

PRESS RELEASE

No 12

KWG RESOURCES INC.
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Symbol on TSX-Venture: KWG
Shares issued and outstanding: 97,531,751
Closing price on April 30, 2004: \$0.22

Project Winter drill program at McFaulds and MacFadyen Concluded,
17.6 meters of mineralization intersected in last hole at
McFauld's Massive Sulphide

Montréal, Québec – May 3, 2004 - **KWG RESOURCES INC.** (the "Company" or "KWG") and joint venture partner Spider Resources Inc. ("Spider") have now completed 41 drill holes (19 in 2003 and 22 in 2004) in the VMS project area referred to as McFauld's Lake exploration program. This drill program has partially delineated two potentially significant base metal occurrences, called the McFauld's #1 and McFauld's #3. It has also identified three additional VMS targets that have been tested by one or two holes each.

Five drill holes have been completed (sixth is still incomplete) at the JV MacFadyen kimberlite property identifying three new kimberlites increasing the total number of kimberlites on the MacFadyen property to five. These kimberlites are within 8 kilometers of the advanced De Beers Victor kimberlite mine development project. The joint venture has now identified and owns 10 kimberlites in the James Bay Lowlands area of Ontario including the 5 Kyle series kimberlites located 100 km west of the Attawapiskat kimberlite swarm.

McFauld's VMS project update

The most recent drill hole (Hole McF-04-41) was designed to test the down dip and plunge continuation of massive sulphide mineralization encountered in previous holes (McF-04-21 and McF-04-22) drilled on the McFauld's #3 occurrence. Hole McF-04-41 was collared at Line 8+25mNE at 2+00mNW with initial dip of 65 degrees, azimuth grid south. At down hole depth of 239.7 meters the main mineralized zone was encountered. The hole remained in mineralization for 17.6 meters to a hole depth of 257.3 meters. The massive sulphides encountered in this hole appear similar to those observed in other two aforementioned drill intersections that are proximal (within 50 meters and 100 meters) of the pierce point of this hole. This hole was stopped at 312 meters total depth.

Previous drilling on the section Hole 21 intersected 13.8 meters that averaged 5.5% Cu, including 4.63 meters that averaged 10.4% Cu. Hole 22 intersected 15 meters that averaged 4.06% Cu, including 3.31 meters that averaged 9.98% Cu. Down the hole geophysics coupled with additional surface large loop Transient Electromagnetic surveying has been completed on this VMS occurrence, indicating the continuation of sulphides down dip and along strike to depth (down plunge) from earlier drill intersections. This current hole has partially tested this interpretation. The drill rig has been left on site at the project in anticipation of an early start after breakup. The field crew headed up by James Burns, P.Eng. as this project's Independent Qualified Person ("IQP") demobilized on April 29 and 30th.

MacFadyen Kimberlite project update

The last hole (SPQ-04-06) of the MacFadyen winter project to test the deep magnetic linear feature that is interpreted as a kimberlitic fissure continues to be an elusive target has been stopped, short of the target due to technical drilling difficulties. As stated earlier, a thick sand seam was encountered at 73 meters downhole, that was successfully stabilized, then the hole continued to 125 meters when a karsted (cave) area of the limestone was encountered. This cave has been sealed with cement and other down hole fluids, and the hole progressed to a few meters beyond the cave. It is expected that other caves and sand seams will be encountered as the hole progresses to its target depth, however there was insufficient cement and other down hole stabilizing additives in camp to proceed. The drill has been left on site, with the intention of continuing the hole after breakup.

Samples from all kimberlite holes have been sealed and will be delivered to Thunder Bay Diamond Services Laboratory for caustic fusion microdiamond analysis. There was a small backlog of samples at this lab, however testing of the first kimberlite encountered in this program (the Good Friday Kimberlite) should be underway at present. The field crew headed up by Roger Thomas, P.Geol., P.Eng. as this project's IQP, demobilized from the field on April 30th.

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