

PRESS RELEASE

KWG

No 19
Symbol on TSX-Venture Exchange: **KWG**
Shares issued and outstanding: **125,107,408**

KWG AND SPIDER AGREE TO AMEND JOINT VENTURE PARTIES SELECT INDIVIDUAL PROJECTS FOR ADVANCEMENT

Montréal, Canada - December 20th, 2005 - **KWG Resources Inc. (TSXV-KWG)** and **Spider Resources Inc. (TSXV-SPQ)** have agreed in principle to amend and revise their Joint Venture. The partners have generated six separate exploration projects since creation of their Joint Venture in 1992, from almost \$37 million invested during that time. The companies now intend to treat each of the six projects as a separate joint venture to enable each company to either increase or decrease its interest in a project, based upon its own strategic objectives.

Each party has agreed to have its interest diluted by not contributing further to the other party's exploration program until its interest has reached 33.3%. At that level, a party's interest in a project may be maintained by contribution to subsequent programs, or suffer further dilution. When an interest has been reduced to less than 10% it will be automatically converted to a one-half percent net smelter royalty in base metals and a one percent net smelter/products royalty in precious metals and diamonds. Both parties are now deemed to have a 50% interest in each of the joint venture projects and will be immediately vested with an equal capital interest based on accumulated expenditures in each project.

KWG will continue with the exploration and development of the MacFadyen kimberlite property, located 8 kilometers north of the advanced Victor diamond mine development project of De Beers Canada Exploration Inc. The Joint Venture had identified five diamondiferous kimberlites there; each of these merits additional drilling and sampling.

Programs will also be undertaken at four newly-acquired kimberlite target areas in the general vicinity of McFaulds Lake and Kyle Lake, that were identified by a combination of magnetic airborne surveying and data analysis commissioned from **Diagnos Inc. (TSXV-ADK)**. The VMS properties near McFaulds Lake optioned from **Freewest Resources Inc. (TSXV-FWR)** will have initial programs completed by February 28th, 2006. KWG will have the option to maintain up to a 50% interest, by contributing pro-rata to each of these two programs to be operated by Spider. Spider will continue with the exploration of the volcanogenic massive sulfide belt near McFauld's Lake and the diamond discoveries at Wawa, and at the five Kyle kimberlites.

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