

## PRESS RELEASE

**KWG**

**No 28**

Symbol on TSX-Venture Exchange: **KWG**  
Shares issued and outstanding: **338,583,808**

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### **KWG RESOURCES INC. COMPLETES PRIVATE PLACEMENT WITH CLIFFS NATURAL RESOURCES INC.**

Montréal, Canada – March 16, 2009 – Further to its press release dated January 21, 2009, **KWG Resources Inc.** (“**KWG**” or the “Company”) (**TSXV: KWG; OTCBB: KWGBF**) is pleased to announce that **Cliffs Natural Resources Inc. (NYSE: CLF)** an Ohio Corporation, through its Dutch affiliate, Cliffs Greene B.V. (“**Cliffs**”) has exercised its previously granted option (the “**Option Agreement**”) and has acquired, on a non-brokered private placement basis, certain securities of KWG in the aggregate amount of US\$3,500,000.

Pursuant to this private placement, Cliffs has acquired 50,448,987 units of KWG (each a “**Unit**”), representing 14.9% of the number of the outstanding common shares of KWG (the “**Common Shares**”) after giving effect to the issuance of the Units, at a subscription price of US\$0.048893 per Unit (the “**Subscription Price**”). Each Unit is comprised of one (1) Common Share and approximately 0.44 of a non-transferable Common Share purchase warrant of KWG (each such whole Common Share purchase warrant, a “**Warrant**”), such that the aggregate of 22,224,784 Warrants issued today to Cliffs represents 14.9% of the aggregate number of outstanding warrants, options and other rights to purchase or obligations of KWG to issue Common Shares (the “**Outstanding Options**”). Each Warrant entitles Cliffs to purchase one (1) Common Share at US\$0.05 during the first year after the date hereof and US\$0.10 thereafter (subject to the undertaking of KWG to reduce such price to US\$0.05 upon regulatory approval) and is exercisable for 20 business days following the issuance by KWG of 5 Common Shares upon the exercise of the Outstanding Options. To the extent not previously exercised the Warrants will expire on March 16, 2014, at the latest.

Pursuant to this private placement, Cliffs has also purchased a secured convertible debenture of KWG (the “**Debenture**”) in a principal amount of US\$1,033,398 maturing on April 16, 2009, such amount being equal to the difference between US\$3.5 million and US\$2,466,602 paid for the Units described above. The Debenture is non-transferable and non-interest bearing, and is not convertible unless the approval of the shareholders of KWG to the issuance of the Units upon conversion of the Debenture is obtained (the “**Shareholder Approval**”).

The Shareholder Approval is being sought at the upcoming annual and special meeting of KWG shareholders to be held on April 15, 2009. The votes attaching to the Common Shares held by Cliffs, including any Common Shares held by its associates and affiliates, will be excluded from the calculation of the required votes for obtaining the Shareholder Approval.

If the Shareholder Approval is not obtained, KWG will immediately repay, in full, the principal amount of the Debenture and pay to Cliffs a termination fee of \$US50,000 (the “**Termination Fee**”).

Upon the Shareholder Approval being obtained, all of the principal amount of the Debenture will be converted automatically into Units at the rate of US\$0.048894 per Unit resulting in a further issuance to Cliffs of 21,135,069 Units comprised of 21,135,069 Common Shares and 9,310,839 Warrants. The security granted by KWG is comprised of cash in an amount equal to the principal amount of the Debenture plus the amount of the Termination Fee.

KWG and Cliffs have also entered into a shareholder agreement which provides Cliffs with certain rights of first refusal, pre-emptive rights and the ability to appoint a director to KWG's board of directors.

The hold period of the securities issued today expires on July 17, 2009.

**About Cliffs Natural Resources Inc.**

Cliffs Natural Resources is an international mining and natural resources company. It is the largest producer of iron ore pellets in North America, a major supplier of direct-shipping lump and fines iron ore out of Australia and a significant producer of metallurgical coal. With core values of environmental and capital stewardship, our colleagues across the globe endeavor to provide all stakeholders operating and financial transparency as embodied in the Global Reporting Initiative (GRI) framework. Cliffs Natural Resources is organized through three geographic business units:

The North American business unit is comprised of six iron ore mines owned or managed in Michigan, Minnesota and Eastern Canada, and two coking coal mining complexes located in West Virginia and Alabama. The Asia Pacific business unit is comprised of two iron ore mining complexes in Western Australia and a 45% economic interest in a coking and thermal coal mine in Queensland, Australia. The South American business unit includes a 30% interest in the Amapá Project, an iron ore project in the state of Amapá in Brazil, as well as a number of smaller greenfield projects not yet in production.

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.

**About KWG Resources Inc.**

KWG Resources is a mineral exploration company with extensive claim holdings in the James Bay Lowlands of Northern Ontario, Canada, where important discoveries of nickel and chrome have been made recently in the so-called *Ring of Fire*. KWG has an equal joint venture interest in a large claim block in the central part of the discovery area, with **Spider Resources Inc. (TSXV: SPQ)**. The joint venture is developing the *Big Daddy* chromite deposit adjacent to the Black Thor and Black Label chromite discoveries of Freewest Resources Canada Inc. **(TSXV: FWR)**.

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*Forward Looking Information:*

*This press release contains certain “forward-looking statements”. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to the Shareholder Approval) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include among other things, the failure to obtain the required Shareholder Approval. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guaranteed of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.*

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