

PRESS RELEASE

No 23

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 16, 2004: **\$0.18**

AMENDMENT TO THE STOCK OPTION PLAN

Montréal, Québec – August 17, 2004 - Subject to regulatory approvals, KWG Resources Inc. (the “Company”) has amended its stock option plan for the employees, officers, directors and consultants of the Company (the “Plan”) by increasing the maximum number of common shares reserved for issuance under the Plan by 1,300,000 to 9,300,000 common shares. The number of common shares reserved represents 9.2% of the current number of shares issued and outstanding. The increase was approved by the shareholders of the Company at the last annual meeting held on June 15, 2004.

On August 11, 2004, the Company announced the closing of a private placement of 3,333,334 flow-through common shares and the issuance of 333,333 warrants as part of the agent’s fee. The flow-through common shares, the warrants and the underlying common shares have a hold period of four months expiring on December 11, 2004.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS PRESS RELEASE.

