

## PRESS RELEASE

**KWG**

**No. 78**

Symbol on TSX Venture Exchange: **KWG**  
Shares issued and outstanding: **589,549,206**

---

### **'BIG DADDY' PROGRAM UNDERWAY**

Montréal, Canada – October 1<sup>st</sup>, 2010 - **KWG Resources Inc.** ("KWG") is pleased to report that it has commenced recovery of a 2-tonne bulk sample from the *Big Daddy* chromite deposit under the programs recommended by the Technical Committee to bring forward the understanding of the economic merits of the *Big Daddy* deposit. The bulk sample will be used for test work to determine the metallurgical properties and indicated beneficiation parameters of the deposit. The sample will be taken with large-diameter HQ core recovered by diamond drilling over the next number of days. The drilling operation is being conducted from the Esker Camp of Freewest Resources Canada Inc. ("Freewest") before the Freewest-contracted crews demobilize their recent campaign of in-fill drilling at the adjacent *Black Thor* chromite deposit.

KWG has retained Behre Dolbear to provide guidance on the metallurgical and beneficiation test work.

Once the demobilization of Freewest crews has been completed, KWG will mobilize its crews into the camp to begin the previously-announced drilling program on the *Big Daddy* deposit, which is expected to start by November and be completed before year's end. That drilling program of at least twelve deep drill holes is designed to confirm that the chromite resources continue to depth below those previously reported as an indicated resource of 23.2 million tonnes averaging 40.66% Cr<sub>2</sub>O<sub>3</sub>, and an inferred resource of 16.3 million tonnes averaging 39.09% Cr<sub>2</sub>O<sub>3</sub>. It is anticipated that the planned drill holes will permit the inferred resources to be largely included into the indicated category to thus enable mine planning and economic modeling.

KWG has also initiated discussions with Spider Resources Inc. ("Spider") for the planning of the program in the next option period commencing April 1, 2011 and ending March 31, 2012. Under the option agreement's terms, KWG and Spider may each earn a further 2% interest in the *Big Daddy* deposit (to a total interest of 30% each) from Freewest by contributing \$2.5 million to such program, or paying an equal sum in lieu thereof by March 31, 2012. A joint venture will then be formed for the development and mining of the deposit, with mined material being divided in kind to each of the joint-venturers. Spider has confirmed its intention to participate with KWG in completing the final option earn-in program.

M. J. (Moe) Lavigne, P. Geo., Vice-President of Exploration & Development for KWG, is the Qualified Person supervising the proposed program and has approved the contents of this release.

---

#### **FORWARD-LOOKING INFORMATION**

*This press release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information contained in this press release includes, but may not be limited to: KWG's proposed work program (including the nature and extent of drilling and bulk sampling) at the Big Daddy project; KWG's expectations relating to the results and timing of completion of such work program (including the proposed drilling program); the planned drill holes resulting in the inferred resources to be largely included in the indicated category; the enabling of mine planning and economic modeling; the formation of the joint venture for development and mining of the Big Daddy deposit; mined material being divided in kind to each of the joint-venturers; the potential for KWG to earn further interests in the Big Daddy project; and Spider's intention regarding completion of the final option earn-in program.*

*Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, risks normally incidental to exploration and development of mineral properties, uncertainties in the interpretation of results from drilling and testing, the possibility that future exploration, development or mining results will not be consistent with expectations (including delays in the anticipated timing related thereto), the inability of KWG to obtain additional financing when and as needed (including to fund its proposed work program (including the proposed drilling program) on the Big Daddy project) and certain other risks set out in KWG's public documents filed under KWG's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

*The forward-looking information in this press release reflects the current expectations, assumptions and/or beliefs of KWG based on information currently available to KWG. In connection with the forward-looking information contained in this press release, KWG has made certain assumptions about KWG's business, the economy and the mineral exploration industry in general, KWG's continued exploration of the Big Daddy project (including its ability to fund same), the regulatory framework in the jurisdictions in which KWG operates with respect to, among other things, KWG's ability to obtain, maintain, renew and/or extend required permits, licenses, authorizations and/or approvals from the appropriate regulatory authorities, KWG's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet KWG's demand, and has also assumed no unusual geological or technical problems occur, equipment works as anticipated and no significant events occur outside of KWG's normal course of business. 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.*

*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.*

---

***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.***

**For further information, please contact:**

**BRUCE HODGMAN,**  
Communications Director  
Direct: 416-646-1374  
info@kwgresources.com

Or visit our website: [www.kwgresources.com](http://www.kwgresources.com)