

# PRESS RELEASE

# KWG

**No. 66**

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

---

## KWG ENGAGES CORMARK SECURITIES INC. FOR FORMAL VALUATION

Montréal, Canada – June 3<sup>rd</sup>, 2010 – The Special Committee of the Board of Directors of **KWG Resources Inc.** (“KWG” or the “Company”) announces that it has engaged Cormark Securities Inc. to complete a formal valuation of the Company’s common shares in response to Cliffs Greene B.V.’s (“Cliffs”) stated intention to commence a takeover bid of all of the common shares of KWG (the “Proposed Bid”). Since Cliffs presently holds 19.4% of the outstanding securities of KWG, the Proposed Bid is considered an “insider bid” under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*. Accordingly, the Special Committee is required to supervise the preparation of a formal valuation by an independent valuator at Cliffs’ expense, which formal valuation is to be included, in summary or in its entirety, in any circular prepared by Cliffs and circulated to the Company’s shareholders in connection with the Proposed Bid.

The Board of Directors of KWG has also accepted the recommendation of its Compensation Committee to grant to a director of the Company options to purchase 1,500,000 common shares of the Company, at an exercise price of \$0.14 per share, for a period of 5 years from the date of such grant.

### *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 the completion of the proposed formal valuation by Cormark Securities Inc., the Proposed Bid and the proposed granting of options to a director of the Company. This forward-looking information reflects the current expectations, assumptions or beliefs of KWG based on information currently available to it. In connection with the forward-looking information contained in this news release, the Company has made certain assumptions about the completion of the formal valuation and the commencement of the Proposed Bid. 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, the failure of Cormark Securities Inc. to complete the formal valuation, the failure of Cliffs to make the Proposed Bid or include the formal valuation in its circular and other factors. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. 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.*

*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.*

**For further information, please contact:**

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

Or visit our website: [www.kwgresources.com](http://www.kwgresources.com)