

PRESS RELEASE

KWG

No 18

Symbol on TSX-Venture Exchange: **KWG**
Shares issued and outstanding: **125,107,408**

KWG TERMINATES ACQUISITION OF MACDONALD SHARES

Montreal, Canada – December 12, 2005 - **Cornelian Corporation** and **KWG Resources Inc. (TSXV-KWG)** have terminated their share exchange agreement announced October 14, 2005. The TSX Venture Exchange declined KWG's application to list 1,317,949 warrants to be issued as part of the consideration to be paid to Cornelian Corporation for the acquisition from it of 1,000,000 shares of **MacDonald Mines Exploration Ltd. (TSXV-BMK)**.

KWG has also been advised that the grant of stock options announced November 21, 2005 does not comply with the TSX Venture Exchange policy that incentive stock option grants must have a minimum exercise price of \$0.10. The Company has therefore increased the exercise price of these options to \$0.10.

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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

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

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