

## PRESS RELEASE

**KWG**

**No. 111**

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

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### **KWG COMPLETES DEBUT DIAMONDS ACQUISITION**

Montreal, Canada – August 29, 2011 – **KWG Resources Inc.** (TSXV: KWG) has completed the acquisition of 7 million treasury units of its subsidiary Debut Diamonds Inc. (“Debut”) valued at \$0.30 each in exchange for subscription receipts for 21 million KWG treasury units valued at \$0.10 each. The Debut units each comprised one new treasury share and one share purchase warrant; each Debut warrant may be exercised to acquire an additional Debut treasury share upon payment of \$0.40 at any time within 5 years. The KWG subscription receipts are exchangeable for KWG treasury units which will each comprise one new treasury share and one share purchase warrant; each KWG warrant may be exercised to acquire an additional KWG treasury share upon payment of \$0.15 at any time within 5 years.

*“This exchange will provide KWG with additional shares of Debut for distribution to the KWG shareholders while providing Debut with sufficient working capital to qualify for listing”,* said KWG President Frank Smeenk. *“At the same time it permitted Debut to close the acquisition of an option to earn an interest in the Nakina targets, comprising 33 interpreted geophysical targets in 28 claim blocks north of Nakina. These include some of the best magnetic targets seen in Ontario since the Attawapiskat cluster, and resulted from analysis of the Ontario Geological Survey data made public in late 2010.”*

KWG has a 28% interest in the *Big Daddy* chromite deposit and may earn an additional 2% interest in it under an option agreement to create a joint venture with Cliffs Natural Resources Inc. KWG also owns 100% of Canada Chrome Corporation which has staked claims and conducted a \$15 million 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. KWG’s subsidiary Debut holds nine diamond exploration projects, three of which are presently undergoing assessment programs valued at almost \$3 million.

#### **For further information, please contact:**

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