approval was also not required as 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, which is approximately \$10 million. The directors participating to the Private Placement declared and disclosed their interest and did not vote on the matter. The directors who did not participate in the Private Placement approved the Private Placement.

Given the uncertainty as to whether Insiders would participate in the Private Placement, and to what extent, and the demands of creditors, the Corporation has not had 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 ('JV') after acquiring a vested 50% interest through [Bold Ventures Inc.](#) ('Bold') from [Fancamp Exploration Ltd.](#) ('Fancamp'). KWG funds all JV exploration expenditures and Bold is carried for a 20% interest in KWG's interest.

KWG also owns 100% of Canada Chrome Corporation 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 and an accelerant. KWG subsidiary, Muketi Metallurgical LP, has received a patent for the direct reduction method in Canada, South Africa and Kazakhstan and is prosecuting remaining patent applications in India, Indonesia, Japan, South Korea, Turkey and the USA. It has also received a USA patent for production of low carbon chromium iron alloys and a corresponding Canadian patent application is expected to issue soon.

For further information, please contact:

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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. Accordingly, undue reliance should not be put on such.

This news release does not constitute an offer to sell or solicitation of an offer to buy any securities that may be described herein.

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