

## PRESS RELEASE

KWG

No. 71

Symbol on TSX Venture Exchange: **KWG**  
Shares issued and outstanding: **589,549,206**

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### **KWG CONSIDERING WHETHER CLIFFS' AMENDED OFFER RESPECTING PROPOSED COMBINATION OF KWG AND SPIDER IS A SPIDER SUPERIOR PROPOSAL**

Montréal, Canada – June 28<sup>th</sup>, 2010 - **KWG Resources Inc.** (KWG) has received notification from Spider Resources Inc (Spider) that Cliffs Natural Resources Inc (Cliffs) has amended its offer in response to Spider accepting KWG's matching offer, as announced on June 25, 2010 in the joint press release of KWG and Spider, and that the board of directors of Spider has determined such amended offer to be a Spider Superior Proposal (as defined in the combination agreement among KWG, its wholly-owned subsidiary, 7569076 Canada Inc (KWG Subco) and Spider dated as of June 11, 2010 (the Combination Agreement)).

KWG, in consultation with its financial adviser, Canaccord Genuity Corp., is considering whether Cliffs' amended offer is in fact a Spider Superior Proposal.

KWG has the opportunity, but not the obligation, to offer in writing to amend the terms of the Combination Agreement and the amalgamation of Spider and KWG Subco (the Amalgamation) before 12:01 a.m. on July 6, 2010. In order to enter into an agreement with respect to Cliffs' amended offer or otherwise accept, approve or recommend Cliffs' amended offer, Spider will be required to terminate the Combination Agreement and, on or prior to the date of such termination, to pay to KWG a cash payment equal to \$2,300,000.

#### **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 KWG considering whether Cliffs' amended offer is in fact a Spider Superior Proposal and whether KWG will consider making an offer that matches Cliffs' amended offer. This forward-looking information reflects the current expectations or beliefs of KWG 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 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: KWG declining to make an offer that matches Cliffs' amended offer, Cliffs responding to such an offer by making another offer that Spider's board determines is a Spider Superior Proposal, and other factors. Any forward-looking information speaks only as of the date on which it is made. 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.

***The Amalgamation described in this news release relates to common shares of a Canadian company. U.S. shareholders should be aware that the Amalgamation is subject to the disclosure requirements***

*of Canada, which are different from those of the United States. The financial statements included or incorporated by reference in documents relating to the Amalgamation have been prepared in accordance with Canadian generally accepted accounting principles, and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.*

*The enforcement by shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Spider Resources Inc. is incorporated under the federal laws of Canada and KWG Resources Inc. is incorporated under the laws of Quebec, Canada, most of their respective officers and directors are residents of Canada and other foreign countries, and some or all of their respective assets and the assets of their respective officers and directors are located outside the United States. U.S. shareholders may not be able to sue a Canadian company or its officers and directors in a Canadian or other foreign court for violations of U.S. securities laws and it may be difficult to compel a Canadian company and its affiliates to subject themselves to a U.S. court's judgment.*

*U.S. shareholders should be aware that KWG Resources Inc. may purchase securities of Spider Resources Inc. otherwise than under the Amalgamation, such as in open market or privately negotiated purchases.*

*Neither 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:**

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