

PRESS RELEASE

KWG

No. 130

Symbol on TSX Venture Exchange: **KWG**
Shares issued and outstanding: **673,891,941**

FERROCHROME SMELTING TEST OF *BIG DADDY* TO BE REVISITED

Montreal, Canada – June 11, 2012 – **KWG Resources Inc.** (TSXV: KWG) and Cliffs Natural Resources have now had an opportunity to consider the results of the smelting test conducted with part of the bulk sample recovered during last winter's drilling program at the Big Daddy deposit. The test confirmed that the sample can produce a marketable charge chrome grade of ferrochrome product with relatively low energy consumption. However, the test experienced less than ideal conditions in the newly installed pilot plant at the Xstrata Process Support Services facility at Falconbridge, Ontario. A large portion of the bulk sample, crushed to size, remains available for further testing. Options for such further testing will be discussed when the parties meet this month to evaluate plans for further programs for the Big Daddy partnership.

About KWG: KWG has a 30% interest in the Big Daddy deposit. 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 where the Trans Canada line of the Canadian National Railway can be connected.

KWG Shareholders' Annual Meeting: KWG will convene its annual meeting of shareholders on Wednesday June 27, 2012 at 11:00 a.m. in Toronto, at the offices of Norton Rose Canada LLP, Suite 2300, TD Waterhouse Tower, 79 Wellington Street West, Toronto, Ontario.

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