

“The largest base-metal discovery in North America since Kidd Creek”

Bruce Reid – Director KWG



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5 Reasons to Look at KWG Resources

1. The 'Ring of Fire' is considered, by many industry professionals, to be the largest base metal discovery in North America since Kidd Creek in 1964.
2. This primary chromite deposit ("Big Daddy") in the 'Ring of Fire' has high grade chrome (<40%) close to the surface and with good widths. The in-situ value of a pitiable resource of this magnitude is projected to be billions of dollars.
3. Cliffs Natural Resources, the largest coking coal and iron ore company in North America, has purchased 19.9% of KWG for US\$3,500,000.
4. The resource of the Big Daddy Chrome Deposit will be substantially expanded and delineated as the joint venture companies continue exploration over the entire strike length of the project.
5. There is a very low market realization of the asset, considering this deposit could be worth \$Billions and that the market capitalizations of the 5 players drilling in the area (Freewest, Noront, KWG, Fancamp & Spider) is less than \$200,000,000.

Overview of KWG Resources

KWG Resources Inc. is an exploration stage company, with properties in northern Ontario, Canada. KWG owns a 25% stake in the Big Daddy chromite discovery in the James Bay Lowlands but has a 1% NSR in the entire chrome belt, including all of Freewest's Black Thor and Black Label deposits and the JV's Big Daddy deposit. The area has attracted considerable attention since the 2007 discovery of the Eagle One high-grade nickel deposit by Noront Resources Ltd.

Recently, New York Stock Exchange-listed Cliffs Natural Resources Inc. (formerly Cleveland-Cliffs) acquired 19.9% of KWG in a private placement.

Ticker Symbol:	KWG.V
Shares O/S:	403,468,877
Share Price (Sept 17, 2009):	\$0.05
Market Cap:	\$12,590,160
52-Week Range:	0.06 / 0.01
Exploration budget (2009):	CA\$5,800,000

Exploration Highlights

- Mineralized zone identified by drilling along 400 metres of strike, with the potential for a strike length of over 2 km
- High Cr₂O₃ grade (40% or more) with thick widths close to surface
- Potential to be largest chrome deposit on the globe
- Recent metallurgical studies have shown its chemistry to be “ideal for the production of ferrochrome”
- Potential to supply the whole North American steel making industry
- In-situ value of a pitable resource of this magnitude could be in the billions of dollars.
- Cliffs Natural Resources (NYSE: CLF) – 19.9% ownership

Property Location



History of the 'Ring of Fire'

1990s

- DeBeers discovered the Victor diamond-bearing kimberlite 170km east of McFauld's Lake, which went into production in 2008.

2002

- While drilling geophysical targets for additional kimberlite bodies in Northern Ontario, DeBeers began to drill magnetic anomalies over much of the James Bay Lowlands and intersected massive sulphides containing base metals near McFauld's Lake.
- Having little interest in base metals, DeBeers returned the claims to KWG Resources and Spider Resources,
- The discovery attracted modest attention and several companies acquired claims in the Ring of Fire area in an attempt to duplicate the original discovery.
- KWG & Spider undertook exploration on their claims to determine the importance of the discovery.

‘Ring of Fire’ World Class Chromium Discovery

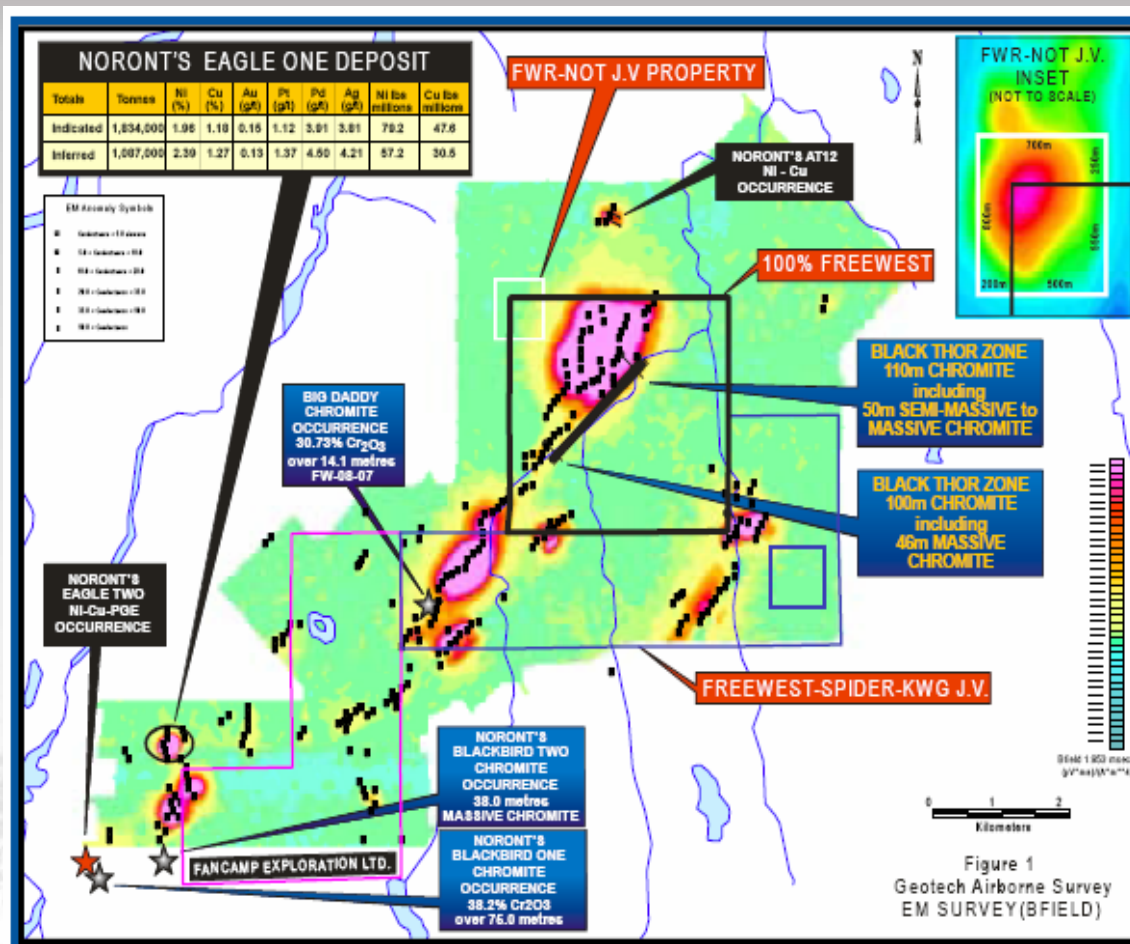
2007

- September 10 - First major discovery: Noront's drill results from the Eagle One discovery.

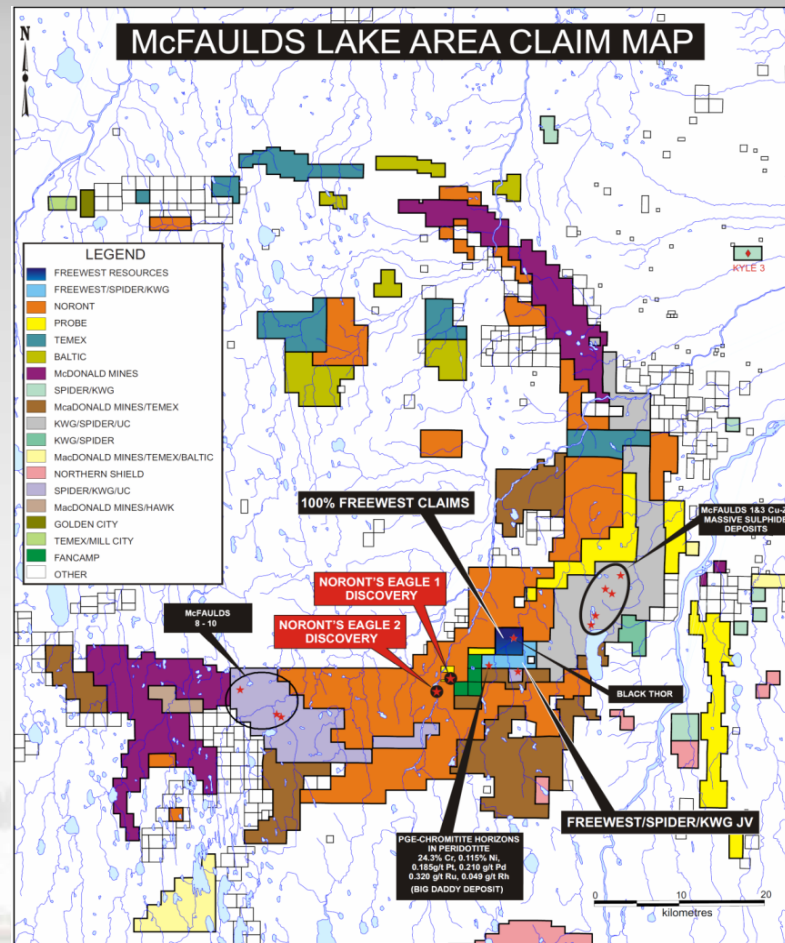
2008

- Three high grade chromite ore zones discovered in the McFaulds area.
 - Freewest has discovered the 100% owned Black Thor deposit
 - The Big Daddy deposit, 4 km along strike to the SW was discovered by the Freewest-Spider-KWG joint venture.
 - Noront has found 100% owned Blackbird One, during its Eagle One drilling program
- The string of deposits is believed to be part of a trend with a total strike length of 14km, running from Blackbird One to Black Thor.

'Ring of Fire' Nickel & Chromite Discoveries



‘Ring of Fire’ Claim Map



Big Daddy Drill Intercepts

Results Include:		
Hole	Interval (Metres)	% Cr ₂ O ₃
FW-08-14	44.5	34.6
FW-08-18	32.0	37.5
FW-08-19	46.5	37.2
FW-08-20	32.7	39.6
FW-08-21	10.8	39.2
FW-08-22	34.8	42.1
FW-08-23	43.5	35.0

Most significant chrome discovery in North America

- Freewest believes the Black Thor deposit itself is capable of holding 72 Mt of ore, at a value of approximately \$29 billion.
- The Big Daddy deposit appears to hold similar grades, widths and depths, making multimillion tonnage ore deposits along the 14km strike length a probability.
- The 'Ring of Fire' area chromite mining assets could be worth \$100 billion or more. (from Middelkoop Discovery article – Feb 7, 2009)

2009 Area Chrome Activities

Black Label - Freewest:

- Features drill intercepts of 35.4% Cr₂O₃ over 20 metres (BT-09-26) & 34.2% Cr₂O₃ across 20 metres (BT-09-30)

Black Thor - Freewest:

- Drill-tested over an intermittent 2600-metre strike length to a maximum vertical depth of ~350 metres.
- Highlighting recent drill results at Black Thor, is an intercept returning 34.1% Cr₂O₃ over a core length of 174 metres

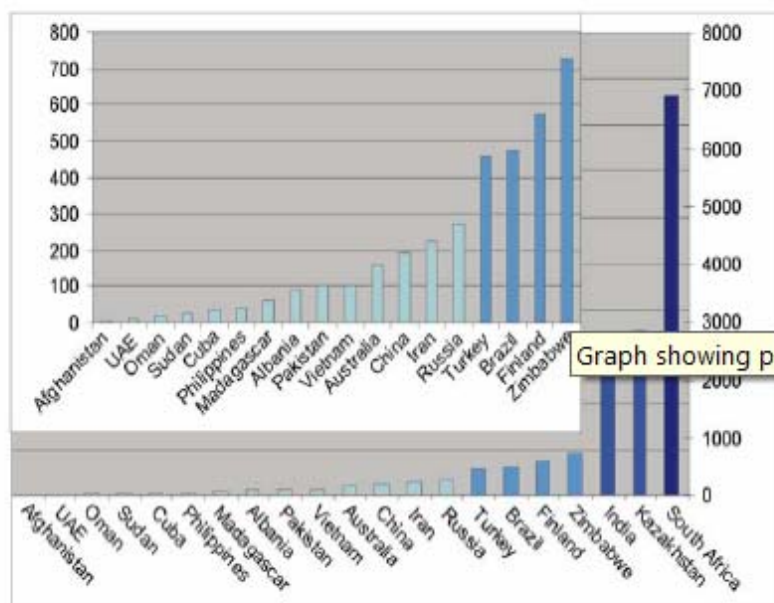
Blackbird - Noront:

- Assay results from 30 diamond drill holes recently completed on the Blackbird One and Two chromite deposits, located in McFaulds Lake in the James Bay lowlands.
- A total of 92 holes (25,477 metres) were drilled during the most recent drill program and drill operations were completed in June 2009.

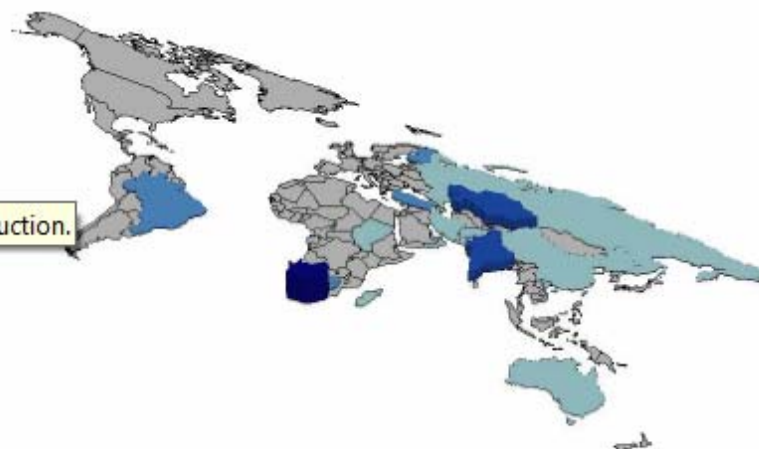
Chromite Information

- 90% of the chromite mined is used in the production of stainless steel
- In the production of stainless steel there is no substitute for ferrochrome
- 70% of world chromite reserves currently located in South Africa
- China is largest consumer of ferrochrome (50%)
- High-grade chromite ore is valued at \$350-\$350/tonne delivered to port
- The medium to long term price looks set to rise as fundamentals become favourable with strong demand from the far east.
- Substitutes in chromium's major end use – None.

Average Annual Chromite Production



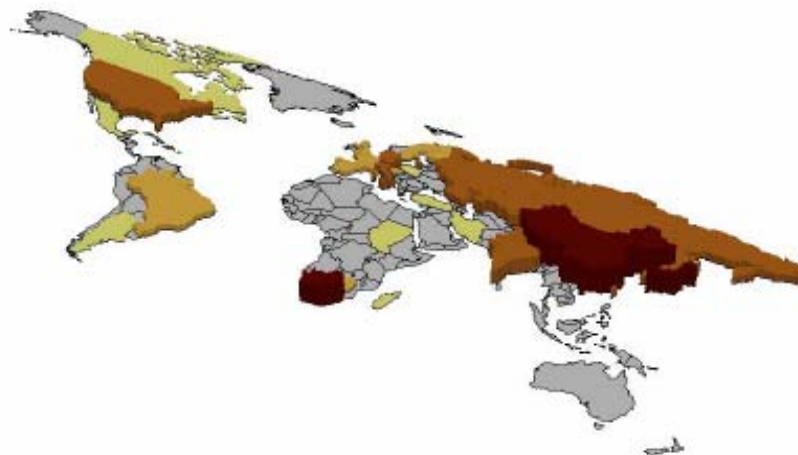
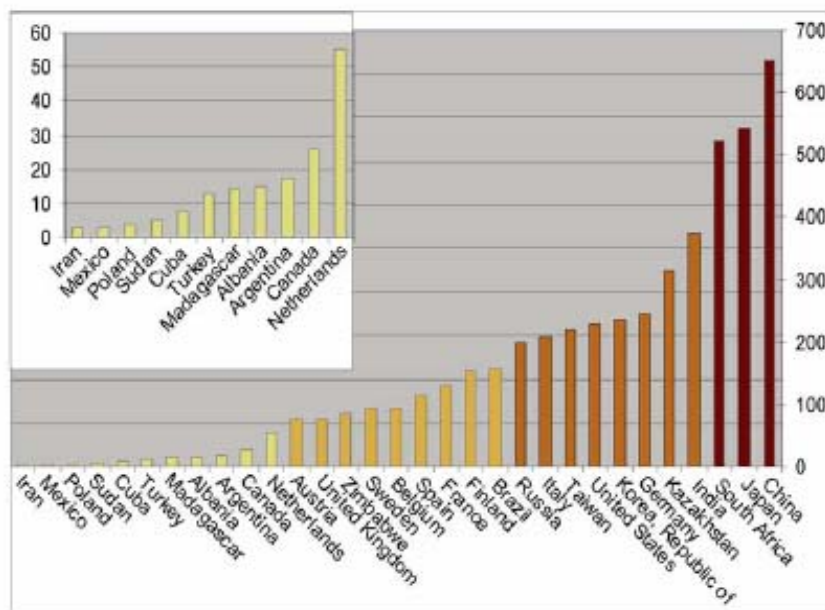
Graph showing production.



Units: Thousand metric tons, marketable chromite ore.

Note: United States chromite production is expected to reach 0.04 Mt/yr after 2006.

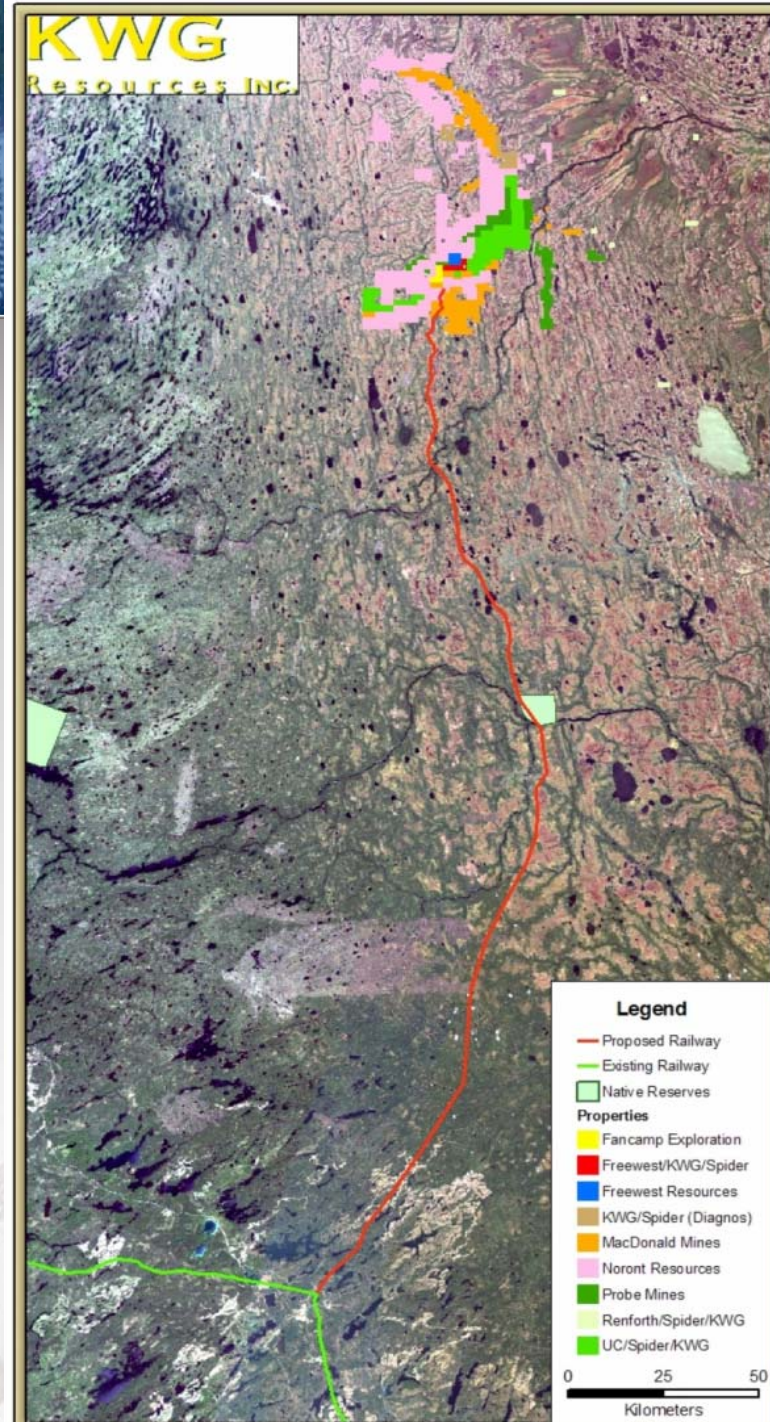
Average Annual Chromium Consumption



Units: Thousand metric tons, contained chromium.

Rail Link


KWVG is taking the initiative in assessing the development opportunities and infrastructure requirements. As a railroad will be needed to make the deposits economic, the cost qualifies as Canadian Exploration Expense.




Cliffs Natural Resources (NYSE: CLF)

- International mining and natural resources company.
- Largest producer of iron ore pellets in North America.
- Significant producer of metallurgical coal.
- 2008 Revenue: US\$3.6 Billion
- 2008 Profit: US\$516 Million
- Market cap: US\$2.35 Billion
- Purchased 19.9% of KWG Resources for US\$3,500,000 in March 2009.

“Over recent years, Cliffs has been executing a strategy designed to achieve scale in the mining industry and focused on serving the world's largest and fastest growing steel markets.”

A faded background image of a mining operation in a snowy, mountainous region. It shows heavy machinery, including a large yellow excavator, and several workers in safety gear standing near a pile of material. The scene is set against a backdrop of snow-covered trees and mountains.

2009 Exploration Budgets

- A CA\$5,000,000 program is underway to complete a Resource Calculation on the Big Daddy deposit to demonstrate its started-pit economics
 - Over CA\$30,000,000 will be spent by the 5 major players in over a 14km length in 2009 (KWG, Noront, Spider, Freewest and Fancamp)
- 
- A faded background image showing a mining operation in a snowy, mountainous environment. A large piece of yellow mining equipment, possibly a conveyor system or a small train, is visible in the foreground, with snow-covered ground and evergreen trees in the background.

Management & Directors

Management

- Frank C. Smeenk, LL.B. - *President & Chief Executive Officer*
- Thomas E. Masters - *Chief Financial Officer*
- Maurice (Moe) Lavigne – *Vice-President, Exploration & Development*
- Luce L. Saint-Pierre, LL.B. - *Corporate Secretary*

Directors

- Dr. Mousseau Tremblay, Ph.D. Geology, P.Eng - *Chairman Emeritus*
- Michael S. Harrington, C.A. - *Chairman*
- Michel L. Côté (ex-VP of Midland Walwyn and ex-President of Alpha Capital. Director of Temoris Resources and Ste. Genevieve Resources).
- Richard P. Fink, MBA (also General Manager – Acquisitions & Development, at Cliffs Natural Resources)
- Douglas M. Flett, LL.B (also director of Fletcher Nickel)
- Bruce Reid, C.A. (ex-CEO of U.S. Silver. Director of Fletcher Nickel, Chrysalis Capital VI Corporation, Sutter Gold and Debuts Diamonds.)
- Frank C. Smeenk, LL.B.

KWG Resources Inc.

www.kwgresources.com

Investor Relations:

(416) 646-1374

info@kwgresources.com

Executive Office:

141 Adelaide Street West, Suite 1000

Toronto, Ontario, Canada M5H 3L5

