

PRESS RELEASE

KWG

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

No. 120

KWG \$2 MILLION PLACEMENT TO ASSIST UNITED WAY OF THUNDER BAY & WASAYA GROUP/WASAYA WEE-CHEE-WAY-WIN INC., IN THE FOUNDING OF CROMARTY H.S. RESIDENCES

Montreal, Canada – December 21, 2011 – **KWG Resources Inc.** (TSXV: KWG) advises that it is working with the United Way of Thunder Bay to facilitate donations of up to \$2 million for the founding by Wasaya Group of residences for students of the Dennis Franklin Cromarty High School.

Chief Theresa Okimaw-Hall, Executive Director of KWG's transportation subsidiary Canada Chrome Corporation explained,

"KWG will complete a private placement of flow-through shares to fund its half of the current drilling program at the Big Daddy deposit being conducted by Cliffs Natural Resources. The purchasers of the flow-through shares will then donate the shares to the United Way of Thunder Bay. The funds derived from their sale, through a working agreement with KWG Resources and the Wasaya Group/WasayaWee-Chee-Way-Win Inc. will then be made available for the acquisition, furnishing and maintenance of residences for students attending the Dennis Franklin Cromarty High School."

"This is a very practical use of the 'donation flow-through' concept, and demonstrates a most unique way in which exploration spending in our traditional lands may generate a ripple effect that has direct and immediate consequences for our young people. Just imagine what might be done with perhaps \$800 million of flow-through expenditures that our proposed Ring of Fire Railroad could generate."

"Wasaya Group Inc President & CEO Tom Kamenawatamin had been asked by a group of the High School's students for help in finding a way for them to live together rather than being billeted throughout a frighteningly unfamiliar city. These young people, coming from the remote communities that are the owners of Wasaya and the other remote communities serviced by Wasaya, explained how traumatic the transition is for most of them, who also live with the past untimely deaths of so many of their number who arrived here before them. In discussions between the Wasaya Group CEO and KWG's CEO, this plan was developed to utilize the incentives available in Canada's taxation laws. I am also delighted to report that KWG's Chairman, and its CEO, and its Vice-President of Exploration and Development, have together guaranteed the first 10% of the donations."

The proposed private placement will be comprised of units of one flow-through share and one-half share purchase warrant. The units will be priced at \$0.10 and each full share purchase warrant may be exercised to acquire another share at \$0.12 each at any time within 30 months.

For further information, please contact:

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