

## PRESS RELEASE

**No 11**

**KWG RESOURCES INC.**

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Symbol on TSX-Venture: **KWG**  
Shares issued and outstanding: **97,531,751**  
Closing price on April 27, 2004: **\$0.24**

**A THIRD NEW KIMBERLITE DISCOVERED NEAR PROPOSED  
VICTOR DIAMOND MINE**

Montréal, Québec – April 28, 2004 - **KWG RESOURCES INC.** (the “Company” or “KWG”) and joint venture partner Spider Resources Inc. (“Spider”) announce the discovery of a third new kimberlite on their MacFadyen property located in the “Attawapiskat Kimberlite Cluster”, 100 kilometers west of Attawapiskat, Ontario, in the James Bay Lowlands. The MacFadyen kimberlite property is eight kilometers northwest of, and contiguous to the claims that host the Victor kimberlite, a development project of De Beers Canada Exploration Ltd. (“De Beers”) and is also contiguous to and 1.5 kilometers east of De Beers’ Tango and Tango Extension kimberlites that underwent drill testing by De Beers in 2003.

The new kimberlite was intersected at a depth of 105 meters in Hole SPQ-04-05 that tested a subtle, deep magnetic anomaly located southwest of the MacFadyen #1 kimberlite. The vertical hole remained in kimberlite for 26.4 meters before exiting into Paleozoic calcareous mudstone and limestone, the hole ended at 140.1 meters. The discovery of this new kimberlite may represent the first mid-Paleozoic kimberlite in this expanding field of 22 kimberlites: sixteen (16) owned by De Beers, one (1) by the Canabrava-Navigator joint venture and five (5) by the KWG/Spider joint venture.

Hole SPQ-04-05 entered bedrock at 37.5 meters, intersecting horizontally bedded limestone and sandstone, then encountered a narrow (0.74 meter) kimberlite dike at 82 meters, before passing through another 22 meters of horizontal bedded Paleozoic aged limestone. At 105 meters, a second intersection of extremely weathered and leached kimberlite for the first 1.27 meters was encountered. This top section of the kimberlite may represent a “paleosol” or an old soil profile the result of surficial weathering in mid Paleozoic times. If this is the case, it will be the “first mid-Paleozoic kimberlite” encountered in the Attawapiskat swarm. Alternatively, this new kimberlite may be a 26-meter thick horizontal sill from the nearby MacFadyen #1 kimberlite. The hole exited kimberlite at 131 meters, entering calcareous mudstone and then limestone. Until the nature of this kimberlite intrusion is determined (pipe or sill) the joint venture will not be assigning a name to the kimberlite. Samples of this kimberlite are being selected for age dating to confirm this interpretation. The remainder of the sample will be submitted for micro - diamond content analysis.

As announced previously (April 22, 2004), the first attempt to test the 250-300 meter deep magnetic seven kilometer long linear feature, that has been interpreted by the Joint Venture consultants as a “possible” kimberlite filled fissure or dike on the joint venture property, failed to reach the target, when an unconsolidated sand bed was encountered at 72 meters. Another attempt to drill this deep target is underway, prior to ending the current winter drill campaign. The current hole (SPQ-04-06) has successfully passed through the previously encountered unconsolidated sand bed and is continuing to target depth of 300 meters.

The drill program at the MacFadyen property is under the field supervision of an Independent Qualified Person ("IQP"), Roger Thomas (M.Sc., P.Eng., P.Geo.). Mr. Thomas has been logging the drill core and selecting the samples for diamond content processing.

The property hosting the aforementioned five kimberlites (MacFadyen #1, MacFadyen #2, Good Friday, MacFadyen #2 - S and the "new" kimberlite) consists of five mineral claims totaling 42 units covering 672 hectares. The KWG/Spider own 100% of the claims, subject to a 25% clawback entitlement by Ashton Mining of Canada Inc. ("Ashton"). Ashton can acquire a 25% interest in the property hosting a kimberlite by paying the joint venture 300% of all expenditures incurred on the subject property up until the Ashton election date.

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