

PRESS RELEASE

No 25

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 September 7, 2004: **\$0.23**

<p>KWG ARRANGES \$500,000 FLOW-THROUGH PRIVATE PLACEMENT ELECTION OF A NEW CHAIRMAN</p>
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Montréal, Québec – September 8, 2004 - **KWG RESOURCES INC.** (the “Company” or “KWG”) announces the arranging of a private flow-through placement in the amount of \$500,000 with Endeavour Flow-Through (2004) Limited Partnership. Pursuant to this placement, KWG will issue 2.5 million units at \$0.20 per unit. Each unit will consist of one flow-through common share and one common share warrant. The warrant allows the purchase of a common share at \$0.25 for the first 12 months following closing and \$0.30 up to 24 months. An agent’s fee of 7% of the gross amount of the financing is payable to Strand Securities in units.

The proceeds of this private flow-through placement will be used to fund exploration work on the diamond and base metal properties in the James Bay Lowlands. The properties are held jointly with Spider Resources Inc. pursuant to a Joint Venture Agreement. The Company’s interest is 52,4%.

The Company also announces that Mr. Frank C. Smeenk of Kleinburg, Ontario has been unanimously elected Chairman of the Company’s Board of Directors. Mr. Smeenk was nominated by incumbent Mr. David Cohen of Vancouver, B.C. as his successor. Mr. Cohen will continue as a member of the KWG Board.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

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

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