

## PRESS RELEASE

No 35

# KWG

Symbol on TSX-Venture Exchange: **KWG**  
Shares issued and outstanding: **359,718,877**

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### KWG TO ACQUIRE RING OF FIRE ROYALTIES

Montreal, Canada, Thursday, July 16th, 2009 – **KWG Resources Inc (TSXV: KWG)** has agreed to acquire from the holder half of a 2% net smelter royalty (1%) underlying the mineral claims of **Freewest Resources Canada Inc (TSXV: FWR)** (“Freewest”) including those in which KWG and **Spider Resources Inc (TSXV: SPQ)** are earning a joint venture interest. The claims include the Freewest *Black Thor* chromite discovery and the KWG and Spider *Big Daddy* chromite discovery. These are located in the *Ring of Fire* in the James Bay Lowlands of Northern Ontario.

On closing, KWG will acquire from the vendor half of the 2% NSR (1%) on any minerals produced from the claims but not the remaining 1% which is subject to a prior purchase option in favour of Freewest. Under the prior purchase option, Freewest may purchase the remaining 1% NSR for \$1,000,000 at any time and KWG and Spider hold an undivided interest in such right as it affects the claims optioned from Freewest and in which KWG and Spider are earning a joint venture interest.

Under terms of the purchase agreement KWG has agreed to issue 15 million shares and 15 million share purchase warrants (each warrant exercisable at \$0.10 for 5 years) and pay \$635,000 on closing. A further \$1 million will be paid within one year. Closing of the transaction is subject to TSX Venture Exchange approval.

#### **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. The joint venture is developing the Big Daddy chromite deposit adjacent to the Black Thor and Black Label chromite discoveries of Freewest Resources.

*“The confidence demonstrated by Cliffs Natural Resources’ recent subscriptions to the capital of KWG and Freewest, is a watershed event for the development of the newly-discovered and rapidly-developing Ring of Fire greenstone belt,”* said KWG President Frank Smeenk. *“We are delighted to be able to acquire this most significant underlying economic interest in the belt’s principal chromite discoveries, in furtherance of this important development initiative.”*

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