

# 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, 2013, will be held on Monday, June 30, 2014 at 11:00 a.m. (local time), at the offices of Norton Rose Fulbright Canada LLP, Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario, for the following purposes:**

- (a) TO receive the audited consolidated financial statements of the Corporation for the years ended December 31, 2013 and 2012 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 Information Circular accompanying this Notice 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 Preference Shares” and incorporated by reference in this Notice, authorizing the Corporation (the “**Preference Shares Resolution**”), to amend the Articles to create a new class of shares, issuable in series, to be designated as “Preference Shares” and, if applicable, to repeal the existing rights and restrictions to the Common Shares and provide for new rights and restrictions attaching to the Common Shares that are substantively similar to the existing rights and restrictions attaching to the Common Shares;
- (f) 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;
- (g) TO consider, and if deemed advisable, pass an ordinary resolution, with or without variation, to approve the amendment and restatement of 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 and restated, 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
- (h) TO transact such other business as may properly be brought before the Meeting, or any adjournment thereof.

A shareholder of the Corporation may in connection with the Capital Reorganization Resolution and the Preference Shares Resolution, exercise the right to demand that the Corporation repurchase its Common Shares pursuant to Section 373 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 June 26, 2014 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 2nd day of June, 2014

**BY ORDER OF THE BOARD OF DIRECTORS**

(s) *Luce L. Saint-Pierre*

Luce L. Saint-Pierre, Corporate Secretary