

## PRESS RELEASE

**KWG**

Symbol on TSX Venture Exchange: **KWG**  
Shares issued and outstanding: **636,878,941**

**No. 101**

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### BIG DADDY METALLURGICAL TESTING COMPLETED

Montreal, Canada – June 10, 2011 – **KWG Resources Inc.** (TSXV: KWG) has received the final report from Xstrata Process Support on its Big Daddy chromite metallurgical testing. The report confirms that the samples collected from four bore holes of the Big Daddy chromite deposit are amenable to refining at relatively modest energy consumption resulting in high yields of refined ferro-chrome product. The report observes:

*“The results indicate a material that is highly reducible considering its high chromium content and which, during smelting, produces a high grade alloy at high chromium recovery, providing essential operating parameters are satisfied.*

*Analysis of the smelting results indicates that a reductant requirement of at least 19.5% Carbon equivalent is required to ensure optimum chromium recovery. The smelting is somewhat less sensitive to the flux addition rate, but 9% CaO equivalent is considered the safe minimum. Smelting temperatures of 1625-1650°C appear optimum for best results.*

*Under conditions such as those summarised above, the Big Daddy ore can be expected to return chromium recoveries of 92-93% into a high carbon ferrochrome alloy grading around 58-60% Cr, with 6-8% C, 1% Si and the balance iron.*

*Smelting power requirements, while subject to issues such as operating conditions, furnace configuration and size and selection of process technology, are relatively modest considering the grade of alloy produced. Estimates in the range of 3.5 -3.8 MWh per ton of alloy produced result from the various models tested.*

*The metallurgical test work performed indicates that the Big Daddy chromite ore is highly suitable for the manufacture of high carbon ferrochromium or for use as a sweetener ore to blend with lower Cr: Fe chromite ores to manufacture charge chrome. The likely grade of alloy produced from this ore is 58-60% Cr. High Cr recoveries are obtained when smelting at normal FeCr furnace operating temperatures using burned lime as flux and suitable solid reductant. The reducibility of the ore is relatively high by comparison with previously tested ores of similar Cr: Fe ratio.*

*No issues were identified which would give cause for concern about the suitability of this ore as a high quality metallurgical feedstock for the manufacture of ferrochrome alloys. The ore can be marketed to prospective customers as being suitable for direct smelting in existing ferrochrome furnaces without any further beneficiation.”*

The company is also pleased to report the results of the two holes completed during its winter drilling program. Hole 63, drilled to a depth of 555m at minus 43 degrees, generated two chromite intercepts. The first through the Big Daddy Massive domain was from 489.6m to 525.0 (35.6m) (32m true width), at a vertical depth of 340-360m, assayed 41.08% Cr<sub>2</sub>O<sub>3</sub>. The second intercept from 535.5m to 546.0m (10.5m) assayed 32.75% Cr<sub>2</sub>O<sub>3</sub>. Drilling of this hole was terminated by the ending of KWGs operatorship of the project. Hole 64 drilled to a depth of 710m at minus 57

degrees, beneath hole 63, did not intercept chromite mineralization at the vertical depth target of 550-600m. The lack of mineralization at depth on this section coincides with a 150m segment within the 1 km gravity anomaly that defines the chromite deposit, where a weaker gravity indication is recorded.

M. J. (Moe) Lavigne, P. Geo., Vice-President, Exploration & Development of KWG, is the designated "qualified person" (within the meaning of National Instrument 43-101) responsible for the preparation of this news release.

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