

PRESS RELEASE

KWG

No. 135

Symbol on TSX Venture Exchange: **KWG**
Shares issued and outstanding: **670,316,941**

Trading in KWG Resources Shares Halted For Third-Party Announcement

Toronto, Canada - October 19, 2012 - KWG Resources Inc. ("KWG" or "the Company") advises that trading in its shares was halted for an announcement this morning by the General Chairperson's Association (GCA), representing unionized employees at Ontario Northland Transportation Commission (ONTC).

The GCA has announced a revitalization plan for ONTC that includes the proposed construction of a rail link to the Ring of Fire mineral deposits in the James Bay Lowlands, where KWG has extensive claims.

The new railway will form part of the Ring of Fire mining infrastructure and will be located within mining claims held by Canada Chrome Corporation, a wholly owned sub of KWG Resources. The GCA's proposal calls for the railroad and other assets of the provincially-held ONTC, along with the new Ring of Fire railway, to be transferred to a new ports authority to be operated under the Canada Marine Act.

Canada Chrome has made a significant investment to study and secure mining claims.

KWG intends to continue discussions with the GCA and other stakeholders to advance this initiative, with the goal of creating the transportation links necessary for mining to proceed in the Ring of Fire, and thereby deliver new economic and job opportunities in Northern Ontario. Other stakeholders involved in the discussions include First Nations communities and Nipissing-Timiskaming MP Jay Aspin.

About KWG: KWG has a 30% interest in the Big Daddy deposit. 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.

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