

PRESS RELEASE

KWG

No. 117

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

KWG NOTIFIED OF CLIFFS ELECTION TO ACQUIRE UC INTEREST

Montreal, Canada – November 14, 2011 – **KWG Resources Inc.** (TSXV: KWG) received last Friday evening a notice of the election by Cliffs Chromite Far North Inc. that it will exercise its pre-emptive right to acquire from UC Resources Inc. the Participating Joint Venture Interest which it had agreed to sell to Freewest Resources Inc. on November 9, 2011. KWG has 45 days from receipt of the notice to elect to participate in the exercise of the pre-emptive right, proportionally to its present interest in the Joint Venture.

“It would appear difficult to justify spending some millions of dollars to have a larger non-operating but contributing minority interest in another joint venture with Cliffs”, said KWG President Frank Smeenk. “But we will look at it closely. After we had agreed to a standstill to allow our original investment of \$4.3 million to be reduced from 50% to 33.33% in the JV with Spider Resources Inc., the Operator unilaterally sold UC the option to earn 55% by spending only \$4.5 million. We then subsequently agreed that our one-third interest could apply to the 45% residual when the other two parties together had earned their combined 85% interest to thus dilute us. This requires total expenditures on their part of some \$24 million and less than half of that has been incurred to date. It would seem prudent to let the balance of it be spent without now drawing down our cash to contribute to those programs, just as we had originally planned. However, we are analyzing the matter carefully.”

About KWG: KWG has a 28% interest in the *Big Daddy* 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 Diamonds Inc. holds nine diamond exploration projects, three of which are presently undergoing assessment programs valued at almost \$3 million. KWG has set December 15, 2011 as the record date for the distribution of its shares in Debut Diamonds Inc. to the KWG shareholders as a return of capital. Shareholders of KWG on the record date will receive 6 shares of Debut Diamonds Inc. for every 100 shares of KWG then held.

For further information, please contact:

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