

## PRESS RELEASE

No. 40

**KWG**

Symbol on TSX-Venture Exchange: **KWG**  
Shares issued and outstanding: **403,468,877**

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### KWG ANNOUNCES PRIVATE PLACEMENT CLOSING

Montréal, Canada – August 20<sup>th</sup>, 2009 – **KWG Resources Inc. (TSX-V: KWG)** (“KWG”) is pleased to announce that it has completed its previously announced non-brokered private placement (the “Offering”) of 20,000,000 “flow-through” units (the “FT Units”) and 8,750,000 non-“flow-through” units (the “Units”), for total subscriptions of \$1,437,500. The FT Units and the Units were issued at \$0.05 each and were comprised of one common share of KWG and one common share purchase warrant of KWG exercisable at a price of \$0.10 per warrant to acquire one common share of KWG for a period of 5 years.

Cliffs Greene B.V. (“Cliffs”), an affiliate of **Cliffs Natural Resources Inc. (NYSE: CLF) (Paris: CLF)**, in order to maintain its 19.9% equity interest in KWG, subscribed for all of the Units. Directors and Officers of KWG and its subsidiary Canada Chrome Corporation, subscribed for \$622,500 of the FT Units. The participation of such subscribers in the Offering constitutes a “related party transaction” under Multilateral Instrument 61-101 (“MI 61-101”), but KWG was exempt from both the formal valuation and minority shareholder approval requirements of MI 61-101 in connection with the Offering as neither the fair market value of the securities issued, nor the consideration for such securities, in so far as it involves interested parties, exceeded 25% of KWG’s market capitalization as calculated pursuant to MI 61-101. KWG completed each such subscription within 21 days of the date the board of directors approved the Offering, as part of the Offering.

The net proceeds of the proposed Private Placement will be used to finance the exploration work on the Freewest Option in the **Ring of Fire** and for working capital. The proceeds from the FT Units will be used for eligible flow-through exploration expenses and will be renounced for the 2009 taxation year.

The securities issued under the Offering are subject to a hold period expiring on December 21, 2009.

#### **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 KWG believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to the exploration work on the Freewest Option) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of KWG based on information currently available to KWG. Forward-looking statements are subject to a number of significant risks and uncertainties and other factors that may cause the actual results of KWG 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 KWG. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to the failure to complete the exploration work.*

*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, KWG 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 KWG 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.*

**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 *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. KWG holds a 1% net smelter royalty in all three deposits and has created Canada Chrome Corporation to pursue the development of them.

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