

## PRESS RELEASE

**KWG**

**No. 116**

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

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### **KWG AMENDS FIRST AND SECOND QUARTER FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

Montreal, Canada, November 11, 2011 – **KWG Resources Inc.** (TSXV: KWG) reports that following consultations with representatives of the Autorité des Marchés Financiers, the Company will be amending its 2011 first and second quarter Financial Statements as well as the Management Discussion & Analysis reports for these quarters. The amendments pertain to the application of accounting policies and required disclosure under International Financial Reporting Standards (“IFRS”). The following changes will be made:

- (1) Under Canadian generally accepted accounting principles prior to the advent of IFRS the cost of future income taxes related to the renunciation of flow-through exploration expenditures was recorded as a share issue cost. This policy was continued by the Company in preparing the Financial Statements for the first two quarters of 2011. Since there is no similar accounting policy under IFRS this policy is no longer applicable. Therefore, the Financial Statements for the first two quarters of 2011 will be amended to reverse these transactions. The net effect will be an increase in share capital, warrants and deferred liability and a corresponding decrease in deficit.
- (2) In preparing the Financial Statement balances for the IFRS transition date of January 1, 2010, the Company took the position that it would not record the impact of any premiums received for the tax benefits of its flow-through share issuances prior to January 1, 2010 since the adjustment would have no effect on the Company’s total equity balance, but just cause a reallocation between its components. Under IFRS there is no applicable exemption available therefore an adjustment will be made to recognize these premiums.
- (3) The Financial Statements for the second quarter inadvertently omitted a schedule disclosing the components of finance income for both the three and six month periods ending June 30, 2010. This schedule will be included in the amended financial statements for the second quarter.

Management feels it is important to note that the above adjustments will have no impact on the Company’s total assets or on the Company’s total equity once the deferred liability is fully amortized.

The Management Discussion & Analysis reports for the first and second quarters will be amended to reflect the above changes to the financial statements.

**For further information, please contact:**

**BRUCE HODGMAN**

Vice-President

416-642-3575

[info@kwgresources.com](mailto:info@kwgresources.com)

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