

PRESS RELEASE

No. 204

KWG

Symbol on TSX Venture Exchange: **KWG**
Shares issued and outstanding: **777,842,468**

KWG RECEIVES PROMISING SEARCH REPORT FROM PATENT AUTHORITY, NEGOTIATING BLACK HORSE TERMS

Toronto, Canada, January 6, 2015 - **KWG Resources Inc. (TSXV: KWG; Frankfurt: KW6)**, announces that it has received from the US Patent Office's International Searching Authority the International Search Report in response to its application to patent a new process for the direct reduction of chromite utilizing natural gas, a carbon reductant, and a catalyst formulation. The Search Report indicates that the Searcher found the applicant's claims are novel and that prior art does not teach or fairly suggest anything similar. The Report also indicates that the claims have industrial applicability as defined by PCT Article 33(4) because the subject matter can be made or used in industry.

"This is a major step forward in our prosecution of this patent application", said KWG President Frank Smeenk. "We will now determine in which countries to seek patent protection of this process, beyond Canada and the United States of America. Our discussions and negotiations with chromite industry participants have helped us understand how and where this innovation might best be commercialized, as we have recently shared with Minister Rickford as he requested."

The Company also announces that prior to December 30th, 2014 it proposed terms to Bold Ventures Inc. ("Bold") for the further amendment of the agreement between them for the acquisition of the mineral rights in the Black Horse deposit. The Black Horse mineral rights may be acquired by Bold under an option agreement with Fancamp Exploration Ltd. Previously, Bold and KWG had extended to December 30, 2014, the deadline by which KWG must provide notice that it intends to make the \$700,000 option payment due February 7, 2015 under the KWG/Bold Option Agreement and expend an aggregate of \$8,000,000 on the property by March 31, 2015. KWG has to date incurred \$5.8 million of the \$8.0 million required expenditure and is proceeding with a prospectus offering of securities to fund the additional work.

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 has also acquired patent interests, including a method for the direct reduction of chromite to metalized iron and chrome using natural gas. KWG also owns 100% of Canada Chrome Corporation which has staked claims and conducted a \$15 million surveying and soil testing program for the engineering and construction of a railroad to the Ring of Fire from Exton, Ontario.

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