

# PRESS RELEASE

No 33

**KWG RESOURCES INC.**  
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Symbol on TSX-Venture: **KWG**  
Shares issued and outstanding: **112,534,252**  
Closing price on November 5, 2004: **\$0.15**

## MASSIVE SULPHIDE GRADING 8.02% COPPER OVER 18.8 METERS AT MCFauld's LAKE, NORTHERN ONTARIO

Montréal, Québec – November 8, 2004 - **KWG RESOURCES INC.** (the "Company" or "KWG") and joint venture partner Spider Resources Inc. ("Spider") announce that they have received the results from drill-hole McF-04-57. The previously reported (November 2, 2004) 18.8-meter intersection has returned a surprising overall grade of 8.02% Copper, with anomalous amounts of silver and gold. Within this intersection, a shorter 10.5-meter section grades 9.35% Copper. The McFauld's #3 deposit has only been tested for 400 meters of strike at surface and it remains open to the east and down dip. The following table provides specific details on this intersection.

| HOLE #    | NORTHING | EASTING | DIP | AZIMUTH  | FROM<br>(M) | TO<br>(M) | INT.<br>(M) | AU<br>(G/T) | AG<br>(G/T) | CU<br>(%)    | ZN<br>(%) |
|-----------|----------|---------|-----|----------|-------------|-----------|-------------|-------------|-------------|--------------|-----------|
| MCF-04-57 | 1+75N    | L8+00E  | -70 | 135 grid | 238.80      | 240.50    | 1.70        | 0.42        | 13.70       | <b>6.70</b>  | 0.08      |
|           |          |         |     |          | 240.50      | 242.00    | 1.50        | 0.27        | 14.05       | <b>7.85</b>  | 0.09      |
|           |          |         |     |          | 242.00      | 243.50    | 1.50        | 0.42        | 13.70       | <b>6.76</b>  | 0.07      |
|           |          |         |     |          | 243.50      | 245.00    | 1.50        | 0.74        | 15.65       | <b>7.97</b>  | 0.07      |
|           |          |         |     |          | 245.00      | 246.30    | 1.30        | 0.83        | 26.50       | <b>10.50</b> | 0.08      |
|           |          |         |     |          | 246.30      | 247.90    | 1.60        | 1.78        | 17.60       | <b>4.89</b>  | 0.05      |
|           |          |         |     |          | 247.90      | 249.50    | 1.60        | 1.79        | 13.15       | <b>9.81</b>  | 0.06      |
|           |          |         |     |          | 249.50      | 250.50    | 1.00        | 0.37        | 13.40       | <b>6.85</b>  | 0.04      |
|           |          |         |     |          | 250.50      | 251.90    | 1.40        | 0.98        | 36.40       | <b>16.25</b> | 0.11      |
|           |          |         |     |          | 251.90      | 254.00    | 2.10        | 1.80        | 25.70       | <b>7.97</b>  | 0.05      |
|           |          |         |     |          | 257.00      | 257.60    | 1.50        | 1.67        | 35.40       | <b>9.76</b>  | 0.05      |

The massive sulphide mineralization observed in Hole McF-04-57 is similar in style and nature to drill holes McF-04-21 which cut 13.8 meters averaging 5.5% Cu (previously reported March 18, 2004) and McF-04-41, 8.0 meters averaging 6.5% Cu, 3.3% Zn (previously reported May 11, 2004).

The "pierce point" of drill-hole 57 on the plane of the mineralization is 75 meters down dip from hole McF-04-21 and is 25 meters west of and 50 meters down dip from hole McF-04-41. This thick and rich copper mineralized zone is also 50 meters up dip from hole McF-04-29 which intersected 3.0% Cu over 1.5 meters. These three earlier holes appear to be defining the edge of a thicker pod of massive sulphide mineralization and drill-hole 57 was designed to test an area down dip and down plunge from them.

In our last news release (November 2, 2004), we noted that the holes (21, 29, 41 and visually 57) in this area of the deposit have a prevalence of chalcopyrite between 240 to 265 meters. This thicker copper mineralization (now defined by holes 21, 41 and 57) remains open to the east down dip and down plunge where our recent geophysics is suggesting that we should expect to drill other similar holes.

With the classic VMS model in mind (see Dr. Franklin's report on our Web site), the tonnage implications of this hole and Dr. Franklin's other observations have a very significant implication for the tonnage potential of the McFauld's #3 deposit. The VMS mineralization remains open in both the down dip and down plunge directions.

Dr. James Franklin, senior consultant to the project, visited the property last week with members of management of Spider, to review the core produced from this years drilling, as well as other core from last year that has not yet seen. Dr. Franklin remarked that the joint venture partners have been drilling into a high temperature stringer zone near a "vent / source" area of a VMS system as indicated by the intense alteration and high copper content in certain areas of the #3 occurrence.

The Joint Venture awaits Dr. Franklin's updated report and detailed comments on our latest drilling.

Results from the two holes remaining holes from this falls drilling program (McF-04-55 and 56) that are located further to the east and down plunge from McF-04-57 are presented below.

| HOLE #    | NORTHING | EASTING | DIP | AZIMUTH | FROM<br>(M) | TO<br>(M) | INT.<br>(M) | AU<br>(G/T) | AG<br>(G/T) | CU<br>(%) | ZN<br>(%) |
|-----------|----------|---------|-----|---------|-------------|-----------|-------------|-------------|-------------|-----------|-----------|
| McF-04-55 | L9+50E   | 2+25N   | -73 | 135     | 364.50      | 367.10    | 2.20        | 0.23        | 2.06        | 1.29      | Nil       |
| McF-04-56 | 8+00 E   | 2+00 N  | -68 | 135     | 264.25      | 267.50    | 3.25        | 0.25        | 5.33        | 0.85      | Nil       |

The DHIP survey completed on McFauld's #1 and #3 infers a continuation of both of the mineralized zones down dip and down plunge. Dr. Chris Hale, of JvX Ltd. recommends undercut drill holes to test these zones' anomalies upon the return to the field in early January 2005. Similarly, the Joint Venture eagerly awaits the detailed results of this survey work.

Since the Joint venture started exploring, the McFauld's Lake "VMS" project in January of 2003, a total of 13,969 meters of drilling has been completed in 57 holes outlining primarily the two main occurrences (McFauld's #1 and #3 with 15 and 23 respectively) as well as discovering five other VMS occurrences in this new VMS camp. The joint venture has spent over \$5 million in development of the McFauld's Lake property to date.

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 from the field office of the joint venture at McFauld's Lake, to ALS Chemex's sample preparation facility in Thunder Bay, Ontario. There 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. The lab using AA-62 (4-acid digestion – AA finish) for high-grade analysis reprocessed all samples reported as over-limit internally.

- 30 -

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