

PRESS RELEASE

KWG

No. 63

Symbol on TSX Venture Exchange: **KWG**
Shares issued and outstanding: **577,741,471**

KWG RESOURCES INC. ANNOUNCES THE ADOPTION OF A SHAREHOLDER PROTECTION RIGHTS PLAN & THE APPOINTMENT OF FINANCIAL ADVISOR

Montréal, Canada – May 25, 2010 – **KWG Resources Inc.** (“**KWG**” or the “**Company**”) announces today that the board of directors of the Corporation has approved the adoption of a shareholder rights plan, effective May 25, 2010. The objective of the rights plan is to ensure, to the extent possible, that all shareholders of the Corporation are treated equally and fairly in connection with any initiative to acquire control of the Corporation.

The rights plan is not intended to and will not prevent a take-over of the Corporation. The purpose of the rights plan is to encourage a potential bidder to make a "Permitted Bid", having terms and conditions designed to meet the objectives of the rights plan, or to negotiate the terms of an offer with the board of directors of the Corporation. A Permitted Bid is a take-over bid that is made to all holders of voting shares of the Corporation (other than the bidder) for all of the voting shares held by them, by way of a take-over bid circular prepared in compliance with applicable securities laws, that remains open for acceptance by shareholders of the Corporation for 60 days (or such shorter period of time as may be approved by the board of directors of the Corporation from time to time), and that satisfies certain other conditions, including the condition that a take-over bid made by an offeror who possesses confidential information concerning the Corporation will not constitute a Permitted Bid unless the offeror has entered into a confidentiality agreement containing a standstill provision with the Corporation within the three months that precedes the commencement of the bid.

The Corporation has been advised that Cliffs Natural Resources Inc. intends to make an offer to acquire all of its outstanding shares.

The rights plan must be confirmed by shareholders within six months of its effective date. The listing of the rights is subject to acceptance by the TSX Venture Exchange.

A complete copy of the rights plan is available upon request. Shareholders wishing to receive a copy of the rights plan should make their request by telephone at (514) 866-6001, by facsimile at (514) 866-6193, by email at lsPierre@kwgresources.com or by mail to KWG Resources Inc., 600 de Maisonneuve Boulevard West, Bureau 2750, Montréal, Québec, H3A 3J2, Attention: Ms. Luce L. Saint-Pierre. A copy of the rights plan will be filed on SEDAR at www.sedar.com.

The Company is also pleased to announce that Canaccord Genuity Corp. has been appointed as the financial advisor to the Special Committee of independent directors. Canaccord Genuity Corp. will be assisting the Special Committee in considering various responses and strategic alternatives to the announcement by Cliffs Natural Resources Inc. that it intends to make a take-over bid to acquire all of KWG's common shares.

For further information, please contact:

BRUCE HODGMAN,
Communications Director
Direct: 416-646-1374
info@kwgresources.com

Or visit our website: www.kwgresources.com

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 the Corporation believes, expect or anticipate will or may occur in the future are forward-looking information. Such forward-looking information includes statements contained in this news release regarding the review of strategic alternatives available to the Corporation. This forward-looking information reflects the current expectations or beliefs of the Corporation 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 the Corporation 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 the Corporation. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the failure of the Corporation to identify and successfully complete any strategic alternative transaction. Any forward-looking information speaks only as of the date on which it is made. Although the Corporation 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.

This news release, required by applicable Canadian securities law, is not for distribution to U.S. news services or for dissemination in the United States, and does not constitute an offer of the securities described herein. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States, or to or for the benefit of U.S. persons, unless registered or exempt therefrom.

Neither the 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.