

PRESS RELEASE

No. 136

KWG

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

KWG INITIATES A NEW NORMAL COURSE ISSUER BID

Toronto, Canada – October 22, 2012 – The **KWG Resources Inc.** (“KWG”) Board of Directors has authorized the launching of a new normal course issuer bid for the purchase of up to 33.5 million of its common shares subject to the approval of the TSX Venture Exchange (“TSXV”).

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.

It is expected that the purchases that may commence three trading days after acceptance by TSXV of KWG’s notice of intention will not presently exceed \$162,000 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, through its agent Jones Gable and Company Limited, 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.

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.

For further information, please contact:

BRUCE HODGMAN
Vice-President

416-642-3575
info@kwgresources.com

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