

**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**” or “**KWG**”)  
141 Adelaide Street West, Suite 240  
Toronto, Ontario M5H 3L5

**Item 2 Date of Material Change**

November 6, 2021

**Item 3 News Release**

News release was issued via Newsfile Corp. on November 1, 2021.

**Item 4 Summary of Material Change**

The Company’s authorized capital was amended by filing of Articles of Amendment dated November 6, 2021 (i) to subdivide the issued and outstanding multiple voting shares in the capital of the Company (the “**Multiple Voting Shares**”) on the basis of each one (1) Multiple Voting Share currently outstanding being subdivided into three (3) post-subdivision Multiple Voting Shares and, on implementation thereof, to amend the rights, privileges, restrictions and conditions of the Multiple Voting Shares and the subordinate voting shares in the capital of the Company (the “**Subordinate Voting Shares**”); (ii) to create a new class of shares, issuable in series, to be designated as “Preference Shares”; and (iii) to create a new class of shares, issuable in series, to be designated as “Special Shares”.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

The amendment of the Company’s authorized capital (i) to subdivide the Multiple Voting Shares on the basis of each one (1) Multiple Voting Share currently outstanding being subdivided into three (3) post-subdivision Multiple Voting Shares (the “**Stock Split**”) and, on implementation thereof, to change the exchange ratio between the Subordinate Voting Shares and the Multiple Voting Shares from 300:1 to 100:1 and to amend the rights, privileges, restrictions and conditions of the Multiple Voting Shares and the Subordinate Voting Shares; (ii) to create a new class of shares, issuable in series, to be designated as “Preference Shares”; and (iii) to create a new class of shares, issuable in series, to be designated as “Special Shares” become effective as of November 6, 2021.

The Stock Split was conducted on a “push-out basis”, with two (2) additional Multiple Voting Shares being issued and sent by the Company’s transfer agent, Computershare Investor Services Inc., to shareholders of record as of the close of business on November 5, 2021. Shareholders of the Company do not need to take any action with respect to the Stock Split and there is no change to the CUSIP/ISIN number for the Company’s Multiple Voting Shares in connection with the Stock Split. Following completion of the Stock Split, the Company has an aggregate of 4,403,286 Multiple Voting Shares outstanding and 1,030,269,327 Subordinate Voting Shares outstanding.

**5.2 Disclosure for Restructuring Transactions**

Not applicable

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Inquiries in respect of the material change referred to herein may be made to:

Frank Smeenk, Chief Executive Officer  
tel: (416) 642-3575

**Item 9 Date of Report**

This report is dated the 12<sup>th</sup> day of November, 2021.