

KWG RESOURCES INC.

PRESS RELEASE

**RESULTS FROM THIRD DRILL HOLE AT McFAULD'S LAKE
REVEAL 9.98% COPPER OVER 3.31 METERS**

Montréal, Québec - February 23, 2004 – **KWG RESOURCES INC.** ("KWG") (**TSX-V: KWG**) and joint venture partner Spider Resources Inc. ("Spider") announce the results of the third drill hole of the winter drilling program drilled on the McFaulds #3 deposit. Drill Hole McF-04-22 intersected a 15-meter section of heavy sulphide mineralization, which returned the following results:

From (m)	To (m)	Interval (m)	% Cu	% Zn	Au (g/t)	Ag (g/t)
96.4	111.4	15.0	4.06	0.03	0.55	13.81
INCLUDING:						
100.54	103.85	3.31	9.98	0.04	1.29	38.45

The third hole of the current program cut the mineralized section at approximately 75 meters below surface on new section 7+50 meters NE that is located 50 meters SW of previously announced holes on section 8+00NE. Hole McF-04-22 was drilled on section 7+50 NE at 0+75 NW on an azimuth of Grid south with a dip of 045 degrees. Results from hole McF-04-23 that undercuts hole McF-04-22 are pending.

Previously announced holes (November 18, 2003, February 10 and February 19, 2004) are all on Section 8+00 NE. Hole McF-03-18 intersected a 42-meter section of sulphides at a vertical depth of 125 meters and returned 18 meters of 5.88% zinc followed by 7.95 meters grading 1.5% copper. Hole McF-04-20 intersected 36 meters of massive sulphide mineralization, of which 5.87 meters returned 2.8% Cu and 4.2 meters returned 11.8% Zn, while hole McF-04-21 intersected massive sulphide of which 13.8 meters averaged 5.5% Cu with a higher grade section over 4.6 meters that averaged 10.4% Cu.

The Joint Venture KWG-Spider has completed nine holes to date in the current campaign of which six are awaiting assay results. The tenth hole was started on February 21, 2004, and designed to undercut Hole McF-04-21 on Section 8+00 NE.

Based upon analytical results and observed mineralization to date, it appears as though the McFauld's #3 VMS occurrence is a steeply dipping (75 degrees to the NW), steeply plunging to the NE massive sulphide occurrence. The observed increase in copper grade, with associated increase in gold and silver content, coupled with an observed decrease in zinc content, are suggesting that holes McF-04-21 and McF-04-22 are near the central portion of a "Noranda style VMS occurrence". Hole McF-04-29 currently drilling will test down plunge of the copper zone, to help understand the geometry and geology of this zone.

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 96,582,751 issued and outstanding common shares and no outstanding long-term debt.

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