

KWG RESOURCES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE (the “Notice”) IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders (the “Meeting”) of KWG RESOURCES INC. (the “Corporation”), for the year ended December 31, 2010, will be held on Wednesday, February 29, 2012 at 11:00 a.m. (local time), at Saint-James Club of Montreal, 1145 Union Avenue, Montreal, Québec, for the following purposes:

- (a) TO receive the audited consolidated financial statements of the Corporation for the years ended December 31, 2010 and 2009 and the auditor’s report thereon;
- (b) TO elect directors of the Corporation;
- (c) TO appoint the auditors of the Corporation and to authorize the directors to fix their remuneration;
- (d) TO consider, and if deemed advisable, pass a special resolution, with or without variation, the full text of which is reproduced as Schedule “A” to the Management Proxy Circular and incorporated by reference in this Notice (the “**Capital Reorganization Resolution**”), authorizing the Corporation to:
 - (i) convert each issued and outstanding common share of the Corporation (each, a “**Common Share**” and collectively, the “**Common Shares**”) into one share of a newly-created class of share to be designated as “Subordinate Voting Shares” (the “**Conversion**”), such Conversion to become effective concurrently with, and being subject to, the creation of the Subordinate Voting Shares; and
 - (ii) amend its articles (the “**Articles**”) to (A) create a new class of shares to be designated as “Multiple Voting Shares” and a new class of shares to be designated as “Subordinate Voting Shares”; and (B) immediately upon the Conversion becoming effective, remove the authorized Common Shares, none of which will be issued and outstanding and to repeal the provisions regarding the rights and restrictions attaching to the Common Shares set out in the Articles;
- (e) TO consider, and if deemed advisable, pass a special resolution, with or without variation, the full text of which is reproduced in the Management Proxy Circular accompanying this Notice under the heading “Creation of Special Shares” and incorporated by reference in this Notice, authorizing the Corporation (the “**Special Shares Resolution**”), to amend the Articles to create a new class of special shares, issuable in series, to be designated as “Special Shares”;
- (f) TO consider, and if deemed advisable, pass a special resolution, with or without variation, the full text of which is reproduced in the Management Proxy Circular accompanying this Notice under the heading “Continuance of the Corporation to the *Canada Business Corporations Act*” and incorporated by reference in this Notice (the “**Continuance Resolution**”), approving the continuance of the Corporation from the jurisdiction of the *Business Corporations Act* (Québec) to the jurisdiction of the *Canada Business Corporations Act* (the “**Continuance**”);
- (g) TO consider, and if deemed advisable, pass a special resolution, with or without variation, the full text of which is reproduced in the Management Proxy Circular accompanying this Notice under the heading “Amendment to the Articles of the Corporation” and incorporated by reference in this Notice, authorizing the Corporation (the “**Amended Articles Resolution**”), only if the Continuance Resolution is not approved by the shareholders at the Meeting or the Corporation decides not to proceed with the Continuance, to amend the Articles to provide the directors with the ability to appoint additional directors between annual meetings of shareholders and to permit the holding of any shareholders’ meeting in or outside of the Province of Québec ;
- (h) TO consider, and if deemed advisable, to pass an ordinary resolution, with or without variation, ratifying the amendments to the Corporation’s By-Law 1997-1, the full text of which is reproduced as Schedule “E” to the Management Information Circular;
- (i) TO consider, and if deemed advisable, to pass an ordinary resolution, with or without variation, re-approving the Corporation’s Rolling Share Option Plan (the “**Stock Option Plan**”), which provides that the maximum number of Common Shares that may be reserved and set aside for issuance under the Stock Option Plan shall not exceed 10% of the aggregate number of Common Shares outstanding;
- (j) TO consider, and if deemed advisable, pass an ordinary resolution, with or without variation, to amend the Stock Option Plan, in the event the Capital Reorganization is completed, to provide that the maximum number of Subordinate Voting Shares which may be reserved and set aside for issuance under the Stock Option Plan, as amended, shall not exceed 10% of the aggregate number of Subordinate Voting Shares outstanding calculated on the basis that all Multiple Voting Shares outstanding have been converted to Subordinate Voting Shares; and
- (k) TO transact such other business as may properly be brought before the Meeting, or any adjournment thereof.

A shareholder of the Corporation may (i) in connection with the Capital Reorganization Resolution and the Special Shares Resolution, exercise the right to demand that the Corporation repurchase its Common Shares pursuant to Section 373 of the *Business Corporations Act* (Québec), and (ii) in connection with the Continuance Resolution, exercise the right to demand

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that the Corporation repurchase its Common Shares pursuant to Section 372 of the *Business Corporations Act* (Québec), the whole as described in the Management Proxy Circular accompanying this Notice under the heading “Right to Demand Repurchase of Common Shares”.

The details of the matters proposed to be put before the Meeting are set forth in the Management Information Circular accompanying the Notice, which is supplemental to and expressly made part of this Notice.

A Proxy Form is enclosed herewith. Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed Proxy Form to Computershare Investor Services Inc., Attention Proxy Department by mail or personal delivery to 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 or by fax to 1-866-249-7775, in either case, prior to 5:00 p.m. (Toronto time) on February 27, 2012 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to such adjourned or postponed meeting. Non-registered Shareholders receiving these materials through their broker or other intermediary should complete and return the voting instruction form provided to them by their broker or other intermediary in accordance with the instructions provided therein.

DATED at Montréal, Québec, this 27th day of January, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

(s) *Luce L. Saint-Pierre*

Luce L. Saint-Pierre

Corporate Secretary

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