
KWG REPORTS BIG DADDY EARN-IN

Montreal, Canada – May 6, 2011 – **KWG Resources Inc.** (TSXV: KWG) reports that it remitted on behalf of itself and Spider Resources Inc. (“Spider”) \$1.5 million of exploration funding last Friday to Freewest Resources Canada Inc. (“Freewest”) to complete the second option period earn-in requirement to incur \$5 million of exploration expenditures in order to vest each of KWG and Spider with an additional 1.5% interest in the Big Daddy Project. \$750,000 of the funds remitted by KWG to Freewest were funds advanced by Spider to KWG pursuant to budgeted cash calls that were not spent on the approved program. Subject to the terms of the option agreement, KWG and Spider now each have the option to earn a further 2% interest in the Project by each incurring \$2.5 million of exploration expenditures in a program operated by Spider to March 31, 2012.

“While we were able to very readily recover the drill-core bulk sample for metallurgical test work, the balance of our planned program suffered from several start-up delays and all manner of field difficulties,” explained KWG VP of Exploration Moe Lavigne. *“This included sourcing an independent logistics support provider late in the year to replace a previous commitment, accommodating a request for dialogue with a First Nation and a shortage of drillers. Persistent temperatures of minus 40 degrees during drilling reduced core production as the crew had to contend with both frozen water lines and frozen fuel”*. In the result, only two drill holes were completed of the program which had been originally planned to recover core samples from up to twelve drill holes. The *Big Daddy* chromite deposit was intercepted at a vertical depth of 450 metres, was sampled and submitted for assay, which are pending.

Because the exigencies of this winter’s field operations resulted in program expenditures of less than \$2.5 million being incurred by each of KWG and Spider, KWG and Spider each elected to remit the balance of funding to Freewest, the Optionor, as provided under the option agreement, to each vest an additional 1.5% interest and maintain the right to each earn the final 2% interest. Freewest has a 30-day period following KWG’s submission to Freewest of program expenditures within which to confirm the sufficiency of such expenditures.

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