PRESS RELEASE

NO 32

KWG RESOURCES INC.
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Symbol on TSX-Venture: KWG
Shares issued and outstanding: 112,534,252
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18.8 METERS OF MASSIVE SULPHIDE INTERSECTED AT MCFAULD'S LAKE #3

Montréal, Québec – November 2, 2004 - **KWG RESOURCES INC.** (the "Company" or "KWG") and joint venture partner Spider Resources Inc. announce that their summer-fall exploration program in the James Bay Lowlands area of Northern Ontario has ended on a high note with the intersection of a thicker (18.8 meters) part of the McFauld's #3 mineralized zone. Assays from this and two other holes are pending. The field program was suspended prematurely with the sudden onset of winter freezing conditions and will resume in early January.

At McFauld's Lake, the last hole completed (McF-04-57) intersected 18.8 meters of massive sulphide mineralization similar to other holes drilled near-by (i.e. McF-04-21: 13.8 meters averaging 5.5% Cu as per press release dated March 18, 2004, and McF-04-41: 8 meters averaging 6.5% Cu, 3.3% Zn as per press release dated May 11, 2004). As with these neighboring holes, a preponderance (>15%) of chalcopyrite has been observed in hole McF-04-57 between 250.5 to 257.6 meters.

Drill hole McF-04-57 differs from holes McF-04-54 through to McF-04-56 listed below which were drilled further to the east along strike to test the down-dip, and down-plunge extensions of the McFauld's #3. In these easterly holes, there is a predominance of magnetite and pyrrhotite over chalcopyrite and there appears to be a thinning of the chalcopyrite (copper mineralization) over an area that may represent a "vent" or source area for the mineralization at McFauld's #3. This eastern down plunge area of the McFauld's #3 does not appear to host the thick copper gold mineralization seen in other deposits and will be reassessed.

Hole McF-04-54, reported herein, was the first hole drilled into the McFauld's #3 occurrence targeting the "DHIP" geophysical target area where high conductivity and low resistivity was interpreted and outlined in the September 27, 2004 press release. This hole intersected 1.77 meters averaging 2.56% Cu, with the rest of the mineralized section being predominantly magnetite and pyrrhotite.

Holes McF-04-49 through to 53 were drilled on ground targets outside of McFauld's #3 to test other potential VMS anomalies including the previously discovered McFauld's #6 occurrence. These drill holes were completed while the "DHIP" geophysics was completed on the McFauld's #3 and McFauld's #1 occurrences.

Assay results for these seven holes (McF-04-48 through 54) are presented below; meanwhile assay results from the three remaining holes (McF-04-55 through 57) are outstanding.

TARGET	HOLE #	NORTHING	EASTING	DIP	AZMTH	FROM (M)	TO (M)	INT. (M)	AU (G/T)	AG (G/T)	CU %	ZN %
McF # 3	McF-04-48	1+50NW	9+50 NE	-68	135	273.9	274.85	0.95	0.052	1.34	0.59	0.03
Grid "D"	McF-04-49	0+25N	3+00E	-45	180	NSA						
Grid "G"	McF-04-50	16+50N	13+50E	-52	130	174.5	176.35	1.65	0.19	5.28	2.89	0.001
Grid "G"	McF-04-51	16+50N	13+50E	-75	130	223.86	225.39	1.53	0.04	1.16	0.62	0.01
Grid "G"	McF-04-52	17+00N	10+00E	-45	116	240	242	2	0.004	1.4	0.01	0.23
Grid "G"	McF-04-53	13+00N	10+00E	-50	116	NSA						
McF #3	McF-04-54	9+00N	2+25E	-68	135	307.23	309	1.77	0.118	3.64	2.56	0.027

The DHIP survey completed on McFauld's #1 infers a continuation of the massive sulphide mineralization below drill hole McF-03-07. Chris Hale, Ph.D., of JVX Ltd., recommends an undercut of DDH03-07 testing this anomaly upon the return to the field in early January 2005.

At the McFauld's Lake "VMS" project a total of 4,450 meters of drilling was completed in 15 holes during the summer – fall program.

PLANS FOR PROJECT(S)

The Joint Venture's continued successes will result in developing programs for 2005 to continue drilling confirmed areas of strong mineralization, and to initiate new drilling on other high potential targets. The JV controls 125 square kilometers of high potential properties in this area and seven (7) occurrences have been drill confirmed to contain copper and zinc.

The Joint Venture's objective is threefold. First, the Joint Venture will continue drilling to increase the size of its three known and drill confirmed targets (#1, #3, and #6) with the ultimate goal to confirming the existence of a minable reserve. Secondly, the Joint Venture will continue to identify and evaluate new anomalies with high potential for economic mineralization. Thirdly, the Joint Venture will initiate new drilling on such new targets.

The Joint Venture is expected to contract Geotech Ltd. to conduct a helicopter "VTEM" survey over the newly staked (winter of 2004) claims to the west of the main McFauld's Lake project, as well as a separate group of claims acquired to the north of the project area. Additional ground geophysical surveys follow-ups over the remainder of the joint venture project claims (as well as any additional claims acquired by joint venture) will unfold over the winter season. Significant targets will be drilled.

The success experienced with the "JVX Ltd. DHIP survey" has proven that this exploration technique is a useful technique in tracing the two McFauld's sulphide bodies to depth, beyond the limits of other techniques used in the past. The joint venture will also engage JVX Ltd. to complete the previously planned gravity survey over the two known McFauld's VMS occurrences. Diamond drilling will resume in early January when the drill camps can be safely serviced by ski-equipped aircraft.

QUALITY CONTROL AND QUALITY ASSURANCE

All analytical results reported herein are from samples selected during the normal logging process of 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 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.

- 30 -

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