

## PRESS RELEASE

No 12

**KWG**

Symbol on TSX-Venture Exchange: **KWG**  
Shares issued and outstanding: **263,659,821**

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### **KWG TO DRILL RING OF FIRE CLAIMS NEAR EAGLE ONE DISCOVERY**

Montreal, Canada, June 27<sup>th</sup>, 2008 – **KWG Resources Inc.** (TSXV-KWG) will resume drilling in the next few weeks at the Freewest Option claims in the Ring of Fire area of Northern Ontario. At the KWG annual meeting last Friday, shareholders were advised that drilling will commence at the Freewest Option claims, located near the Noront Resources Ltd nickel, chrome and platinum group metals discoveries, to expand the important chromitite mineralization identified earlier this year and test other geophysically-identified targets.

Assays from the first 2008 hole FW-08-05 returned Chromitite (Chrome Oxide, Cr<sub>2</sub>O<sub>3</sub>) grades as high as 35.6% over 7.5 metres. Other layers show enrichment in platinum and palladium as high as 1.0 g/t (Pt + Pd) over 4.3 metres as well as enrichment in nickel as high as 0.25% Ni over 3 metres. KWG regards the Chromitite assay results as significant because this chrome-PGE-nickel discovery evidences an apparent continuation of the mineralized trend also hosting the Noront Eagle 1 and Eagle 2 discoveries.

KWG & Spider Resources Inc, are joint venture partners in the Freewest Option and may together earn up to a 65% operating interest in the claims optioned from Freewest Resources Canada Inc.

**Drilling for diamonds to begin on MacFadyen Kimberlites:** Shareholders were also advised that KWG's wholly-owned subsidiary, Debuts Diamonds Inc, has contracted a helicopter-moveable drill rig to drill at least two untested targets on the MacFadyen Kimberlite claims. The targets were identified by the analysis of the earlier geophysical data acquired in the MacFadyen claims. Camp construction has commenced for mobilization of the drill rig. Drilling is expected to begin in approximately three to six weeks.

The MacFadyen Kimberlites property is located in the James Bay Lowlands of northern Ontario. The property is on the south shore of the Attawapiskat River about 66 miles (105 km) west of Attawapiskat. Exploration on the MacFadyen Kimberlites has identified small quantities of commercial sized diamonds in 2007. The MacFadyen Kimberlites consists of 5 claims, totalling about 1,661 acres or 672 hectares, adjacent to the De Beers' Victor Mine. The Victor Mine began diamond production in January 2008.

A bulk-sampling program of the MacFadyen Kimberlites had not been able to proceed as planned earlier this year, because the available reverse-circulation drill had been employed by De Beers for a sampling program at the adjacent Victor Diamond Mine. The remaining cold-weather season had then been insufficient to employ the rig over ice

conditions for the sampling program wanted at MacFadyen. Debuts Diamonds now plans instead to conduct a limited sampling program of indicator minerals this summer on the adjacent claims previously acquired from Pele Mountain Resources Inc, in addition to the drilling of the geophysical anomalies.

**Transfer of diamond prospects to Debuts:** As previously announced KWG has completed the transfer of all its diamond exploration assets on April 29, 2008 to Debuts Diamonds Inc. This includes six diamond prospects in the following claim groups: MacFadyen Kimberlites, Pele, Uniform Surround, Wawa Joint Venture, Kyle Joint Venture and diamond rights only in the Diagnos Initiative Joint Venture. KWG continues to hold directly the interests in the Freewest Option, the McFauld's Lake Joint Venture optioned to UC Resources Ltd and the non-diamond assets of the Diagnos Initiative Joint Venture.

Debuts Diamonds is completing an audit for inclusion in a non-offering prospectus by which it will seek to qualify itself as a reporting issuer in Ontario. As previously announced, it is planned to distribute the majority of the currently outstanding shares of Debuts Diamonds Inc as a tax-free return of capital to the holders of KWG's issued shares outstanding at the record date of the dividend. The record date will be determined when a receipt has been issued for the prospectus.

**KWG's directors re-elected at annual meeting:** Messrs. Michel Côté, Douglas Flett, Michael Harrington, Leonard Teoli, Dr. Mousseau Tremblay and Frank Smeenk were re-elected as directors of KWG at the meeting of KWG shareholders held in Montreal on June 20, 2008. Dr. Tremblay was re-elected Chairman of the KWG Board of Directors following the meeting and Messrs. Harrington and Smeenk were re-appointed Vice-Chairman and President, respectively. Luce Saint-Pierre was re-appointed as Secretary and Martin Nicoletti as CFO.

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