No. 98

KWG **Symbol on TSX Venture Exchange: KWG**
Shares issued and outstanding: 636,878,941

KWG REPORTS POSITIVE PRELIMINARY ECONOMIC ASSESSMENT OF BIG DADDY

Montreal, Canada – April 12, 2011 – A Preliminary Economic Assessment (PEA) study commissioned by **KWG Resources Inc.** (TSXV: KWG) on the Big Daddy Chromite deposit (Project) in the remote *Ring of Fire* area in the James Bay Lowlands of northern Ontario, recommends the Project be advanced to the Feasibility Study phase. KWG Resources Inc. owns a current 28% interest in the Project plus a 1% Net Smelter Royalty (NSR) on production from both the Project and the adjacent Black Thor and Black Label Chromite deposits, and has the option to increase its interest in the Project to 30%.

KWG President Frank Smeenk commented that, *"The PEA results indicate the Big Daddy deposit, if developed, could provide compelling returns to the owners at present prices. The estimated undiscounted cash flow per presently outstanding KWG share over the life of the Project, from KWG's interest alone, is $2.97 per share."* Please note, cash flow and NPV do not represent a fair market value of the project.

The Project as described in the PEA includes the development of a railway and power line to the site, an open pit mine and associated crushing plant and infrastructure. It is estimated that the pre-production construction would be completed over a 3 year time period and the open pit would produce a total of 25.35 million tonnes of indicated potentially mineable resource and 13.54 million tonnes of inferred potentially mineable resource of lump chromite mineralization, over a 16 year operating life. This scenario represents one of many development options for the Project. The PEA recommends that additional options be considered through marketing, transportation and mineralization processing studies to provide the preferred option for use in the definitive Feasibility Study. All dollar values unless otherwise stated are in Canadian Dollars and an exchange rate of $CDN:$US of 1.00 used.

Project Financial Analysis Results

	KWG Interest (30%)	*Total Project*
Undiscounted Gross Revenue[1]	$3.79 billion	$12.64 billion
Undiscounted Cash flow – Pre-Tax	$1.89 billion	$ 6.30 billion
Pre-tax evaluation:		
• NPV (8%)	$745 million	$ 2.48 billion
• NPV (10%)	$602 million	$ 2.01 billion
• IRR	42.0%	42.0%
• Payback Period	2.5 years	2.5 years
NSR Royalty(undiscounted)[2]	$126 million	

1 This estimate was based on a price of US$325 per tonne of lump chromite mineralization and an open pit shell produced using MineSight. A cut-off grade of 35% Cr_2O_3 was used.
2 NPV estimates for KWG interest do not include NSR Royalty paid to KWG.

Base Case Project Parameters

Potentially Mineable Resource *(based on the estimate dated March 30, 2010 by Micon International Limited)* after mining dilution & recovery	25.35 million tonnes Indicated Resources @ a grade of 38.02% Cr_2O_3 and 13.54 million tonnes Inferred Resources @ a grade of 37.03% Cr_2O_3
Overall Stripping Ratio (waste tonnes: lump chromite mineralization)	27:1
Estimated Mining Dilution	10 percent @ 0% grade
Projected Mining Recovery	97 percent
Lump Chromite Mineralization Produced[1]	8000 tonnes per day typically
Pre-Production Capital Expenditures[2]	$784 million
Working Capital	$ 40 million
Total Sustaining Capital Expenditures	$438 million
Closure Cost	$ 10 million
Estimated Operating Costs ($/tonne):	
Mining	$ 47.28
Product Preparation	$ 1.96
General & Administration	$ 2.88
Transportation to Customers	$ 75.00
NSR Royalty	$ 3.25
Total Operating Costs	$130.37
Life of Mine (lump chromite mineralization)	16 Years

1 Lump Chromite mineralization is material which has sufficient grade (i.e. greater than 35% Cr_2O_3) that smelting of the rock can be directly performed. Lower grade material (greater than 3.83% and less than 35% Cr_2O_3) would be stockpiled for possible processing in the future.
2 Includes the Project's 50% portion of estimated $900 million cost for railway construction.

The PEA includes a proposed railway which would extend approximately 350 kilometres from the mine and connect to the Canadian National Railway's main line near the town of Nakina, Ontario. The construction cost for the railway line is the largest single capital expenditure for the project at an estimated cost of $900 million. The project returns are sensitive to the railway capital expenditures as they occur prior to the project entering operation. The PEA has assumed that the cost of the railway would be borne between the Project and other area projects presently under development or study for development and thus allocates 50% of the cost to the Project.

The sensitivity analyses conducted as part of the PEA indicated that if the lump chromite mineralization price increased to US$425 per tonne, the pre-tax IRR and NPV (8%) would be approximately 57.6% and $4.2 billion, respectively. KWG President Frank Smeenk stated that "*This scenario, on an undiscounted basis, would increase KWG's share of pre-tax cash flow to approximately $3.05 billion, or $4.78 per presently outstanding KWG share*".

The open pit would be mined conventionally using shovels and diesel powered haul trucks. The ultimate open pit would measure approximately 1.7 km long by 1.3 km wide by 570 metres deep. Approximately 1 billion tonnes of waste would be produced over the life of mine at an overall stripping ratio of 27:1. Product preparation would consist of crushing the lump chromite mineralization to minus 51 mm size, prior to trans-shipping by rail.

The PEA was prepared in conformance with National Instrument 43-101 by NordPro Mine & Project Management Services Ltd. (NordPro) of Thunder Bay, Ontario. The report was prepared by Brian LeBlanc, P. Eng. of Nordpro and NordPro Associate Malcolm Buck, P. Eng., each a "Qualified Person" under the Instrument and they have supervised the preparation of the information that forms the basis of the written disclosure in this news release. NordPro utilized the Micon International Limited resource model and estimate as reported in *"Spider Resources Inc. and KWG Resources Inc. Technical Report On The Mineral Resource Estimate for the Big Daddy Chromite Deposit McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada"* dated March 30, 2010. The PEA uses Inferred Resources which are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no certainty that the results predicted by this PEA will be realized. The mineral resources estimate could be materially affected by environmental, geotechnical, permitting, legal, title, and taxation, socio-political, marketing or other relevant issues.

The level of accuracy of the PEA is +/- 40 percent. The PEA report will be filed on SEDAR within 45 days from the date of this release.

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, but is not limited to, all figures contained in the tables under the headings *"Project Financial Analysis Results"* and *"Project Parameters"* and the respective footnotes thereto, statements regarding the estimated cash flow per presently outstanding KWG share over the life of the Project, from KWG's interest in the project only and projected mining life of the Big Daddy project, estimates concerning the tonnage and grades of ore that could potentially be produced from the Big Daddy Project, projected waste mining tonnage, the proposed construction of a rail line, power line, crushing plant and related infrastructure, proposed completion of various technical studies, the completion of a Feasibility Study, and the other conclusions of the Preliminary Economic Assessment.

This forward-looking information reflects the current expectations or beliefs of KWG based on information currently available to it. In connection therewith, numerous factors and assumptions have been considered, which are detailed in the Preliminary Economic Assessment, including (without limitation) the assumptions and factors outlined in this news release, the assumption that the recommendations made by the Preliminary Economic Assessment will be followed and fulfilled, that further technical studies will be completed with satisfactory conclusions, and that future analyses and evaluations of environmental matters and other mine construction matters will have satisfactory outcomes, that a Feasibility Study with satisfactory conclusions will be completed, and all permitting, approvals and financing required to fulfill the recommendations of all studies including the Feasibility Study will be obtained on satisfactory terms, consistent with the assumptions in the Preliminary Economic Assessment, and that the mine, railway, power line, crushing plant and related infrastructure will eventually be constructed and become operational on terms and in a manner consistent with the Preliminary Economic Assessment. Although KWG believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future actions and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results to differ materially from the conclusions or forecasts 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, demand for ferrochrome by global integrated steel producers; the impact of consolidation and rationalization in the steel industry; the grade and recovery of ore varying from estimates; delays in, or the failure to, develop the projects of KWG caused by unavailability of equipment; labour or supplies, weather and climatic conditions, labour disputes, financing or other factors; ability to access capital markets and financing; inflation; changes in exchange rates; fluctuations in commodity prices; and other factors; failure to commence, complete or attain positive results from the above referenced studies and analyses and considerations and risks normally incidental to exploration and development of, and production from, mineral properties and/or adverse changes in securities markets, economic and general business and financial conditions.

Forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws.

For further information, please contact:

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

Follow Us On:

Facebook: http://www.facebook.com/kwgresourcesinc
Twitter: http://twitter.com/kwgresources
YouTube: Channel http://www.youtube.com/KWGresources
Flickr: http://www.flickr.com/photos/kwgresources