

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

April 29, 2022.

Item 3 News Release

News release was issued via Newsfile Corp. on May 2, 2022.

Item 4 Summary of Material Change

The Company received a copy of the Canadian Chromite R&D Initiative *Chapter 1.1 Chromite R&D Initiative – Background, Objectives, Approach and Summary of Accomplishments* dated January 2022 and Canadian Chromite R&D Initiative *Chapter 3.2.1 Direct Reduction of Chromite Conceptual Approach and Overview* dated September 2021.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company received consent for the release of a copy of the Canadian Chromite R&D Initiative *Chapter 1.1 Chromite R&D Initiative – Background, Objectives, Approach and Summary of Accomplishments* dated January 2022 and Canadian Chromite R&D Initiative *Chapter 3.2.1 Direct Reduction of Chromite Conceptual Approach and Overview* dated September 2021.

The two reports issued by Natural Resources Canada’s CanmetMINING division, 555 Booth Street, Ottawa, ON, K1A 0G1, comment directly and very favourably on the results of research into the principal aspects of the direct reduction method to beneficiate chromite, patented by KWG with additional technology patented by CanmetMINING under the leadership of metallurgical scientist Dr. Dogan Paktunc. The research results suggest that the patented method may achieve 30% lower cost when compared to other methods currently employed, plus a reduced carbon footprint of 55% or more, plus a secondary byproduct production stream of refractory material with significant market value to contribute to process revenues and concomitant further production cost reduction and efficiencies. This process has potential to meaningfully enhance the economic viability of the Ring of Fire.

As part of Canada’s recently announced Critical Minerals Strategy, CanmetMINING has committed to funding for a further 2-year research program to prepare for scaling-up the direct reduction process in advance of piloting for commercialization. The entire Chromite R&D Initiative Research Report is being translated for future filing on the website of the Canadian Geological Survey.

Copies of Canadian Chromite R&D Initiative *Chapter 1.1 Chromite R&D Initiative – Background, Objectives, Approach and Summary of Accomplishments* dated January 2022 and Canadian Chromite R&D Initiative *Chapter 3.2.1 Direct Reduction of Chromite Conceptual Approach and Overview* dated September 2021 are attached as Appendices to this Material Change Report.

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 2nd day of May, 2022.