



Dear KWG Shareholder:

**Re: Debut Diamonds Inc. (CNSX: DDI)**

We have finally been able to create from KWG's diamond exploration assets, a separate public company the shares of which have been listed for trading on the Canadian National Stock Exchange under the symbol "DDI". If you were a KWG shareholder "of record" as of December 15, 2011 then **on December 28, 2011 you were given six shares of Debut Diamonds Inc ("DDI") for each one hundred shares you held in KWG Resources Inc ("KWG")**. These DDI shares were delivered directly to your brokerage account. Registered holders of KWG shares were sent their DDI shares directly by registered mail.

KWG has received an Advance Income Tax Ruling from the Canada Revenue Agency. The ruling confirms that KWG's distribution to its shareholders of all of its shares of DDI as a reduction of the issued and paid-up capital account of KWG's common shares constitutes a reorganization. As KWG intends to reduce the issued and paid-up capital account of its common shares by an amount that is equal to the fair market value of the DDI shares distributed to its shareholders, **no taxable dividend will be received by the Shareholders on the distribution.**

Instead, the fair market value of the DDI shares received by shareholders who hold their KWG shares as capital property will reduce the adjusted cost base of the shareholder's KWG common shares. To the extent that the fair market value of the DDI shares received by a particular shareholder exceeds the adjusted cost base of the KWG common shares to such shareholder, the shareholder will be considered to have realized a capital gain. You should provide your tax advisor with this letter. If your tax advisor requires a copy of the Advance Income Tax Ruling, it may be found on our website at [www.kwgresources.com](http://www.kwgresources.com).

To review the exciting exploration programs and undertakings of Debut Diamonds Inc., please visit its website at [www.debutdiamonds.com](http://www.debutdiamonds.com).

To receive regular updates on our activities please register at [info@kwgresources.com](mailto:info@kwgresources.com) where you may direct any questions you have of us. Someone will contact you very quickly.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Smeenk".

Frank Smeenk  
President

January 27, 2012