

PRESS RELEASE

KWG

No 3

Symbol on TSX-Venture Exchange: **KWG**
Shares issued and outstanding: **142,522,408**

KWG, SPIDER AND DE BEERS DEAL

Montréal, Canada – February 20th, 2006 – KWG Resources Inc. (TSXV-KWG) and its joint venture partner Spider Resources Inc. (TSXV-SPQ) have completed a comprehensive agreement with De Beers Canada Inc. for mutual assistance covering their adjoining diamond properties in the James Bay Lowlands. KWG and Spider will provide a surface easement for installations extending from the Victor Mine across their property to the Attawapiskat River. In consideration, De Beers will provide the joint venture with access to exploration and transportation equipment and services available at the Victor site for five years, and also include the processing of a bulk sample of up to 500 tonnes between 2009 and 2013 once a sample processing plant is available at site. Provision is also made for De Beers to provide KWG and Spider with data from any new geophysical survey that De Beers may conduct over their property.

In consequence of these arrangements, the joint venture expects to be able to complete initial sampling of the five diamondiferous pipes identified thus far at the MacFadyen Kimberlites, by the recovery and analysis of up to two tonnes of kimberlite from each pipe later this year.

KWG has engaged Research Capital Limited as its agent for a current offering of flow-through treasury shares to fund the planned sampling program following its recently announced agreement in principle with Spider to each focus their investment priorities amongst the joint venture's various projects.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

FRANK C. SMEENK
President and CEO

Telephone: (416) 642-3575
Fax: (514) 866-6193

MICHEL COTE
Director

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

Or visit our website: WWW.KWG-RESOURCES.COM

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