

Canadian Chrome Company Amends Its Agreement to Acquire Board Control of Magpie Mines Which Holds Large Vanadium and Titanium Deposits in Quebec

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Toronto, August 14, 2023 - [KWG Resources Inc.](#) (CSE: CACR) (CSE: CACR.A), which carries on business as The Canadian Chrome Company ("CCC", "KWG" or the "Company") (The Canadian Chrome Company is a registered business style of [KWG Resources Inc.](#)) announces that its agreement to acquire (the "Acquisition") all of the issued and outstanding special shares of The Magpie Mines Inc. ("Magpie Mines") (please see the Company's news release of July 31, 2023) has been amended to provide for the Company to set the first closing date (the "First Closing Date") on not less than thirty (30) days' notice to the Vendors, such First Closing Date to be on or before July 28, 2024. As the Company believes that the first closing may be material to the shareholders of KWG and of Magpie Mines, when the Company sets the First Closing Date the Company intends to publish advance notice at least 21 days prior to such First Closing Date.

A majority of the special shares have the right to elect a majority of the Board of Directors of Magpie Mines. As a term of the Acquisition, following the First Closing Date metallurgical researcher and advisor Fouad Kamaledine, Ph.D., and renowned exploration pioneer Peter H. Smith, Ph.D., will continue their incumbency as the directors of Magpie Mines at the pleasure of the Company to supervise the management of the business and affairs of Magpie Mines, including with respect to the activities of the Operator or a new Operator to be appointed, on development of the four known deposits and on development of the metallurgy for recovering the ultra-high-strength strategically critical minerals hosted in the deposits. The four deposits are contained within one project located approximately 130 km north-northwest of Havre St. Pierre in the North Shore area of the St. Lawrence River in the Province of Quebec. Rio Tinto's Lac Tio Mine is in the same general area, being approximately 43 kilometers northeast of Havre St. Pierre in Quebec.

Drs. Smith and Kamaledine (each a "Vendor") have each agreed to exchange their Magpie Mines special shares for consideration payable in two parts. Initially on the First Closing Date, KWG will pay \$1,000,000 to each Vendor payable, at the option of each Vendor, in (a) convertible debentures having a maturity date (the "Maturity Date") of the earlier of (i) five (5) years after the First Closing Date and (ii) the date of completion of a Change of Control of KWG, bearing interest on the unpaid principal at the rate of 5% per annum with interest payable annually at KWG's option in cash or units at a value of \$3.00 per unit (each unit (a "Unit") being comprised of one multiple voting share in the capital of the Company (each a "MVS") and one warrant to acquire an additional MVS for \$3.50 on or before the Maturity Date), payable (principal plus interest) in cash by the Company at any time after the first anniversary of the First Closing Date on 30 days' notice and convertible (interest and principal) in whole or in part into Units at a rate of \$3.00 per Unit (i) at any time at the option of the holder prior to payment in cash or (ii) at the option of KWG on or after the first anniversary of the First Closing Date or completion of a Change of Control of KWG; (b) 333,333 Units of the Company, or (c) conditional on KWG obtaining consent from [Fancamp Exploration Ltd.](#) ("Fancamp") for the creation of Series A Special Shares in the authorized capital of KWG, 333,333 Series A Special Shares of KWG (each a "Series A Special Share") issued at \$3.00 per share, each Series A Special Share having a redemption price of \$3.00 per share, such redemption price payable in cash or in Units, with the holder being entitled to require KWG to redeem the Series A Special Shares for Units at any time prior to payment in cash, and KWG being able to redeem the Series A Special Shares for cash at any time on 30 days' notice or for Units at any time after the first anniversary of the First Closing Date and KWG being required to redeem the Series A Special Shares for cash or Units on the earlier of (i) five years after the First Closing Date or (ii) the date of completion of a Change of Control of KWG. For these purposes, a Change of Control will occur on completion of a take-over bid or a merger, amalgamation, arrangement or other form of business combination as a result of which the shareholders of the Company immediately prior to such take-over bid or business combination do not own a majority of votes attaching to the voting securities of the Company or of the resulting issuer or do not have the power to elect a majority of the directors of the Company or of the resulting issuer, as the case may be, after completion of such bid or business combination.

Each of the Vendors has also agreed to continue as a director of Magpie Mines at the pleasure of the

Company. In the event that the Company does not acquire direct or indirect ownership of a majority of the common shares of Magpie Mines within one year after the First Closing Date of the Acquisition, each of the Vendors has retained the right to tender the consideration received by the Vendor on the First Closing Date back to the Company within 30 days after such one-year anniversary in exchange for his special shares of Magpie Mines.

In the event that the Company is able to complete the acquisition of all of the common shares of Magpie Mines and the 2% royalty held by Fancamp on Magpie's project (the "Magpie Royalty") or is able to complete a business combination with or the acquisition of the shares of Fancamp (and, accordingly, indirectly acquire a majority of the common shares of Magpie Mines), in each case on terms and conditions satisfactory to the Company, the Company's agreement with the Vendors provides for a second closing (the "Second Closing") of the Acquisition in which the Company will pay an additional \$4,000,000 to each of the Vendors (the "Additional Payment") payable, at the option of each of the Vendors, in (i) convertible debentures of the Company, (ii) units issued by the Company comprised of MVS and warrants or (iii) Series B Special Shares, in each case having substantially the same terms as those available on the First Closing Date but adjusted to reflect the then current trading price of the MVS of the Company. In addition, the Company will transfer the Magpie Royalty or cause it to be transferred on terms which will result in one quarter of the Royalty being held by each Vendor and one half of the Royalty being held by the Innu of Ekuanitshit First Nation.

In the event that the Company does not acquire direct or indirect ownership of a majority of the common shares of Magpie Mines within five (5) years after the date of the agreement for the Acquisition and, accordingly, a Second Closing has not occurred, each of the Vendors has retained the right to tender the consideration received by the Vendor on the First Closing Date back to the Company within 30 days prior to such five-year anniversary in exchange for his special shares of Magpie Mines (each a "Put Right"). In the event that the Company has not completed a direct or indirect acquisition of a majority of the common shares of Magpie Mines prior to such five-year anniversary and the Vendors do not exercise their Put Rights, the Company will retain ownership of the special shares of Magpie Mines without having the obligation to pay the Additional Payments to the Vendors.

All of the securities to be issued pursuant to the Acquisition or the warrants are subject to a four (4) month hold period from the date of issuance of the Units.

About The Canadian Chrome Company:

KWG, which carries on business as The Canadian Chrome Company, is the owner of 100% of the Black Horse chromite project (formerly part of Fancamp's "Koper Lake-McFaulds" properties) in which [Bold Ventures Inc.](#) is carried through exploration of the former Fancamp claims for 10% of the chromite project. KWG also holds other area interests including a 100% interest in the Hornby claims, a 15% vested interest in the McFaulds copper/zinc project and a vested 30% interest in the Big Daddy chromite project. KWG also owns 100% of Canada Chrome Corporation ("CCCorp") which staked mining claims between Aroland, Ontario (near Nakina) and the Ring of Fire. CCCorp 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 covering the claims staked by CCCorp. CCCorp engaged Cormorant Utilities and Rail-Veyor Technologies for Engineering Proposals for the construction of a transportation and utility corridor within the route and has received those proposals. 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 each of the USA, South Africa and Kazakhstan, and is prosecuting an application in Turkey.

For further information, please contact:

Bruce Hodgman, Vice-President: 416-642-3575 ~ info@canadachrome.com

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