

PRESS RELEASE

No 21

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

JAMES BAY LOWLANDS CONSOLIDATION CONTINUES

Montréal, Québec – August 11, 2004 - KWG Resources Inc. (TSXV – KWG) has negotiated terms to acquire an operating joint venture interest in all of the mineral claims held by Freewest Resources Canada Inc. (TSXV – FWR) in the Attawapiskat area of the James Bay Lowlands in Northern Ontario. Freewest “the optionor” holds 76 claim units contiguous to the McFauld’s Lake (Attawapiskat) area where KWG and its joint-venture partner Spider Resources Inc. (both “the optionee”) have identified four separate occurrences of copper and zinc mineralization. Pursuant to the KWG/Spider joint-venture agreement, the benefits of the option in the Freewest claims will accrue to the joint-venture. The independent members of the boards of directors of all three companies must first approve the terms and the proposed transaction is also subject to prior receipt of all requisite regulatory approvals.

Under terms of the Freewest option agreement, KWG may earn a 50% joint venture interest in the Freewest claims by incurring \$3,000,000 of exploration expenditures thereon within four (4) years, provided \$400,000 of such programs are completed in the first 12 months. A sixty (60%) percent joint venture interest will be earned, in any economic mineralization identified, upon delivery of a bankable feasibility study to the optionor by the optionee. A sixty-five (65%) percent interest in such project will be earned by the optionee, for arranging financing to commercial production. On closing of the option transaction, following receipt of all necessary approvals, Freewest would be reimbursed \$50,000 by the joint-venture KWG/Spider for its prior expenditures and would be issued 150,000 treasury shares from both KWG and Spider respectively.

It was recently announced that the joint-venture partners KWG/Spider are also negotiating a merger of their two companies.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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