

# PRESS RELEASE

No 20

## **KWG RESOURCES INC.**

2930 - 630 René-Lévesque Blvd. West  
Montréal, Québec H3B 1S6

**Symbol on TSX-Venture: KWG**  
**Shares issued and outstanding: 100,864,085**  
**Closing price on August 10, 2004: \$0.15**

### **KWG SECURES \$1,500,000 FOR FURTHER EXPLORATION**

**Montréal, Québec – August 11, 2004** - KWG Resources Inc. (TSXV-KWG) has closed the first part of a \$1.5 million private placement of flow-through treasury shares arranged by its agent Dundee Securities Corporation. The first tranche subscription of \$500,000 was priced at \$0.15 per share and a total of 3,333,334 shares have been issued. The agent's fee was 7% (\$35,000) plus 333,333 warrants; each warrant may be exercised to acquire one KWG treasury share for \$0.15 at any time within two years. The second tranche of \$1,000,000 may be drawn down prior to year's end, at the Company's election, at a price to be determined at such time, subject to such discount from the Market Price of the company's shares as may then be permitted by regulatory authorities.

KWG and its joint venture partner Spider Resources Inc. (TSXV-SPQ) are drilling on their copper/zinc discoveries at McFauld's Lake in the Attawapiskat River area of the James Bay Lowlands of Northern Ontario, as well as on their diamondiferous kimberlite discoveries previously made east of there and somewhat north of the Victor Pipe currently under development by DeBeers. The joint venture is also following up the relatively encouraging results from its long-term diamond exploration programs in the unique petrology of the Wawa area of north-western Ontario. Results from all three programs are expected to be announced shortly.

The joint venture partners have resolved to effect a merger of their corporations and are engaged in negotiations to define terms to be put before their respective shareholders. KWG has indicated it will seek to retain Dundee Securities Corporation as its investment banking advisor.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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