

# PRESS RELEASE

**KWG**

**No 57**

Symbol on TSX-Venture Exchange: **KWG**  
Shares issued and outstanding: **549,900,933**

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## KWG CLOSSES SECOND TRANCHE OF PRIVATE PLACEMENT

Montréal, Canada – April 16, 2010 – **KWG Resources Inc. (TSXV – KWG)** reports that it has closed a second tranche of its previously announced non-brokered private placement through the sale of units (each, a “FT Unit”) at \$0.125 each for proceeds of approximately \$2,800,000. Each FT Unit consists of one flow-through common share and one-half of a common share purchase warrant issued on a flow-through basis pursuant to the *Income Tax Act* (Canada). Each whole common share purchase warrant entitles the holder to purchase one non flow-through common share until April 16, 2012 at a price of \$0.15. Finder’s fees totaling \$224,673 were paid. All securities issued pursuant to this private placement have a hold period expiring on August 17th, 2010.

Directors of KWG subscribed for \$500,000 of the FT units. The participation of such subscribers in the private placement constitutes a “related party transaction” under Multilateral Instrument 61-101- *Protection of Minority Security Holders in Special Transactions* (“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 private placement 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 private placement, as part of the private placement.

As previously announced, in order to maintain its 19.9% interest in KWG’s fully-diluted capital, Cliffs Greene B. V. will now exercise its pre-emptive right to subscribe for non “flow-through” units (each, a “Unit”) at \$0.125 per unit, with each Unit comprised of one common share and one-half of one common share purchase warrant. As such, in order to accommodate the exercise of such pre-exemptive right, KWG has obtained the conditional approval of the TSXV to increase the private placement for the sale of up to, in the aggregate, 88,000,000 FT Units and Units for aggregate gross proceeds of up to \$11,000,000.

### **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 increase in the private placement 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 issuance of Units to Cliffs Greene B.V. pursuant to the private placement.*

*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 guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.*

**For further information, please contact:**

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