

PRESS RELEASE

KWG

No 14

Symbol on TSX-Venture: **KWG**
Shares issued and outstanding: **118,587,408**

PRESS RELEASE

Acquisition of shares of MacDonald Mines

Montréal, Québec – October 17, 2005 - KWG Resources Inc. (TSXV-KWG), alone, has agreed to acquire 1,000,000 shares of **MacDonald Mines Exploration Ltd. (TSXV-BMK)** from Cornelian Corporation, in exchange for 1,317,949 treasury units of KWG. Each unit will comprise one share and one warrant and each warrant will enable its holder to acquire a further KWG treasury share for \$0.10 at any time within two years. Cornelian Corporation is under the direction and control of Frank C. Smeenk, the Chairman and CEO of KWG. The parties agreed to the exchange based on the average closing prices of the shares over the previous twenty trading sessions, with the warrant exercise price at a 105% premium thereto. The transaction is subject to regulatory approval. The asset is being acquired by KWG for its own account and not on behalf of its joint venture with **Spider Resources Inc. (TZXV-SPQ)**.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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