

# KWG RESOURCES INC.

## PRESS RELEASE

### RESULTS FROM FIRST DRILL HOLE AT McFAULD'S LAKE

Montréal, Québec - February 10, 2004 - **KWG RESOURCES INC.** ("KWG") (TSX-V: **KWG**) and joint venture partner Spider Resources Inc. ("Spider") announce the results of the first drill hole of the winter drilling program. Drill Hole McF-04-20, which intersected a 36-meter section (true thickness) of heavy sulphide mineralization (previously reported January 27, 2004), returned the following results:

From (m)	To (m)	Interval (m)	% Cu	% Zn	Au (g/t)	Ag (g/t)
68.4	74.3	5.87	<b>2.8</b>	0.02	0.5	15.5
91.2	95.4	4.2	0.26	<b>11.8</b>	Tr	1.57

The current drilling is on the third base metal occurrence discovered within the joint venture claims called the McFauld's #3 occurrence. The first hole of the current program cut the mineralization at approximately 50 meters above (and drilled in the opposite direction to) the initial discovery hole McF-03-18 (previously reported November 18, 2003). McF-03-18 intersected a 42-meter section of sulphides at a vertical depth of 125 meters and gave the following results:

Zinc Sections	From (m)	To (m)	Interval (m)	% Cu	% Zn	Au ppm	Ag ppm
Upper	128.75	131.25	2.50	0.25	<b>9.52</b>	0.031	1.73
	131.25	136.50	5.25	0.23	0.14	0.094	3.10
Middle	136.50	139.45	2.95	0.56	<b>7.52</b>	0.142	4.19
	139.45	145.00	5.55	0.44	0.11	0.087	2.63
Lower	145.00	154.50	9.50	0.72	<b>7.95</b>	0.060	3.15
Total Zinc Section	128.75	154.50	25.75	0.506	4.83	0.070	2.73
Mid. + Lower	136.50	154.50	18.00	0.61	5.88	0.069	2.77
Total Copper Section	154.50	162.45	7.95	<b>1.502</b>	0.12	0.321	8.47

These drill holes have been under cut by drill hole McF-03-21 (the 2<sup>nd</sup> hole of the current program) which has intersected nine meters of heavy banded sulphide mineralization 50 meters below the mineralization intercepted in drill hole McF-03-18. Assay results for drill hole McF-03-21 are pending.

The Joint Venture has completed four holes to date in the current campaign and is nearing the completion of the 5<sup>th</sup>. Drill holes 22 thru 24 inclusive have been drilled on a section that is a 50-meter step out to the east of the holes described above. Thus far in the program, mineralization of economic interest has been detected in all holes drilled. We continue to be both surprised and encouraged by the geology observed but await definitive analytical results confirming our observations.

Furthermore, detailed ground geophysics (MaxMin and Magnetics) has been successful in sorting out some of the details found in the airborne geophysical data. A second electro-magnetic anomaly has been detected north of the current McFauld's #3 zone. This anomaly has similar geophysical characteristics to that currently being drilled and will be investigated by diamond drilling as soon as possible.

The current drill program is being financed by Diagem International Resource Corp. ("Diagem"), through a \$2.0 million investment into the project. Once these funds have been expended, Diagem will have earned an 8% interest in the joint venture; however this 8% interest can be converted at the request of any of the parties into an equity interest in KWG and Spider.

All analytical results reported herein are from samples selected during the normal logging process of the drill core as conducted by site geologist, Roger Thomas, M.Sc. (P. Eng.), an independent qualified person. Samples were individually bagged and delivered under bond from the field location to ALS Chemex's sample preparation facility in Thunder Bay, Ontario where they were crushed, split and then sent via bonded air courier 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 an "over-limit" result are reprocessed internally by the lab using AA-62 (4 acid digestion - AA finish) for high-grade analysis.

KWG is a junior mining exploration company quoted for trading on the TSX Venture Exchange under the trading symbol "KWG". KWG currently has 96,033,751 issued and outstanding common shares and no outstanding long-term debt.

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

**MICHAEL NEWBURY, President and Chief Executive Officer**

**Telephone: (416) 487-4637**

**MAURICE MONTPETIT, Investors' Relation**

**Telephone: (514) 987-7263**

Or visit our website: [WWW.KWG-RESOURCES.COM](http://WWW.KWG-RESOURCES.COM)

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