

PRESS RELEASE

No 30

KWG RESOURCES INC.

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

Symbol on TSX-Venture: KWG

Shares issued and outstanding: 112,534,252

Closing price on October 28, 2004: \$0.17

KWG / SPIDER MERGER PROGRESSING

Montréal, Québec – October 29, 2004 – As previously announced, **KWG Resources Inc.** (“KWG” or the “Company”) and Spider Resources Inc. (“Spider”) are considering a merger and have signed a letter of intent outlining principle terms. KWG has retained Dundee Securities Inc. to advise it on the proposed transaction and Spider has retained Wellington West Securities Inc. for the same purpose. The parties and their advisors are currently considering the merits of various options in the structuring of the transaction.

KWG also announced that Michael C. Newbury, P.Eng., has resigned his duties as the Company’s President and CEO in order to assume those duties with another corporation. Mr. Newbury will continue as a Director of KWG. KWG’s Chairman Frank C. Smeenk has temporarily been appointed the Company’s President and CEO until a successor has been identified. KWG Director Michael S. Harrington has been appointed the Company’s Vice-President and its nominee to the Management Committee of the Spider/KWG Joint Venture. The Joint Venture is undertaking extensive exploration programs for base and precious metals in the Sachigo Greenstone Belt of the James Bay Lowlands, where VMS discoveries have been made at McFaulds Lake. The Joint Venture is also undertaking ambitious diamond exploration programs at Wawa and in the James Bay Lowlands at the MacFadyen project near DeBeer’s Victor Pipe. It also holds the Kyle Kimberlites to the west, where a series of diamondiferous kimberlite pipes have been discovered.

- 30 -

FOR FURTHER INFORMATION, PLEASE CONTACT:

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

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