

Form 51-102F3

**MATERIAL CHANGE REPORT UNDER SECTION 7.1(1) OF
NATIONAL INSTRUMENT 51-102 AND SECTION 5.2 OF
MULTILATERAL INSTRUMENT 61-101**

Item 1 Name and Address of Company

KWG Resources Inc. (the “Company”)
600 de Maisonneuve West
Suite 2750
Montreal, QC H3A 3J2

Item 2 Date of Material Change

December 28, 2012

Item 3 News Release

The news releases announcing the closing of the private placement were disseminated through the facilities of CNW Group on December 28, 2012.

Item 4 Summary of Material Change

The Company has closed a non-brokered private placement and issued 24,398,332 common shares at a price of \$0.06 per common share for aggregate gross proceeds of \$1,463,900.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company has completed a non-brokered private placement (the “Placement”) of 24,398,332 common shares of the Company issued on a “flow-through” basis at a price of \$0.06 per share for aggregate gross proceeds of \$1,463,900. The proceeds from the Placement will be used for eligible flow-through exploration expenses and will be renounced for the 2012 taxation year. Marquest Capital Markets received a cash finder’s fee in the amount of \$87,834 as well as a fee in the amount of \$2,825 (inclusive of tax) for certain corporate finance and due diligence services provided to KWG in connection with the Placement.

The shares issued in the Placement are subject to a hold period expiring on April 29, 2013

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted.

Item 8 Executive Officer

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this report.

Luce L. Saint-Pierre
Corporate Secretary
(514) 866.6001 ext. 230

Item 9 Date of Report

January 7, 2012