

Subordinate shares issued & outstanding (CSE-KWG):	<u>1,017,658,227</u>
Convertible into Multiple-voting shares (300:1) equal to:	<u>3,392,194</u>
Multiple-voting shares issued & outstanding:	<u>197,558</u>
If all shares convert to Multiple-voting (CSE-KWG.A):	<u>3,589,742</u>

KWG ANNOUNCES INCREASE OF CONVERTIBLE DEBENTURE OFFERING AND EXTENSION OF EXPIRY DATE OF OPTIONS TO PURCHASE ADDITIONAL DEBENTURES

Toronto, Canada, April 5th, 2018 - **KWG Resources Inc. (“KWG”)** (CSE-KWG.A) (CSE-KWG; OTC-KWGBF; FRA-KW6) is pleased to announce that it obtained approval from the Canadian Securities Exchange (“**CSE**”) to increase the previously announced private placement (the “**Private Placement**”) to a maximum of \$3,000,000 of debentures convertible at the option of KWG into units with a deemed value of \$21 per unit (each a “**Unit**”). Each subscriber will receive an option (the “**Option**”) to acquire an equal amount of additional debentures at any time within 120 days from closing. Each Unit will be comprised of four KWG.A multiple voting shares and four 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 within two years from the date of the debenture’s issuance. The debentures will 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 premium 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 debenture in whole or in part by payment in cash, or convert the debentures in whole or in part into Units.

In respect of the Private Placement, KWG previously received approval from the CSE for the issuance of up to \$2,600,000 of convertible debentures of which an aggregate of \$2,576,908.25 of debentures were issued on December 15, 2017.

KWG also announces the extension of the expiry date of the Options granted on December 15, 2017, at the time of closing of its previous tranche of Private Placement, from April 15, 2018 to June 29, 2018.

About KWG:

KWG is the Operator of the Black Horse Joint Venture after acquiring a vested 50% interest through Bold Ventures Inc. which is carried for 10% (20% of KWG’s equity in the JV) by KWG funding all exploration expenditures. 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. KWG subsidiary, Muketi Metallurgical LP, is prosecuting two chromite-refining patent applications in Canada, India, Indonesia, Japan, Kazakhstan, South Africa, South Korea, Turkey, and USA. The national phase filings are under review in each of those jurisdictions, save that Canada and South Africa have notified that they will each grant a patent for the direct reduction method and Kazakhstan has issued a Patent for the method.

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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. This news release does not constitute an offer to sell or solicitation of an offer to buy any securities that may be described herein and accordingly undue reliance should not be put on such. Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this news release.*