

PRESS RELEASE

No 26

KWG RESOURCES INC.
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Symbol on TSX-Venture: KWG
Shares issued and outstanding: 101,169,085
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<p>McFAULD'S HOLE #45 INTERSECTS 5.2 METERS MASSIVE SULPHIDE, GREATER THAN 30% ZINC OVER 0.75 METER</p>
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Montréal, Québec – September 13, 2004 - **KWG RESOURCES INC.** (the “Company” or “KWG”) and joint venture partner Spider Resources Inc. announce the receipt of analytical results from McFauld’s Lake VMS project in the western part of the James Bay Lowlands, northern Ontario. **Hole number McF-04-45 intersected 3.7 meters of massive sulphide that averaged 6.6% Cu, 4.9% Zn, 0.45 g/t Au and 16.43 g/t Ag.** This mineralized section was contained in a wider 5.2-meter zone of mineralization that averaged 4.38% Cu, 4.80% Zn, 0.39 g/t Au and 15.43 g/t Ag. An over-limit of greater than 30% Zn was included in this section over 0.75 meter, consequently a high Zinc grade analysis is required to finalize the average values over this very encouraging intersection. Hole #45 is located 75 meters northeast along strike to, and at a similar depth or relative elevation to the previously announced (May 11, 2004) hole McF-04-41 that intersected 8.0 meters of massive sulphide that averaged 6.5% Cu, 3.45% Zn, 0.42 g/t Au and 15.5 g/t Ag.

Hole #45, as well as three others reported herein, were designed to test the along strike extension of the McFauld’s #3 VMS occurrence, based upon the interpretation of downhole geophysics and also as a follow-up to hole McF-04-41. Six holes have been drilled in the vicinity of hole #45, testing the #3 occurrence on 50-meter centers.

The following table summarizes all analytical results received to date.

HOLE	Loc. E	Loc. N	DIP	FROM (M)	TO (M)	INT (M)	Cu (%)	Zn (%)	Au (g/T)	Ag (g/T)
McF-04-42	8+50NE	1+90NW	-52.5	209.30	214.10	4.80	2.09	4.37	0.20	8.18
INCL.				209.30	211.65	2.35	3.02	0.22	0.26	11.25
ALSO INCL.				211.65	214.10	2.45	1.20	8.35	0.08	5.23
McF-04-43	8+50NE	1+90NW	-67.0	272.35	273.90	1.55	2.64	0.15	0.41	6.20
McF-04-44	9+00NE	1+50NW	-68.0	206.20	212.00	5.80	2.16	3.98	0.49	5.70
INCL.				208.89	212.00	3.11	2.88	7.40	0.38	6.89
McF-04-45	9+00NE	1+50NW	-50.0	153.80	159.00	5.20	4.38	4.80	0.39	15.43
INCL.				153.80	157.50	3.70	6.55	4.90	0.45	16.43

The drill has now moved onto other nearby anomalies to investigate them, while a geophysical crew (JVX Ltd. has been awarded the contract) completes downhole geophysics on the new holes as well as a gravity survey over the #3 and #1 VMS occurrences.

All analytical results reported herein are from samples selected during the normal logging process of the drill core as conducted by either Howard Lahti (Ph.D.) or James Burns (P.Eng.), both acting as Independent Qualified Persons ("IQP's") for the project. Samples were individually bagged and delivered under from the field office of the joint venture at McFauld's Lake, to ALS Chemex's sample preparation facility in Thunder Bay, Ontario, where they were crushed, split and then sent via bonded air carrier to the ALS Chemex Laboratory in Vancouver, B.C., where the samples were analyzed using ME-MS61 (4 acid digestion – ICP finish) multi-element analysis. All samples reported as over-limit are reprocessed internally by the lab using AA-62 (4 acid digestion – AA finish) for high-grade analysis.

At the MacFadyen diamond project, hole #3 in the current campaign (SPQ-04-08) was a hole attempting to cross cut hole the Good Friday kimberlite at depth. This hole was abandoned in limestone. Hole #4 (SPQ-04-09) completed this test and a total of 44.5 meters of kimberlite was encountered from 71.5 meters to 116.0 meters (50 meters to 83 meters vertical depth).

Hole #5 (SPQ-04-10) was an attempt to cross cut the MacFadyen #1 kimberlite, this hole was abandoned. Hole #6 (SPQ-04-11) successfully cross cut this kimberlite, a total of 69.1 meters of kimberlite was initially encountered between 45.6 meters and 114.7 meters (32 meters to 81 meters vertical depth) followed by the intersection of a kimberlite dike from 125.05 meters to 136.55 meters, this dike may in fact be a portion of the MacFadyen #1 kimberlite with the interstitial limestone representing a large xenolith incorporated into the body of the kimberlite.

Hole #7 (SPQ-04-12) cross cut the MacFadyen #2 kimberlite, kimberlite was encountered between 73.5 meters and 80.0 meters (52 meters to 56 meters vertical depth) followed by a 0.67 meter dike suggesting this kimberlite consists of the coalescence of two dikes. All kimberlite from these holes has been logged and shipped to the laboratory for caustic dissolution for micro-macrodiamond population studies. All kimberlite samples from the MacFadyen property drilling will be submitted for caustic dissolution micro-diamond testing at the Thunder Bay Mineral Processing Laboratory of Kennecott Canada Exploration Inc.

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