

## PRESS RELEASE

**KWG**

**No. 69**

Symbol on TSX Venture Exchange: **KWG**  
Shares issued and outstanding: **589,549,206**

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### **KWG ADDRESSES NOTICE OF SUPERIOR PROPOSAL RESPECTING PROPOSED COMBINATION OF KWG AND SPIDER**

Montréal, Canada - June 18, 2010 - **KWG Resources Inc.** (“KWG” or the “Company”) has received notification from Spider Resources Inc (Spider) that Cliffs Natural Resources Inc (Cliffs) has made a Spider Alternative Proposal (as defined in the combination agreement among KWG, its wholly-owned subsidiary, 7569076 Canada Inc (KWG Subco) and Spider dated as of June 11, 2010 (the Combination Agreement), a copy of which is filed on Spider’s SEDAR profile at [www.sedar.com](http://www.sedar.com)) and that the board of directors of Spider has determined such proposal to be a Spider Superior Proposal (as defined in the Combination Agreement). If the Spider Superior Proposal is proceeded with, Cliffs will increase the offer price under its take-over bid for the outstanding common shares of Spider and associated rights under Spider’s shareholder rights plan (collectively the Spider Shares) to \$0.165 per Spider Share.

Pursuant to the Combination Agreement, KWG has the opportunity, but not the obligation, to offer in writing to amend the terms of the Combination Agreement and the amalgamation of Spider and KWG Subco (the Amalgamation) before 12:01 a.m. on June 24<sup>th</sup>, 2010. KWG is considering making such an offer. If KWG makes an offer that matches the Spider Superior Proposal, KWG, KWG Subco and Spider will enter into an amended agreement reflecting KWG’s amended proposal. If such an offer is not made by KWG or is made but not accepted by Spider as matching the Spider Superior Proposal, then as a condition to the right of Spider to terminate the Combination Agreement in order to enter into an agreement with respect to the Spider Superior Proposal or otherwise accept, approve or recommend the Spider Superior Proposal, Spider will be required, on or prior to the date of such termination, to pay to KWG a cash payment equal to \$2,300,000.

#### **Forward-Looking Information**

This news release contains or refers to forward-looking information. All statements, other than statements of historical fact, that address activities, events or developments that KWG believes, expects or anticipates will or may occur in the future are forward-looking information. Such forward-looking information includes statements contained in this news release regarding KWG considering making an offer in light of the Spider Superior Proposal and the expected consequences of making, or failing to make, such an offer and that Cliffs will increase the offer price under its take-over bid for Spider if the Spider Superior Proposal is proceeded with. This forward-looking information reflects the current expectations or beliefs of KWG based on information currently available to it. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of KWG to differ materially from those discussed in the forward-looking information, 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 KWG. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: KWG declining to make an offer that matches the Spider Superior Proposal, Cliffs responding to such an offer by making another Spider Superior Proposal, Cliffs failing to increase the offer price under its take-over bid and other factors. Any forward-looking information speaks only as of the date on which it is made. Although KWG believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

***The Amalgamation described in this news release relates to common shares of a Canadian company. U.S. shareholders should be aware that the Amalgamation is subject to the disclosure requirements of Canada, which are different from those of the United States. The financial statements included or***

*incorporated by reference in documents relating to the Amalgamation have been prepared in accordance with Canadian generally accepted accounting principles, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.*

*The enforcement by shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Spider Resources Inc. is incorporated under the federal laws of Canada and KWG Resources Inc. is incorporated under the laws of Quebec, Canada, most of their respective officers and directors are residents of Canada and other foreign countries, and some or all of their respective assets and the assets of their respective officers and directors are located outside the United States. U.S. shareholders may not be able to sue a Canadian company or its officers and directors in a Canadian or other foreign court for violations of U.S. securities laws, and it may be difficult to compel a Canadian company and its affiliates to subject themselves to a U.S. court's judgment.*

*U.S. shareholders should be aware that KWG Resources Inc. may purchase securities of Spider Resources Inc. otherwise than under the Amalgamation, such as in open market or privately negotiated purchases.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**For further information, please contact:**

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