

KWG

**The
Canadian
Chrome
Company**

PRESS RELEASE

No. 357

| | |
|---|--------------------------|
| Subordinate shares issued & outstanding (CSE-CACR) | <u>1,272,557,532</u> |
| Convertible into Multiple-voting shares (100:1) equal to: | 12,725,575 |
| Multiple-voting shares issued & outstanding: | <u>9,311,333</u> |
| If all shares convert to Multiple-voting (CSE-CACR.A) | <u>22,036,908</u> |

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KWG ANNOUNCES CLOSING OF FIRST TRANCHE OF ITS CONVERTIBLE DEBENTURE PRIVATE PLACEMENT

Toronto, Canada, August 2, 2024 – **KWG Resources Inc. (CSE: CACR and 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.**) is pleased to announce the closing today of the first tranche of its previously announced private placement (the “**Private Placement**”) of up to \$5,000,000 of Series CD-2024 convertible debentures (the “**Debentures**”) (see the Company’s news releases dated May 13, 2024 and June 27, 2024). This first tranche was comprised of an aggregate of \$1,488,150 of Debentures. The Company paid to the subscribers a premium equal to 20% of the original aggregate principal amount of Debentures by the issuance of an aggregate of 248,021 Units (as defined below) at a deemed value of \$1.20 per Unit. The Company is extending the Private Placement and anticipates completing one or more additional tranches of the Private Placement in the near future.

The Debentures are (a) repayable at the Company’s option at any time in whole or in part in cash on not less than 30 days’ notice or (b) convertible into units (each a “**Unit**”) (i) at the Company’s option at any time after August 2, 2025, the first anniversary of the date on which the first Debenture of the Series CD-2024 Debentures is issued (the “**Date of First Issuance**”) or (ii) at the holder’s option at any time prior to payment in cash, in either case by the issuance of Units at a deemed value of \$1.20 per Unit. The Debentures mature March 31, 2028 (the “**Maturity Date**”) and bear interest at 5% per annum, accruing daily, compounding annually on March 31 of each year and payable on each such March 31 anniversary date and at the Maturity Date or conversion. Payments of interest may, at the Company’s option, be made either (i) by payment in cash (other than in the event of a conversion) or (ii) by the issuance of Units at a deemed value of \$1.20 per Unit.

Each Unit is comprised of one (1) CACR.A multiple-voting share and one (1) share purchase warrant enabling its holder to acquire one further CACR.A multiple-voting share from treasury upon payment of \$1.20, exercisable at any time on or before the earlier of (i) March 31, 2029 or (ii) two (2) business days after 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 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.

The Corporation paid a finder’s fee of 5% of the aggregate amount of Debentures sourced by finders payable in Units at deemed price of \$1.20 per Unit.

The following officers and directors of the Company (collectively, the “**Insiders**”) participated in the Private Placement for an aggregate of \$763,150 of Debentures plus 127,190 Units representing a premium of 20% of the original principal amount, with the Units being comprised of an aggregate of 127,190 multiple voting shares and 127,190 warrants representing the equivalent of 0.57% of the Company’s issued and outstanding multiple voting shares (calculated on the basis of conversion of the subordinate voting shares into multiple voting shares on a ratio of 100:1) on a partly diluted basis following closing of the Private Placement:

| Name and Position with the Corporation | No. of Multiple Voting Shares held (and %) prior to Private Placement | No. of Multiple Voting Shares issued under the Private Placement and issuable upon exercise of warrants (and %) | No. of Multiple Voting Shares held (and %) following completion of Private Placement |
|---|--|--|---|
| Frank Smeenk <i>Director and Officer</i> | 1,867,255 (8.58%) | 28,866 (5.19%) | 1,881,688 (8.54%) |
| Douglass Flett <i>Director</i> | 118,569 (0.54%) | 19,666 (3.53%) | 128,402 (0.58%) |
| Megan McElwain <i>Director and Officer</i> | 22,262 (0.10%) | 4,666 (0.84%) | 24,595 (0.11%) |
| Thomas Masters <i>Officer</i> | 263,796 (1.21%) | 145,000 (26.06%) | 336,296 (1.53%) |
| Bruce Hodgman <i>Officer</i> | 180,291 (0.83%) | 24,166 (4.34%) | 192,374 (0.87%) |
| Donald Sheldon <i>Director and Officer</i> | 164,483 (0.76%) | 32,016 (5.75%) | 180,491 (0.82%) |
| Total: | 2,616,656 (12.02%) | 254,380 (45.71%) | 2,743,846 (12.45%) |

The cash proceeds of the distribution of Debentures will be used to fund the Company’s business focused on the acquisition of interests in, and the exploration, evaluation and development of, large-scale mineral deposits of chromite and other base metals and minerals including, without limitation, funding the Company’s overhead and operating expenses and the costs of this Private Placement.

All of the securities issued pursuant to this tranche of the 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 Company 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 Company’s capitalization as of the date hereof, which is approximately \$22 million. In view of the frequent participation of insiders in past private placements undertaken by the Company and the relatively small effect on the Company’s capitalization on completion of this Private Placement, the Company considered it reasonable not to announce this related party transaction 21 days in advance of closing.

About The Canadian Chrome Company:

KWG, which carries on business as The Canadian Chrome Company, is an exploration stage company that is focused on identification, acquisition, consolidation, exploration, development and evaluation of large-scale deposits of minerals including chromite, base metals and strategic minerals and, where applicable, in the development of transportation links to access remote areas where these deposits may be located. In respect of chromite, KWG 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 (the "Subsidiary") which staked mining claims between Aroland, Ontario (near Nakina) and the Ring of Fire. The Subsidiary has conducted a surveying and mineral and soil testing program to explore for minerals and 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 the Subsidiary. The Subsidiary identified deposits of aggregate along the route and made application for 32 aggregate extraction permits. The Subsidiary engaged Cormorant Utilities and Rail-Veyor Technologies for Engineering Proposals for the construction of a transportation and utility corridor within the route to connect the Ring of Fire area to transportation and electrification systems which run through Nakina, Ontario (near Aroland) connecting to southern Ontario and the rest of Canada and has received those proposals. Those proposals include electrification systems connecting to several First Nations communities in the James Bay Lowlands including in the Ring of Fire area. 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:

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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.*

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