

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

December 31, 2021

Item 3 News Release

News release was issued via Newsfile Corp. on December 31, 2021.

Item 4 Summary of Material Change

The Company and its subsidiary, Canada Chrome Corporation (“**CCC**”), announced that, in accordance with the provisions of the agreements entered into with Rail-Veyor Technologies Global Inc. (“**Rail-Veyor**”) and Cormorant Utility Services Limited (“**Cormorant**”), each of Rail-Veyor and Cormorant acquired common shares of CCC in payment of fees for services, following which each of them exercised their exchange privilege and tendered their common shares of CCC as payment for the acquisition of a total of 1,486,211 multiple voting shares of KWG (“**KWG.A Shares**”) (the “**Transactions**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company and CCC announced that, in accordance with the provisions of the agreements entered into with Rail-Veyor and Cormorant (*see KWG news release dated July 27, 2021*), each of Rail-Veyor and Cormorant acquired common shares of CCC in payment of fees of \$1,538,460 and \$2,400,000, respectively, for their respective engineering and design services, following which each of them exercised their exchange privilege and tendered their common shares of CCC as payment for the acquisition of 580,551 KWG.A Shares and 905,660 KWG.A Shares, respectively, for an aggregate of 1,486,211 KWG.A Shares, at a price of \$2.65 per share for an aggregate value of \$3,938,460.

All the securities issued pursuant to these Transactions are subject to a four (4) month hold period.

5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6 Reliance on subsection 7.1(2) 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 7th day of January, 2022.