

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

April 2, 2014

Item 3 News Release

The news release was disseminated through the facilities of CNW Group on April 2, 2014.

Item 4 Summary of Material Change

Further laboratory tests on the reduction of the Black Horse chromite using natural gas have been completed. The results of these tests provide substantial encouragement that the newly developed method may be utilized to convert the Black Horse chromite into a metallised chrome and iron alloy.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

During these tests by XPS Consulting & Testwork Services - a Glencore Company, this chromite, blended with suitable solid carbon as reductant, was reduced in the solid state at atmospheric pressure in the presence of reformed natural gas to produce the alloy.

Reactions commenced at 900°C when a suitable accelerant was used to enhance the reactions - substantially lower than is usual for chromite ores. In addition, the time required for the reductants to convert the oxide ore to alloy was substantially less than one hour - much faster than established direct reduction methods have produced.

Based on these tests only, preliminary estimates provided in a report indicate that very substantial energy savings result. The study suggests that overall direct energy costs to process one tonne of concentrate into metallized ferrochrome alloy are less than half those required for conventional technology. In addition, the process has a considerably lower greenhouse gas emission footprint and greatly reduced impact on the environment. Capital costs are estimated to be significantly lower than those for conventional processes utilizing electrical energy. An international patent of the method is being pursued.

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

April 11, 2014