

PRESS RELEASE

KWG

No 14

Symbol on TSX-Venture Exchange:

KWG

KWG, Spider and Wycliffe Resources Inc. Team up to Explore Five Kyle Kimberlites; Wycliffe to expend \$6 million within 3 years

Montréal, Québec – July 21, 2006 –KWG Resources Inc. (TSXV-KWG), Spider Resources Inc. (TSXV-SPQ), and Wycliffe Resources Inc. (“Wycliffe”) are pleased to announce the formation of a three year option agreement whereby Wycliffe can earn a 55% interest in the 5 diamondiferous Kyle kimberlite properties located in the James Bay Lowlands area of Northern Ontario by:

1. Wycliffe completing an exploration and development program of no less than \$6 million over a period of three years, with annual exploration expenditures at the minimum rate of \$2 million; and
2. Wycliffe contributing all of its existing claim holdings (39 claims covering 7,248 hectares) in the Attawapiskat River area to a mutual joint venture amongst KWG/Spider and Wycliffe where;

KWG/Spider will retain 45% in the Kyle properties once Wycliffe has earned its 55% interest, and Wycliffe will transfer 45% interest in its properties to KWG/Spider. No less than seventy-five percent of the annual \$2 million expenditure must be dedicated to the Kyle properties in order for Wycliffe to acquire its 55% interest. Wycliffe agrees to fund the project in its entirety for the first three years and as such, is the operator during the earn-in option period. Wycliffe, further agrees, at its discretion, to employ former management to oversee the exploration program until such time as they have completed their earn-in, this facilitates the conveyance of information and familiarity with the project area as well as immediate access to local infrastructure and facilities required to launch an exploration program. Terms of employment with former management will be within normal industry standards. On completion of the Option earn-in, the program converts to a regular joint venture where:

KWG/Spider agree to contribute to 45% of all subsequent exploration and/or development projects on the collective properties, within the guidelines of their underlying JV agreement that was revised earlier this year in May, 2006; and whereby Wycliffe contributes 55% to all subsequent exploration and/or development on the collective properties.

Pursuant to the revision to the KWG/Spider Joint Venture dated May 12, 2006, KWG agreed to not contribute further to Spider’s exploration program on the Kyle Kimberlite project and as such appointed Spider as manager. At present, both parties are deemed to have a 50% interest in the Kyle Kimberlite project. This 50% interest has been translated into an initial equal monetary amount based upon historical expenditures of about \$11.84 million on the Kyle project, being approximately \$5.92 million each. Once Wycliffe has earned its 55% interest in the project, the underlying agreement terms will apply to Spider and KWG in determination of their respective interests.

- 30 -

For further information, please contact:

FRANK C. SMEENK
President and CEO
Telephone: (416) 642-3575
Fax: (514) 866-6193

MICHEL CÔTÉ
Director
Telephone: (514) 866-6001 – Ext. 266
Fax: (514) 866-6193

visit our website: www.kwg-resources.com

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.