

## PRESS RELEASE

**KWG**

**No. 119**

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

---

### **KWG REPORTS ON DEBUT DIAMONDS STATUS AND PROGRAMS**

Montreal, Canada – November 24, 2011 – **KWG Resources Inc.** (TSXV: KWG) provides the following update on the status of the upcoming distribution of the shares of **Debut Diamonds Inc.** (CNSX: DDI) and its current diamond exploration programs.

#### ***CRA Advance Income Tax Ruling Received***

KWG has received an Advance Income Tax Ruling from the Canada Revenue Agency which confirms that KWG's distribution to its shareholders of all of its shares of DDI as a reduction of the issued and paid-up capital account of KWG's common shares will constitute a reorganization that will cause KWG shareholders holding KWG common shares as capital property ("Shareholders") to be considered to receive a taxable dividend on the distribution only to the extent that the fair market value of the DDI shares distributed to the Shareholders exceeds the reduction of the issued and paid-up capital account of KWG's common shares. Since, in the present circumstances, KWG intends to reduce the issued and paid-up capital account of its common shares by an amount that is equal to the fair market value of the DDI shares distributed to the Shareholders, it is expected that no taxable dividend will be received by the Shareholders on the distribution. KWG shareholders of record on December 15, 2011 will be entitled to receive 6 shares of DDI for each 100 shares of KWG. It is expected that each DDI share will be valued at approximately \$0.30 for the purposes of the distribution. The fair market value of the DDI shares received by a particular Shareholder will reduce the adjusted cost base of the Shareholder's KWG common shares. To the extent that the fair market value of the DDI shares received by a particular Shareholder exceeds the adjusted cost base of the KWG common shares to such Shareholder, the Shareholder will be considered to have realized a capital gain. The DDI shares will be posted for trading by the Canadian National Stock Exchange on December 13, 2011 when the KWG shares will commence trading on an ex-dividend basis.

#### ***New Airborne Geophysical Survey in MacFadyen and Victor Mine Area***

Debut has completed the data acquisition phase of its new high-sensitivity and high-resolution airborne magnetic survey of the MacFadyen property, adjacent to De Beers' Victor Mine. A total of 15,030 line kilometers were flown by helicopter at 75 meter spacing, in two large regional grids. The data is now being analyzed by Scott Hogg & Associates Ltd. for the development of prioritized targets for follow-up exploration. The flying conditions were ideal and the data thus collected is of superb quality and resolution. Part of the target selection analysis will include overlaying and cross-referencing to previously acquired data sets which now include many other drill-defined diamondiferous kimberlites in the area.

#### ***Assessment filing confirmed on Railroad corridor claims***

MNDM recently confirmed that it has accepted for filing \$7.5 million of geotechnical data as assessment work completed on the claims constituting the transportation corridor from Exton to the *Ring of Fire*. The work distribution secures tenure in all of the claims, most into 2016.

#### ***Corridor till sampling underway in JV between Debut and KWG***

The geotechnical soil profile samples recovered at 500 meter intervals along the entire length of the railroad corridor claims constitute an unprecedented opportunity for the search for mineral deposits along this transect of the Canadian Shield. To facilitate the analysis, KWG and DDI have entered a joint venture under which DDI will conduct heavy minerals separation and analysis of the entire suite of samples. Diamond discoveries from this work, within the claims plus a 30 kilometer area of interest in all directions, will be the property of DDI; non-diamond mineral discoveries in that area will be the property of KWG. The processing of samples is underway and heavy minerals representing a variety of mineral deposit types have been identified. The Ontario Geological Survey is collaborating in examining the soil samples in order to construct from them a detailed profile and understanding of the glacial till depositions. The processing of an anticipated total of 500 samples, in this program, is expected to be completed during the second quarter of 2012.

**About KWG:** KWG has a 28% interest in the *Big Daddy* chromite deposit and is presently earning an additional 2% interest in it under an option agreement to create a joint venture with Cliffs Natural Resources on April 1, 2012. KWG also owns 100% of Canada Chrome Corporation which has staked claims and conducted a surveying and soil testing program for the engineering and construction of a railroad to the *Ring of Fire* from Exton, Ontario where the Trans Canada line of the Canadian National Railway can be connected.

**For further information, please contact:**

**BRUCE HODGMAN**

Vice-President

416-642-3575

info@kwgresources.com

**Follow Us On:**

Facebook: <http://www.facebook.com/kwgresourcesinc>

Twitter: <http://twitter.com/kwgresources>

YouTube: <http://www.youtube.com/KWGRESOURCES>

Flickr: <http://www.flickr.com/photos/kwgresources>

***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.***