

MATERIAL CHANGE REPORT
Form 51-102F3
Section 7.1 of National Instrument 51-102

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

May 28, 2015

Item 3 News Release

The news release was disseminated through the facilities of CNW Group on May 28, 2015.

Item 4 Summary of Material Change

On May 28, 2015 the Company issued 361,600 common shares.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On May 28, 2015, the Company issued 361,600 common shares at \$0.025 to RBL Communications for the second payment under a service agreement announced in January 2015.

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

May 29, 2015

PRESS RELEASE

No. 214

KWG

Symbol on CSE: **KWG**
Shares issued and outstanding: **812,983,718**

KWG REPORTS PROGRESS OF CLAIMS HEARINGS

Toronto, Canada, May 28, 2015 – **KWG Resources Inc. (CSE: KWG; Frankfurt: KW6)** reports that its subsidiary Canada Chrome Corporation (“KWG/CCC”) has filed the materials required to perfect its appeal at the Ontario Court of Appeal. A hearing date will be scheduled by the Court’s Registrar.

The respondent 2274659 Ontario Inc. and the intervenor the Minister of Northern Development and Mines will have until June 29, 2015 to file responding materials if they elect to do so. 2274659 Ontario Inc. was formerly a subsidiary of Cliffs Natural Resources Inc. (“Cliffs”) and is now wholly-owned by Noront Resources Ltd. (“Noront”).

The Contest with Cliffs for access to the Ring of Fire:

At a hearing before the Mining and Lands Commissioner (“MLC”) in early 2013, Cliffs sought an order to dispense with the consent of KWG/CCC for the granting of an easement for Cliffs to build a road on top of mining claims staked by KWG/CCC along a 340 kilometer corridor of high ground. KWG/CCC had spent some \$15 million to explore the claims and assess their profiles and aggregates to provide a means of egress for the *Big Daddy* chromite deposit in which KWG/CCC has a 30% joint venture interest with Cliffs then holding the 70% interest. The MLC declined to grant the order sought by Cliffs and Cliffs then appealed the MLC decision to the Divisional Court of the Ontario Superior Court.

The MLC decision was overturned by the Divisional Court in a judgment released in July 2014. KWG/CCC sought leave to the Ontario Court of Appeal to appeal the Divisional Court decision and was granted such leave to appeal this past January. The upcoming Court of Appeal hearing will determine whether the Divisional Court erred in finding that KWG/CCC’s consent to an easement over its claims should be dispensed with, as the MLC had decided it should not be dispensed with.

The staking race with Noront:

On June 17th, 2011 KWG/CCC staked mining claims 4256490, 4256491 and 4256492 in the *Ring of Fire* and then filed its *Applications to Record Mining Claims* on June 21st and 23rd. The Mining Recorder accepted the KWG claims.

On the same blocks as where KWG/CCC had staked its claims, Noront staked mining claims 4265631, 4265632, 4265633, 4265634, 4265635, 4265636 and 4255731 from June 17th to 19th, 2011. When Noront filed its *Applications to Record Mining Claims* on June 27th the Mining Recorder accepted them as “filed only” on July 8th and on July 19th Noront filed a dispute against the KWG claims (“Dispute”).

The Dispute was heard by the Mining Recorder on April 24th and 25th, 2014. On June 24th, 2014 the Mining Recorder dismissed the Dispute and confirmed the validity of the KWG claims. Noront filed a Notice of Appeal on July 22nd and KWG filed a Notice of Cross-Appeal on July 24th. The appeal and cross-appeal will be heard by the MLC when a hearing date is assigned following consideration and determination of the content and scope of the appeal. To this end, the MLC has now instructed the parties to schedule a mediation session with the Commission’s Registrar.

Issuance of shares:

KWG will issue 361,600 common shares at \$0.025 to RBL Communications Inc. for the second payment under the shares for services contract announced January 21, 2015. All shares issued will have a hold period of four months.

About KWG:

KWG has a 30% interest in the Big Daddy chromite deposit and the right to earn 80% of the Black Horse chromite where resources are being defined. KWG also owns 100% of Canada Chrome Corporation which has staked claims and conducted a \$15 million surveying and soil testing program, originally for the engineering and construction of a railroad to the Ring of Fire from Aroland, Ontario. KWG subsequently acquired patent interests, including a method for the direct reduction of chromite to metalized iron and chrome using natural gas. The company has determined that the reduction method can be employed to metalize finely ground chromite which may be recovered from slurry delivered to Aroland in an underground pipeline constructed within the Canada Chrome claims.

For further information, please contact:
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