

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 25, 2014

Item 3 News Release

The news release was disseminated through the facilities of CNW Group on April 25, 2014.

Item 4 Summary of Material Change

The Company has closed a private placement of 2,200,000 flow-through units for proceeds of \$220,000.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company has closed a flow-through private placement of flow-through units at \$0.10 per unit for proceeds of \$220,000. Each unit comprises one flow-through treasury share and one warrant which may be exercised to acquire a further flow-through share for \$0.15 at any time within three years. All securities issued are subject to a four-month hold period.

The proceeds will be used for eligible flow-through exploration expenses and renounced for the 2014 taxation year.

A director who is also an officer and two officers of the Company subscribed for 2,000,000 units for \$200,000. The participation of these subscribers in the private placement constitutes a “related party transaction” under Multilateral Instrument 61-101-Protection of Minority Security Holders in Special Transactions (“MI 61-101”), but KWG is exempt from both the formal valuation and minority shareholder approval requirements of MI 61-101 in connection with the private placement as neither the fair market value of the securities issued, nor the consideration for such securities, in so far as it involves interested parties, exceeded 25% of KWG’s market capitalization as calculated pursuant to MI 61-101. KWG completed the subscription within 21 days of the date the board of directors approved the private placement.

(i) In addition, the following disclosure is required under Multilateral Instrument 61-101 - *Take-Over Bids and Special Transactions* (“MI 61-101”).

(a) a description of the transaction and its material terms:

On April 25, 2014, the Company closed a placement and issued 2,200,000 FT Units at a price of \$0.10 each for gross proceeds of \$300,000. Each FT Unit is comprised of one FT Share and one FT Warrant exercisable at \$0.15 during a 12 month period.

(b) the purpose and business reasons for the transaction:

The gross proceeds will be used for “Canadian exploration expense” as defined in the *Income Tax Act* (Canada) and will be renounced for the 2014 taxation year.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

See paragraph (b) above.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Frank Smeenck, director and President and Chief Executive Officer of the Company, purchased 800,000 FT Units;

Bruce Hodgman, Vice-President, Communications, of the Company purchased 400,000 FT Units; and

Maurice Lavigne, Vice-President, Development of the Company, purchased 800,000 FT Units.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

As a result of this participation in this private placement as described above, the percentage of securities of the Company beneficially owned or controlled by:

Frank Smeenck is approximately 1.57% of the outstanding shares and 14.1% of the outstanding warrants and compensation options;

Bruce Hodgman is approximately 0.27% of the outstanding shares and 1.5% of the outstanding warrants and compensation options; and

Maurice Lavigne is approximately 0.93% of the outstanding shares and 2.2% of the outstanding warrants and compensation options

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction,

including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

The private placement was unanimously approved by the disinterested directors of the Company. There were no contrary views or disagreements in respect of the private placement.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable. See paragraph (i) below.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

Messrs. Smeenk, Hodgman and Lavigne entered into the standard form of subscription agreement used by the Company for the placement of FT Units, which subscription agreement contains standard terms and conditions typical of similar private placements.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

Under subsections 5.5(a) and 5.7(a) of MI 61-101, the Company is exempted from the requirements under MI 61-101 of having to perform a formal valuation and obtain minority shareholder approval in connection with the transaction, as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves an interested party, exceeds 25% of the Company's market capitalization, calculated in accordance with MI 61-101.

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 30, 2014