

PRESS RELEASE

KWG

No. 113

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

KWG ANNOUNCES NORMAL COURSE ISSUER BID

Montreal, Canada – October 5, 2011 – The **KWG Resources Inc.** (TSXV: KWG) Board of Directors has authorized the purchase of up to 31.9 million of its common shares by way of normal course purchases on TSX Venture Exchange (“TSXV”), subject to regulatory approval. KWG intends to file the required notice with the TSXV to obtain such approval as soon as practicable. The common shares authorized to be purchased, represent 5% of the common shares presently outstanding.

KWG believes that its common shares currently trade in a price range that does not adequately reflect their underlying value based on KWG’s business prospects and strong financial position. As a result, depending upon future price movements and other factors, KWG believes that its outstanding common shares represent an attractive investment and a desirable use of a portion of its corporate funds.

The purchases may commence two trading days after acceptance by TSXV of KWG’s notice of intention and will be undertaken by Jones Gable and Company Limited as KWG’s agent. It is expected that the purchases will not presently exceed \$500,000 and will terminate not more than one year after the purchases commence, or on such earlier date as KWG may complete its purchases.

Purchases will be made by KWG in accordance with applicable regulatory requirements and the price which KWG will pay for any such common shares will be the market price of such shares at the time of acquisition. The common shares purchased will be cancelled.

To the knowledge of KWG, no director, senior officer or other insider of KWG currently intends to sell any common shares under this bid. However, sales by such persons through the facilities of the TSXV may occur if the personal circumstances of any such person change or if any such person makes a decision unrelated to these normal course purchases. The benefits to any such person whose shares are purchased would be the same as the benefits available to all other holders whose shares are purchased.

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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.

Forward-Looking Information:

This press release contains certain "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 (including, without limitation, statements relating to KWG's intention to purchase its common shares under the normal course issuer bid) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of KWG based on information currently available to KWG as well as certain assumptions including, without limitation, assumptions as to the TSXV approving KWG's notice of intention to repurchase its common shares pursuant to a normal course issuer bid. Forward-looking information is subject to a number of significant risks and uncertainties and other factors 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, the failure of KWG to obtain TSXV approval of the normal course issuer bid in a timely manner.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, KWG disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. 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 information due to the inherent uncertainty therein.