PRESS RELEASE

NO 28

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

Symbol on TSX-Venture: KWG
Shares issued and outstanding: 109,854,752
Closing price on September 24, 2004: $0.17

- VERY STRONG CONDUCTOR DETECTED BELOW MCFAULD'S #3 – EXTENDS ORE ZONE
- HOLE #46 INTERSECTS 5.5 METERS 3.0% COPPER

Montréal, Québec – September 27, 2004 - **KWG RESOURCES INC.** (the "Company" or "KWG") and joint venture partner Spider Resources Inc. announce that they have received the results from the recent down-hole geophysical survey conducted on the McFauld's #3 massive sulphide deposit. Chris Hale, PhD, of JVX Ltd. reports, that the "*gradient survey centered on hole McF-04-48 indicates the presence of a strong conductor with low resistivity at a depth near 305 meters"*, and the results *"are consistent with the presence of a continuation of the mineralized zone to the east, beyond McF-04-48."* The significance of these results will become apparent when considered in context with the following drill-hole results.

The joint venture has received the assay results from drill holes McF-04-46 and 47.

Drill hole number McF-04-46 intersected **5.5 meters** of massive sulphide that averaged **3.0% Cu, 0.04% Zn, 0.37 g/t Au and 7.8 g/t Ag.** This hole was drilled on Section 9+00 East and is an under cut of hole McF-04-44 which is over cut by hole #45, both of which have been previously reported (September 13, 2004). The following table shows the relative positioning and their respective results.

HOLE	FROM (M)	TO (M)	INT. (M)	CU (%)	ZN (%)	AU (G/T)	AG (G/T)	REPORTED ON
McF-04-45	153.80	159.0	5.20	4.38	5.16	0.39	15.43	Sept. 13
INCL.	153.80	157.5	3.70	4.90	7.06	0.45	16.43	
McF-04-44	206.20	212.0	5.80	2.16	3.98	0.49	5.70	Sept. 13
INCL.	208.89	212.0	**3.11**	**2.88**	**7.40**	0.38	6.89	
McF-04-46	255.50	261.0	**5.50**	**3.00**	0.04	0.37	7.87	Sept. 27

Drill hole McF-04-47 drilled on section 9+50 detected 1.17% zinc over 1.3 meters.

Drill hole McF-04-48 an undercut of #47, also drilled on section 9+50 (assay results pending), entered the alteration zone that typically surrounds the massive sulphide, however before intersecting the expected massive sulphide zone, a 3.0 meter thick quartz vein was intersected at the location of the expected sulphides. After passing through the vein, lithologies intersected are typical of those found beneath the sulphide mineralization.

The zinc mineralization (1.3 meters) in hole McF-04-47 and the 3-meter wide quartz vein in drill hole McF-04-48 presented a challenge. These observations suggest that the massive sulphide mineralization being traced eastward and down plunge had been displaced, a phenomena that is common. These holes were drilled at the limit of the guidance provided by earlier down-hole geophysics conducted last spring.

Upon completion of drill-hole McF-04-48, the drill rig was relocated to satellite targets while the down-hole geophysical survey was completed. The JVX down-hole geophysical survey has demonstrated the McFauld's #3 massive sulphide zone continues at depth (-305 meters) 50 meters below our deepest holes on the adjacent section (hole #46), and down plunge to the Northeast. The current drilling program (holes #42 to #48) has extended the strike length of the McFauld's #3 massive sulphide deposit an additional 150 meters eastward for a total known length of 300 meters.

The drill machine has been moved back onto the McFauld's #3 target and the evaluation of the McFauld's #3 mineralization will continue by drilling to the east of and below holes #47 and #48 on Section 9+00E and 9+50E respectively.

A previously announced "over-limit" zinc assay from hole McF-04-45 (Section 9+00E) that was greater than 30% Zn over 0.75 meters has finally been determined. It assayed 32.51% Zn and as a result, we can finally report that the section in hole #45 has been recalculated to 7.06% Zn over 3.7 meters.

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 Neil Willoughby (P.Geol.), 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 project, a second attempt to intersect the deep magnetic target has started. The current drill hole is targeted at vertical elevation of -300 meters, and is located between the MacFadyen #1 and the Good Friday kimberlite.

- 30 -

FOR FURTHER INFORMATION, PLEASE CONTACT:

MICHAEL NEWBURY, President and Chief Executive Officer
Telephone: (416) 487-4637
Fax: (416) 482-9057

MAURICE MONTPETIT, Investors' relation
Telephone: (514) 987-7263
Fax: (514) 987-1033

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