

FORM 51-102F3
MATERIAL CHANGE REPORT

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 29, 2023

Item 3 News Release

A press release describing the material change was disseminated by KWG on November 29, 2023 through Newsfile Corp. and was filed on the Company’s SEDAR+ profile at www.sedarplus.ca.

Item 4 Summary of Material Change

The Company extended the expiry dates of the warrants issued by the Company on the conversion of convertible debentures (the “**Debentures**”) from March 17, 2022 to November 2, 2022 (each a “**Warrant**”). The Warrants entitle holders to purchase CACR.A multiple voting shares (each a “**Multiple Voting Share**”). With the extended expiry date, each such Warrant will have up to a maximum five-year term from September 29, 2021, the date of the first issuance of the Debentures by the Corporation in 2021 as part of a convertible debenture private placement (the “**Offering**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

KWG announced that the time to exercise 551,540 Warrants issued from March 17, 2022 to November 2, 2022 has been extended to the earlier of (i) September 29, 2026 or (ii) a change of control event (as defined in the Debentures and the Warrants). The Warrants were first issued upon conversion of various Debentures issued by the Corporation in 2021 as part of the Offering.

The expiry date of the Warrants has been extended so that each such Warrant will have a maximum five-year term from September 29, 2021, the date of the first issuance of Debentures under the Offering. Each Warrant now entitles the holder to purchase three (3) Multiple Voting Shares for \$3.20 per share at any time on or before the earlier of (i) September 29, 2026 or (ii) a Change of Control Event. For these purposes, a Change of Control Event means a take-over bid or a merger, amalgamation, arrangement or other form of business combination as a result of which the shareholders of the Company immediately prior to the completion of such bid or business combination do not own a majority of votes attaching to the voting securities of the Company or of the resulting issuer, as the case may be, or do not have the power to elect a majority of the directors of the Company or of the resulting issuer, as the case may be, after completion of such bid or business combination.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Further information regarding the matters described in this report may be obtained from:

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

Item 9 Date of Report

December 5, 2023

Forward-Looking Statements

This material change report contains certain “forward-looking statements” or “forward-looking information” (collectively referred to herein as “forward-looking statements”) within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of KWG. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or are events or conditions that “will”, “would”, “may”, “could” or “should” occur or be achieved. Although KWG believes that the material factors, expectations and assumptions informing such forward-looking statements are reasonable based on information available to them on the date such statements were made, no assurances can be given as to future results of such statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from those anticipated in such forward-looking statements. These risks include, among others: (a) risks relating to general economic, market and business conditions; and (b) unforeseen delays in the timelines for any of the transactions or events described in this material change report.

Readers are cautioned that the foregoing list of factors is not exhaustive. Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, KWG disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this material change report are expressly qualified by this cautionary statement.