

KWG RESOURCES INC.

ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2023

April 26, 2024

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form (“AIF”) contains or refers to “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information is provided as of the date of this AIF or, in the case of documents incorporated by reference herein, as of the date of such documents. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might occur” or “be achieved”.

Other than information regarding historical facts that addresses activities, events or developments, all information that KWG Resources Inc., which carries on business as *The Canadian Chrome Company* (*The Canadian Chrome Company* is a registered business style of KWG Resources Inc.), (“KWG” or the “Corporation”), believes, expects or anticipates will or may occur in the future is forward-looking information. Such forward-looking information includes, without limitation:

- the economic potential of the “Big Daddy” chromite deposit (as further described herein);
- the exploration and the development of the Big Daddy Project and the Koper Lake Project (each as defined below), and the costs related thereto, as well as the Corporation’s expectation of periodically requiring additional funds therefor;
- exploration, development and operational plans, objectives and budgets;
- the expected strategic importance and value of the Corporation’s mineral property interests outside of the Black Horse chromite deposit (as further described herein), which form part of the Koper Lake Project, and the Big Daddy chromite deposit, including expectations regarding the Corporation’s participation in the development of such projects;
- the status of the mineral exploration claims and aggregate permit applications held by the Corporation’s subsidiary, Canada Chrome Corporation (“CCC”) along the corridor between the Ring of Fire and Nakina (the “**Transportation and Utility Corridor**”);
- expectations regarding the consultation, assessment, approval and construction of a proposed road, railroad, tramway or other transportation system and electrification system along the Transportation and Utility Corridor and a permanent amphibious aerodrome together with an adjacent and permanent all-weather runway and heliport terminal in or near the Ring of Fire area, including the costs and timing associated therewith;
- the economic potential of the Black Horse chromite deposit, which forms part of the Koper Lake Project;
- any information (including scope, enforceability, infringement, freedom to operate, likelihood of grant (as applicable), and commercial value) relating to patents and patent applications to be used to support the commercialization of methods of production of chromium iron alloys from chromite ore, and methods of production of low carbon chromium iron alloys;
- mineral resource estimates;
- potential mineral resources;

- the Corporation's expectations with respect to pursuing new opportunities and acquisitions and its future growth;
- estimated operating expenses; and
- the Corporation's ability to raise new funding.

With respect to forward-looking information contained in this AIF, the Corporation has made assumptions regarding, among other things:

- the sustained level of demand for ferrochrome by global integrated steel producers;
- the Corporation's ability to access sufficient funds to carry out its anticipated plans;
- the Corporation's ability to hire and retain qualified management and staff and to source adequate equipment in a timely and cost-effective manner to meet the Corporation's demands;
- the regulatory framework governing environmental matters in Ontario;
- the unlikelihood of First Nations or others asserting claims in relation to the Koper Lake Project, the Big Daddy Project or the aggregate along the Transportation and Utility Corridor;
- the Corporation's and CCC's ability to obtain the approvals required for and/or access to the proposed transportation and electrification systems along the Transportation and Utility Corridor; and
- the Ontario government and federal government's support of the development of the Ring of Fire area.

Forward-looking information contained in this AIF is subject to a number of risks and uncertainties that may cause the actual results of the Corporation to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Corporation.

Some of the risks that could affect the Corporation's future results and could cause results to differ materially from those expressed in the Corporation's forward-looking statements include:

- risks normally incidental to exploration and development of mineral properties;
- uncertainty of mineral resources estimates;
- uncertainties in the interpretation of drill results;
- the possibility that future exploration, development or mining results will not be consistent with expectations;
- the grade and recovery of ore varying from estimates;
- the Corporation's inability to participate in and/or develop the Corporation's property interests in respect of the Koper Lake Project and the Big Daddy Project, or outside of the Koper Lake Project or the Big Daddy Project, including CCC's interests along the Transportation and Utility Corridor;

- the Corporation’s inability to delineate additional mineral resources and delineate mineral reserves;
- the Corporation’s inability to maintain its title to its assets including extending applicable anniversary dates of mineral exploration claims;
- the Corporation’s inability to obtain, maintain, renew and/or extend required licenses, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the applicable regulatory framework;
- environmental damages and the cost of compliance with environmental regulations;
- environmental risks;
- adverse land claims from First Nations groups or other parties;
- lack of adequate infrastructure for access to and for development within the Ring of Fire area;
- a lack of support from the Ontario government and federal government for the development of the Ring of Fire area;
- the effect that the issuance of additional securities could have on the market price of the subordinate voting shares of the Corporation (the “**Subordinate Voting Shares**”) and of the multiple voting shares of the Corporation (the “**Multiple Voting Shares**”);
- capital and operating costs varying significantly from estimates;
- the Corporation’s lack of history of earnings;
- the patents to be used to support the commercialization of the Corporation’s chromium production related intellectual property (“**Chromium IP**”) being challenged;
- the inability to develop and/or complete the construction of a proposed road, railroad, tramway or other transportation system and electrification system along the Transportation and Utility Corridor and a permanent amphibious aerodrome together with an adjacent and permanent all-weather runway and heliport terminal in or near the Ring of Fire area;
- slowing demand for ferrochrome products;
- adverse general market conditions;
- inflation;
- changes in exchange and interest rates;
- adverse changes in commodity prices;
- the impact of consolidation and rationalization in the steel industry;
- competition;
- the Corporation’s dependence on key employees, contractors and management;

- risk that conflicts of interest between certain directors and officers and the Corporation will limit the Corporation’s ability to participate in a project or opportunity;
- the occurrence of losses, liabilities or damage not covered by KWG’s insurance policies;
- the failure of KWG’s co-venturers to meet their obligations;
- the Corporation’s inability to exert direct influence over strategic decisions made in respect to properties that are subject to the terms of option agreements and joint ventures;
- the risk that the Corporation may become subject to legal proceedings, the resolution of which could have a material effect on its financial position, result of operations and mining and project development operations;
- risk that amendments to current laws, regulations and permits governing operations and activities of mining companies will have a material adverse impact on KWG;
- varying government entities interpreting existing tax legislation or enacting new tax legislation in a way which adversely affects the Corporation;
- intellectual property litigation; and
- those factors described under the heading “Risk Factors”, below.

All of the forward-looking information provided in this AIF is qualified by these cautionary statements and readers of this AIF are cautioned not to put undue reliance on forward-looking statements due to their inherent uncertainty. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Corporation disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. These forward-looking statements should not be relied upon as representing the Corporation’s views as of any date subsequent to the date of this AIF.

GENERAL MATTERS

References to the Corporation

Unless otherwise indicated or the context otherwise indicates, uses of the terms “**Corporation**” and “**KWG**” in this AIF refer to KWG Resources Inc., which carries on business as *The Canadian Chrome Company* (*The Canadian Chrome Company* is an Ontario registered business style of KWG Resources Inc.).

Currency Presentation

All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars.

INCORPORATION BY REFERENCE

Incorporated by reference into this AIF are the following documents:

- (a) the consolidated financial statements (the “**Annual Financial Statements**”) of the Corporation as at and for the year ended December 31, 2023, together with the auditors’ report thereon dated April 26, 2024;

- (b) the Corporation’s management’s discussion and analysis (the “**Annual MD&A**”) for the year ended December 31, 2023;
- (c) the technical report entitled “National Instrument 43-101 Technical Report, Koper Lake Project Chromite Deposit, McFauld’s Lake Area, Ontario, Canada, Porcupine Mining Division, NTS 43D16, Updated Mineral Resource Estimation Technical Report, UTM: Zone 16, 548460m E, 5842511m N, NAD 83” dated December 15, 2015 (the “**Koper Lake Technical Report**”); and
- (d) the technical report entitled “National Instrument 43-101 Technical Report, Big Daddy chromite deposit, McFaulds Lake Area, Ontario, Canada, Porcupine Mining Division, NTS43D16, Mineral Resource Estimation Revised Technical Report, UTM: Zone 16, 551333m E, 5845928m N, NAD83” dated November 12, 2014 (the “**Big Daddy Technical Report**”).

Each of the Koper Lake Technical Report and the Big Daddy Technical Report (collectively the “**Technical Reports**”) was prepared for the Corporation and authored by Alan Aubut, P. Geo., of Sibley Basin Group Geological Consulting Services Ltd. (“**SBG**”), an independent “Qualified Person” as such term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”).

Copies of these documents are available for review on SEDAR+ at www.sedarplus.ca and the Corporation’s website at www.canadachrome.com. Any statement contained in a document incorporated by reference herein is not incorporated by reference to the extent that any such statement is modified or superseded by a statement contained herein. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

CORPORATE STRUCTURE

The Corporation was incorporated by Letters Patent under the *Mining Companies Act* (Quebec) on August 21, 1937 under the name Kewagama Gold Mines (Quebec) Limited (No Personal Liability) and Supplementary Letters Patent were issued on August 20, 1973, September 5, 1980 and March 27, 1981. On November 16, 1988, the Corporation was continued under Part IA of the Companies Act (Quebec) under the name Kewagama Gold Mines (Québec) Ltd. / Les mines d’or Kewagama (Québec) Itée and, by Certificate of Amendment dated August 26, 1991, the Corporation’s name changed to KWG Resources Inc. / Ressources KWG inc. On June 15, 2016, the Corporation continued as a Federal corporation pursuant to Articles of Continuance filed under the *Canada Business Corporations Act* (“**CBCA**”).

On February 14, 2017, by Certificate and Articles of Amendment, the Corporation amended its authorized capital (i) to change the classification of each of the existing common shares of the Corporation into one convertible subordinate voting share (each a “**Subordinate Voting Share**”), and (ii) to create an unlimited number of convertible shares to be designated as multiple voting shares (each a “**Multiple Voting Share**”). Three hundred (300) Subordinate Voting Shares were convertible at the option of any shareholder at any time into one (1) Multiple Voting Share. Similarly, each one (1) Multiple Voting Share was convertible at the option of any shareholder at any time into three hundred (300) Subordinate Voting Shares. At all meetings of shareholders, shareholders were entitled to cast one (1) vote for each one (1) Subordinate Voting Share and to cast three hundred (300) votes for each one (1) Multiple Voting Share.

The Corporation further amended its authorized capital, by Certificate and Articles of Amendment dated November 6, 2021, in order to change the exchange ratio between the Subordinate Voting Shares and the Multiple Voting Shares from 300:1 to 100:1 and related changes to the rights, privileges, restrictions and conditions attaching to the Subordinate Voting Shares and the Multiple Voting Shares. As a result of the completion of this amendment, one hundred (100) Subordinate Voting Shares are convertible at the option

of any shareholder at any time into one (1) Multiple Voting Share and each one (1) Multiple Voting Share is convertible at the option of any shareholder at any time into one hundred (100) Subordinate Voting Shares. At all meetings of shareholders, shareholders are entitled to cast one (1) vote for each one (1) Subordinate Voting Share and to cast one hundred (100) votes for each one (1) Multiple Voting Share. Dividend and liquidation rights for each Multiple Voting Share are correspondingly one hundred times the dividend and liquidation rights for each one Subordinate Voting Share. The authorized capital of the Corporation was also increased to create a new class of shares, issuable in series, designated as “Preference Shares” and another new class of shares, issuable in series, designated as “Special Shares”.

The registered and head office of the Corporation is located at 141 Adelaide Street West, Suite 240, Toronto, Ontario, M5H 3L5.

Subsidiaries

CCC, incorporated under the *Business Corporations Act* (Ontario) (the “**OBCA**”) on February 20, 2009, is a wholly-owned subsidiary of the Corporation. Canada Chrome Mining Corporation (“**CCMC**”), incorporated under the CBCA on June 4, 2010 and SMD Mining Corporation incorporated under the OBCA on January 16, 2008, are also wholly-owned subsidiaries of the Corporation.

The Corporation owns 100% of the outstanding shares of Métallurgie Muketi Commandité inc./ Muketi Metallurgical, General Partner Inc. (“**MMC**”) incorporated under the *Business Corporations Act* (Quebec) on April 2, 2014 and Métallurgie Muketi KWG-Commanditaire inc. / Muketi Metallurgical KWG-Limited Partner Inc. (“**MKC**”) incorporated under the *Business Corporations Act* (Quebec) on April 2, 2014. MMC and MKC are the general partner and a limited partner (holding a 50% interest), respectively, of Muketi Metallurgical, L.P. (“**MMLP**”), a Delaware limited partnership created on April 8, 2014 which holds the Chromium IP.

CCC owns 100% of the outstanding shares of Ring of Fire Transportation & Utilities Inc., incorporated under the *Business Corporations Act* (Ontario) on May 19, 2023.

GENERAL DEVELOPMENT OF THE BUSINESS

KWG, which carries on business in Ontario as “*The Canadian Chrome Company*”, is an exploration stage company that is focussed on the acquisition of interests in, and the exploration, evaluation and development of, large-scale mineral deposits of chromite and other base metals and minerals. The Corporation is participating in the discovery, delineation and development of large-scale mineral deposits, including chromite deposits approximately 280 km north of Nakina, in the James Bay Lowlands of Northern Ontario, including 1,024 hectares covered by four unpatented mining claims which contain the Black Horse chromite deposit (the “**Koper Lake Project**”) and 1,241 hectares covered by seven unpatented mining claims which contain the Big Daddy chromite deposit (the “**Big Daddy Project**”). These deposits are globally significant sources of chromite which may be reduced into metalized iron and chrome or refined into ferrochrome, a principal ingredient in the manufacture of stainless steel. KWG has been active in exploring the James Bay Lowlands since 1993 and discovered diamond-bearing kimberlite pipes near Attawapiskat and five pipes near the Ring of Fire area in 1994. This led to the discovery of the McFaulds Lake copper-zinc volcanogenic sulphide deposits in 2002, which precipitated a staking rush that defined the “Ring of Fire”.

Bold Ventures Inc. (“**Bold**”) entered into an option agreement with Fancamp Exploration Ltd. (“**Fancamp**”) entitling Bold to acquire up to 100% of the Koper Lake Project. Through a subsequent option agreement (the “**Option Agreement**”) with Bold, KWG obtained the right to acquire: (i) up to an 80% interest in respect of chromite contained in the Koper Lake Project and (ii) up to a 20% interest in respect of the non-chromite minerals contained in the Koper Lake Project. In 2016, KWG became vested in a 50%

operator's interest in the Koper Lake Project which KWG renamed the Black Horse Joint Venture. The 50% joint venture interest included 10% thereof in respect of chromite and 40% in respect of non-chromite minerals, of which Bold (for itself and its co-participant) is the beneficial owner as KWG funded that share of exploration and development expenses as a carried interest recoverable by capital payback from future production.

Through an agreement with Fancamp, which closed on September 1, 2022, KWG acquired all of the rights, title and interests beneficially owned by Fancamp in and adjacent to the Koper Lake Project, subject to Bold's rights under the Option Agreement. For Fancamp's interest in the Koper Lake Project plus \$1,500,000 in cash received by KWG from Fancamp, KWG (a) delivered to Fancamp a secured convertible promissory note (the "**Secured Convertible Promissory Note**") in the principal amount of \$34.5 million; (b) issued to Fancamp 4,044,453 warrants to purchase Multiple Voting Shares at an exercise price of \$4.6916 per share prior to September 1, 2023, at \$4.4783 per share from September 1, 2023 until August 31, 2024 or at \$4.2651 per share thereafter until the expiry date of September 1, 2027; and (c) granted to Fancamp a 2.0% net smelter return royalty (one-quarter of which may be purchased by KWG at any time for \$5 million and the next one-quarter of which will be subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the mining claims held by KWG on and after the closing date (the "**Royalty**").

The Corporation also has a 30% joint venture interest in the Big Daddy Project and a 100% interest in 1,033.6 hectares covered by 80 unpatented mining claims (the "**Hornby Property**") adjoining the southerly boundary of the Big Daddy Project, as well as interests in other mining exploration claims in northern Ontario, most of which are in the Ring of Fire area.

Through CCC, the Corporation has also staked and currently holds numerous mining claims (the "**CCC Claims**") in Northern Ontario along the Transportation and Utility Corridor, which is a 330 km route from the Ring of Fire area (which includes the Black Horse Project and the Big Daddy Project) to Aroland near Nakina, Ontario where there is access to existing road, railroad and electricity systems that connect to the rest of North America. The CCC Claims were staked with a view to exploring for, delineating and developing aggregate and other minerals in those claims, as well as identifying what KWG believes to be the optimal route for the development and construction of electricity transmission lines to serve the area and a proposed railway, tramway or other form of haulage system. These efforts were also undertaken to assist with Aboriginal consultations including to provide information to affected First Nations communities to help them understand the proposed projects and how those and other projects would affect the communities' asserted and established Aboriginal and treaty rights.

Following staking the CCC Claims, CCC undertook airborne surveys, drilling and other exploration activities over the CCC Claims, spending approximately \$16.8 million on such activities, and, although CCC did not discover any base metal or precious metal deposits, it did identify numerous prospective deposits of aggregate at various locations within the CCC Claims along the Transportation and Utility Corridor.

In and around that time, Cliffs Chromite Far North Inc. and its affiliates ("**Cliffs**"), a participant in the Big Daddy and other mineral interests in the area, filed an application under the *Public Lands Act* (Ontario) (the "**Public Lands Application**") for an easement or right-of-way along much of the same route as the Transportation and Utility Corridor and over parts of the CCC Claims for the development of mines in the Ring of Fire area including the transportation of mine production to existing railroad systems in the Nakina area. Through various affiliates, Cliffs also filed applications under the *Aggregate Resources Act* (Ontario) for approximately 120 permits for authorization to extract aggregate from pits and quarries along the route. CCC contested the Public Lands Application seeking recognition of CCC's superior pre-emptive rights under the *Mining Act* (Ontario) to obtain surface rights for access over those lands, Crown lands and third

party lands for development of mining activities. In conjunction with the foregoing, in 2012, CCC filed 32 applications under the *Aggregate Resources Act* (Ontario) for permits for a series of pits and quarries located in various places all along these claims from the south end near Nakina to the north end near the Ring of Fire area for the extraction of aggregate at various locations along the full length of the route to provide local sources of aggregate with minimized shipping costs for, among other uses, the development of transportation and electricity transmission facilities along the route of the Transportation and Utility Corridor.

After a series of hearings and appeals, it was ultimately determined that Cliffs had the right to apply for such an easement or right-of-way but such surface rights could only be granted with CCC's consent or, after a hearing on notice to CCC to give CCC an opportunity to oppose and/or seek terms and conditions, subject to such terms and conditions as may be ordered accordingly. Following those rulings, Cliffs did not pursue its Public Lands Application and, after CCC demanded and obtained an opportunity to review Cliffs' applications for aggregate permits, Cliffs withdrew its aggregate permit applications, leaving CCC with the CCC Claims and its 32 aggregate permit applications. Eventually, Cliffs sold its interests in the Ring of Fire area. On the other hand, KWG continues to hold interests in the Koper Lake Project and the Big Daddy Project and CCC continues to hold both mineral exploration claims along the route and CCC's 32 aggregate permit applications.

With those results, a number of principal objectives of KWG having CCC stake the CCC Claims was fulfilled – (i) to identify what KWG believes to be the optimal route for transportation and electricity transmission facilities to serve the Ring of Fire and communities of the area, (ii) to identify local sources of aggregate along the route for the development of those facilities and (iii) to ensure that CCC has the right to receive notice of and to participate in any applications for surface rights over the route. As well, the process confirmed that, with KWG holding interests in the Koper Lake Project and Big Daddy Project, KWG has the same rights as Cliffs had to make applications under the *Public Lands Act* (Ontario) for surface rights between its mining properties in the Ring of Fire and existing road, railroad and electricity systems in the Nakina area that connect to the rest of North America.

In addition to seeking to identify mineral and aggregate resources along the CCC Claims, a benefit of CCC holding those claims was to maintain superior surface rights under the *Mining Act* (Ontario) – the usefulness of which was borne out in the litigation and other forms of contests with Cliffs a decade ago as described above. However, in the intervening years, the Ontario government withdrew the area covering the CCC Claims from further staking under the *Mining Act* (Ontario) so no new claims could be staked in that area, although existing claims, including the CCC Claims, continued to be valid. Accordingly, even if CCC were not to hold all of those CCC Claims, no one else could stake mining claims over any part of the area, including the area covered by the aggregate permit applications, to gain such superior surface rights over those proposed pit and quarry locations covered by CCC's aggregate permit applications. Moreover, so long as CCC holds a few strategic claims along the route, CCC would have the right to receive notice of any applications by any third parties for surface rights over those strategic claims and CCC would have the opportunity to negotiate with those third parties or, through the hearing process regarding those surface rights applications, seek an order to include terms and conditions for access and other rights for CCC and KWG regarding use of the surface and extraction of the aggregate. As well, KWG continues to have the right pursuant to the *Mining Act* (Ontario) to apply on its own under the *Public Lands Act* (Ontario) for surface rights between its mining properties in the Ring of Fire and existing road, railroad and electricity transmission systems in the Nakina area that connect to the rest of North America.

For more than a decade, KWG has been advocating concepts of utilizing the CCC Claims and the transportation and utility systems like those proposed to be developed on those CCC Claims along the Transportation and Utility Corridor for the benefit of the local communities and sharing with the affected First Nations the benefits and ownership of the Ring of Fire's mineral resources. The Corporation continues

its consultations with elders and current and former leaders of First Nations in the James Bay Lowlands area which includes the Ring of Fire where its principal mineral assets are located.

In addition to its mineral claims and aggregate permit applications, KWG has also acquired intellectual property interests, including a method for the direct reduction of chromite to metalized iron and chrome using natural gas and an accelerant. MMLP has acquired two chromite-refining patents in Canada and one in each of the USA, Kazakhstan and South Africa and is prosecuting an application in Turkey.

Three-Year History and 2024 Developments

Activities for the Fiscal Year ended December 31, 2021

- On January 19, 2021, KWG announced the appointment of Tony Marquis as the President and Chief Operating Officer of CCC. KWG and its subsidiary, CCC, entered into an agreement in January 2021 with the President and Chief Operating Officer of CCC whereby he would, over the two-year term of the agreement, earn \$70,000 per month (all of which has been earned as of January 2023) which salary may, at his option, be tendered for 244,400 common shares of CCC, representing a 10% interest in CCC as at the date of the agreement, for the purpose of which the total value of CCC was deemed to be \$16.8 million. Alternatively, all or any part of any unpaid salary could be tendered by him for payment in Multiple Voting Shares of KWG at \$1.00 per share at any time on or before January 18, 2024. An aggregate of 1,680,000 Multiple Voting Shares have been reserved by KWG for issuance for this contingency.
- On March 29, 2021, KWG extended the time to exercise warrants to purchase Multiple Voting Shares for \$7.50 each to December 15, 2022, upon conversion into units of outstanding Convertible Debentures, effective as of March 31, 2021.
- On April 1, 2021, KWG completed of the conversion on March 31, 2021 of the outstanding Convertible Debentures convertible at KWG's option into units with a deemed value of \$7 per unit (each a "Unit"). Each Unit was comprised of twelve Multiple Voting Shares and twelve multiple voting share purchase warrants with each such warrant enabling its holder to acquire one further Multiple Voting Share from treasury upon payment of \$2.50 at any time before December 15, 2022. As a result of the conversion, the Corporation reduced its current liabilities by \$1,785,552 and added 986,621 Multiple Voting Shares to its issued and outstanding capitalization.
- A Continuous Disclosure Review was completed by the Ontario Securities Commission as a result of which a press release to clarify the Corporation's disclosure record was published on July 16, 2021.
- On July 27, 2021, KWG and CCC announced (a) the engagement of Rail-Veyor Technologies Global Inc. for the preparation of a Design Engineering Feasibility Proposal to construct an ore haulage system to facilitate the direct transport of mine production from underground, across the surface of mining claims staked and assessed for that purpose by CCC along the 330-kilometer Transportation and Utility Corridor from KWG's Black Horse project and Big Daddy project area to Aroland (near Nakina, Ontario) where there is access to existing road and railroad systems that connect to the rest of North America and (b) the engagement of Cormorant Utility Services Ltd. for the preparation of a Design Engineering Feasibility Proposal to construct electrical power transmission lines along the Transportation and Utility Corridor from the Ontario power grid where it passes through the area near Aroland to the other end of the Transportation and Utility Corridor at the Ring of Fire and also several lateral lines connecting to several contiguous remote communities. The base cost of the Cormorant Utilities proposal was set at \$2.4 million and the base

cost of the Rail-Veyor proposal was set at US\$1.2 million, both of which were agreed to be paid for with treasury shares of CCC which could be exchanged by the consultant or by KWG for Multiple Voting Shares issuable from KWG's treasury at \$2.65 per share. Ancillary and other additional costs associated with these studies eventually increased the overall cost to approximately \$7 million.

- On September 29, 2021, KWG announced the closing of the first tranche of a previously announced private placement of up to \$5,000,000 of convertible debentures comprised of an aggregate of \$3,410,657 of debentures (the "**2021 Private Placement**"). The maximum amount of convertible debentures was then increased. A second tranche of \$350,660 was completed on October 7, 2021 and a third tranche comprised of an aggregate of \$3,642,800 of debentures was completed on October 22, 2021, bringing the total principal amount of debentures issued under all three tranches of the 2021 Private Placement to \$7,404,117. The debentures were stated to bear interest at 12% compounded annually and had a maturity date of June 30, 2023. Interest was payable concurrently with the payment of principal at the earliest of maturity, redemption or conversion, such payment to be made either at KWG's option on 30 days' notice, by payment in cash (other than in the event of a conversion) or by the issuance of units at a deemed value of \$15.00 per unit (subsequently reduced to \$5.00 per unit as a result of the subdivision of Multiple Voting Shares made effective on November 6, 2021). Each unit was comprised of six Multiple Voting Shares and three warrants enabling its holder to acquire one further Multiple Voting Share from treasury upon payment of \$9.60 at any time on or before December 15, 2023 (subsequently reduced to \$3.20 per Multiple Voting Share as a result of the subdivision of Multiple Voting Shares made effective on November 6, 2021). The principal and accrued unpaid interest could be converted at the holder's option at any time or at the option of KWG after September 29, 2022 into units at a rate of \$15.00 per unit (subsequently reduced to \$5.00 per unit as a result of the subdivision of Multiple Voting Shares made effective on November 6, 2021), with each unit being comprised of six Multiple Voting Shares and three warrants, with each such warrant enabling its holder to acquire one further Multiple Voting Share from treasury upon payment of \$9.60 at any time on or before December 15, 2023 (subsequently reduced to \$3.20 per Multiple Voting Share as a result of the subdivision of Multiple Voting Shares made effective on November 6, 2021).
- Effective November 6, 2021, KWG implemented the subdivision of its Multiple Voting Shares on a basis of one (1) existing Multiple Voting Share being subdivided into three (3) post-subdivision Multiple Voting Shares (the "**Stock Split**"). The subdivision of Multiple Voting Shares was undertaken in conjunction with an amendment to the Corporation's Articles to change the exchange ratio between the Subordinate Voting Shares and the Multiple Voting Shares from 300:1 to 100:1 and related changes to the rights, privileges, restrictions and conditions attaching to the Subordinate Voting Shares and the Multiple Voting Shares. The record date for the Stock Split was fixed at the close of business on November 5, 2021. The Stock Split was conducted on a "push-out basis", with two (2) additional Multiple Voting Shares being issued and sent by the Corporation's transfer agent, Computershare Investor Services Inc., to shareholders of record as of the close of business on November 5, 2021. Following completion of the Stock Split, the Corporation had approximately 4,403,286 Multiple Voting Shares outstanding and 1,030,269,327 Subordinate Voting Shares outstanding.
- Effective November 6, 2021, KWG also amended its Articles to create a new class of shares, issuable in series, designated as "Preference Shares" and a second new class of shares, issuable in series, designated as "Special Shares".
- On November 15, 2021, the Corporation announced the appointment of Megan McElwain as KWG's President and Chief Operating Officer effective January 1, 2022.

- On December 23, 2021, KWG and CCC announced their receipt of an Engineering and Design Services Report from Rail-Veyor Technologies Inc. The report estimated that the capital cost of construction of a Rail-Veyor tramway system designed to transport 10 million tonnes of chromite yearly over 338 kilometres from the proposed underground workings of a potential mine at the Corporation's Black Horse Project in the Ring of Fire to a potential processing and/or transfer facility near Nakina, Ontario, will be US\$656.7 million and that the operating cost will be US\$2.88 per tonne. The report states that the estimates in the study are at +/- 25% confidence level.
- On December 31, 2021, KWG and 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 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 Multiple Voting Shares and 905,660 Multiple Voting Shares, respectively, for an aggregate of 1,486,211 Multiple Voting Shares, at a price of \$4.50 per share for an aggregate value of \$6,687,950. Ancillary and other additional costs associated with these studies eventually increased the overall cost to approximately \$7 million.
- On December 31, 2021, also, KWG announced that it had completed the issuance of ferrochrome warrants of the Corporation ("**Ferrochrome Warrants**") to those (the "**Debentureholders**") who held \$3,879,956 of convertible debentures (the "**Convertible Debentures**") which had been issued in 2017 and 2018 and whose December 2019 maturity dates were extended in December 2019 to March 26 and March 31, 2021. As consideration for extending the maturity dates, KWG agreed to issue to each holder of Convertible Debentures one Ferrochrome Warrant for each \$35 of principal amount of Convertible Debentures then outstanding. Each such Ferrochrome Warrant entitles the holder to acquire, for no additional consideration, one (1) ton of Ferrochrome, on a first-come first-served aliquot basis among all warrant holders, if, as and when such Ferrochrome is produced from an allocation of one percent (1.0%) of the mineral products produced from KWG's interest in the Black Horse Property in northern Ontario. On March 31, 2021, Convertible Debentures with an aggregate principal amount of \$3,379,956 were converted into Multiple Voting Shares and share purchase warrants, leaving one convertible debenture with an original principal amount of \$500,000 outstanding. To fulfill its outstanding obligation to the Debentureholders, KWG issued 111,570 Ferrochrome Warrants on December 30, 2021. In connection with the creation of the Ferrochrome Warrants, KWG proposed that it would enter into a trust indenture with a trust company to administer Ferrochrome Warrants and undertook to provide a security interest in its interest in the Black Horse Property to back the obligation for future delivery of Ferrochrome upon exercise of Ferrochrome Warrants.

Activities for the Fiscal Year ended December 31, 2022

- On January 4, 2022, the KWG and CCC announced the receipt of an electrical infrastructure capex report from OneLine Engineering, the engineering branch of EPTCON Ltd., a Cormorant utilities service company (the "**Electrification Plan**"). The Electrification Plan estimated main corridor electrical infrastructure capital cost at \$960.5 million and the integrated indigenous community electrical infrastructure cost at \$788.1 million. The proposed electrification system along the main corridor would provide electricity for mining operations at the Ring of Fire and for the operation of a proposed Rail-Veyor ore haulage tramway system from KWG's proposed mine in the Ring of Fire along the 330-kilometre Transportation and Utility Corridor to a proposed processing or trans-shipment location near Nakina, Ontario where there is access to existing road, railroad and electricity systems that connect to the rest of North America. The indigenous communities'

connections would connect the five First Nations communities of (i) Marten Falls at Ogoki Post, (ii) Webequie, (iii) Eabametoong at Fort Hope, (iv) Neskantaga at Lansdowne House and (v) Nibinamik at Summer Beaver, to the Ontario power grid and optical fiber networks and would eliminate diesel-generation of electricity in those communities except in outage emergencies.

- On May 2, 2022, after the Corporation received consent for the release, the Corporation released and filed on SEDAR+ at www.sedarplus.ca 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, Ontario, 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 direct reduction method to beneficiate chromite may achieve 30% lower cost when compared to other methods currently employed, plus a reduced carbon footprint of 55% or more, plus a secondary by-product 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 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.
- On July 21, 2022, KWG announced that it had entered into a binding agreement (the “**Fancamp Agreement**”) with Fancamp with respect to a proposed transaction involving the purchase by KWG from Fancamp of all of the right, title and interests beneficially owned by Fancamp in and to the Koper Lake Project, comprised of four (4) mining claims (the “**Mining Claims**”) located within the Ring of Fire area in the Province of Ontario. The consideration payable by KWG to Fancamp for the purchase of the Mining Claims and the Fancamp Closing Payment (as defined below) consisted of: (a) the issuance by KWG to Fancamp of the Secured Convertible Promissory Note in the principal amount of \$34.5 million; (b) the issuance by KWG to Fancamp of such number of warrants to purchase Multiple Voting Shares equal to one-half (1/2) of the said principal amount divided by the ten (10) day volume-weighted average trading price of the Multiple Voting Shares and the subordinate voting shares of KWG ending on the trading day immediately prior to the date of the binding agreement; and (c) the grant by KWG to Fancamp of a 2.0% net smelter return royalty (one-quarter of which may be purchased by KWG at any time for \$5 million and the next one-quarter of which will be subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the Mining Claims held by KWG on and after the closing date. The proposed transaction was subject to a thirty (30) day right of first refusal (the “**ROFR**”) in favour of Bold in connection with a joint venture agreement dated effective as of October 18, 2018 between Bold and Fancamp. On August 10, 2022, Fancamp and KWG announced that Bold had delivered a signed waiver (the “**Waiver**”) in respect of its ROFR to acquire Fancamp’s interests in the four Koper Lake-McFaulds mining claims that contain the Black Horse chromite discovery, which KWG had offered to acquire from Fancamp as described above. The receipt of Bold’s Waiver enabled Fancamp and KWG to proceed with the transaction, subject to customary closing conditions, including any regulatory approvals or filings. KWG paid \$10,000 and issued 1,000,000 Subordinate Voting Shares to Bold as consideration for the Waiver.
- On September 1, 2022, KWG completed its purchase of all of the rights, title and interests

beneficially owned by Fancamp in the Koper Lake Project, comprised of four (4) Mining Claims. For Fancamp's interest in the Koper Lake Project plus \$1,500,000 in cash received by KWG from Fancamp (the "**Fancamp Closing Payment**"), KWG (a) delivered to Fancamp the Secured Convertible Promissory Note in the principal amount of \$34.5 million; (b) issued to Fancamp 4,044,453 warrants entitling Fancamp to purchase 4,044,453 Multiple Voting Shares at \$4.6916 per share prior to September 1, 2023, at \$4.4783 per share from September 1, 2023 until August 31, 2024 or at \$4.2651 per share thereafter until the expiry date of September 1, 2027; and (c) granted to Fancamp a 2.0% net smelter return royalty (one-quarter of which may be purchased by KWG at any time for \$5 million and the next one-quarter of which will be subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the mining claims held by KWG on and after the closing date.

- On September 30, 2022, KWG gave notice to all holders of Series 2021 convertible debentures (the "**2021 Debentures**") that it elected to convert all principal and accrued interest owing on the 2021 Debentures aggregating \$6,609,419.86 into shares and warrants on November 2, 2022. On November 2, 2022, KWG completed the conversion of \$6,609,419.86 of the 2021 Debentures (representing \$5,862,053.51 of principal and \$747,366.35 of interest) into 2,643,648 Multiple Voting Shares and 440,614 warrants, each such warrant entitling the holder acquire three (3) Multiple Voting Shares from treasury upon payment of \$3.20 per share at any time on or before the earlier of: (i) December 15, 2023, or (ii) two (2) business days after completion of a change of control event.
- On November 18, 2022, KWG extended the time to exercise various outstanding warrants which were issued in 2019, 2020 and 2021 so that each such warrant would have a full five (5) year term from the original date on which they were issued and, in conjunction with those extensions, increased the exercise price to \$3.20 per Multiple Voting Share. More particularly, 26,864 warrants had their expiry date extended to March 15, 2024; 3,808 warrants had their expiry date extended to June 17, 2024; 15,048 warrants had their expiry date extended to August 26, 2024; and 986,621 warrants had their expiry date extended to March 31, 2026, respectively, subject to any necessary cancellations (effective at their original expiry time of December 15, 2022) of some of the warrants held by insiders to the extent required by the Canadian Securities Exchange (the "**CSE**"). As a result of the 3:1 subdivision of Multiple Voting Shares which occurred on November 2, 2021, each warrant entitles its holder to purchase three (3) Multiple Voting Shares until its expiry date. In conjunction with extending the expiry dates of the warrants, KWG also repriced the exercise price of these warrants from \$7.50 to \$9.60 per warrant, each such warrant entitling the holder to purchase three (3) Multiple Voting Shares on or before its expiry date, giving an effective exercise price of \$3.20 per Multiple Voting Share on exercise of said warrants.
- On November 29, 2023, the Corporation issued 159,783 Multiple Voting Shares to Fancamp in satisfaction of interest owing in the amount of \$510,411 on the Secured Convertible Promissory Note.
- On December 30, 2022, KWG completed a non-brokered private placement of 66,667 flow-through units (each a "**Flow-Through Unit**") at a price of \$2.25 per Flow-Through Unit for aggregate gross proceeds of \$150,000.75. Each Flow-Through Unit was comprised of one Multiple Voting Share and one Multiple Voting Share purchase warrant, which each such warrant enabling the holder to acquire one Multiple Voting Share upon payment of \$2.75 at any time before December 30, 2027. The Corporation's Chief Executive Officer subscribed for the entire private placement.

Activities for the Fiscal Year ended December 31, 2023

- At a meeting of the Corporation's shareholders held on February 7, 2023, the shareholders approved the expansion of KWG's board of directors from five to eight and three nominees to fill these newly created positions were elected as directors, namely (i) Megan McElwain, who is the current President and Chief Operating Officer of KWG, (ii) Corina Moore, who is the former President and Chief Executive Officer of the Ontario Northland Transportation Commission, and (iii) Rajesh Sharma, who is the current Chief Executive Officer of Fancamp. As well, the five incumbent directors - Fiona Blondin, Douglas Flett, Bruce Reid, Donald Sheldon and Frank Smeenk - were re-elected as directors.
- On March 3, 2023, the Corporation issued 175,525 Multiple Voting Shares to Fancamp in satisfaction of interest owing in the amount of \$510,411 on the Secured Convertible Promissory Note.
- On March 30, 2023, KWG announced that it had received from Quantec Geoscience Limited ("**Quantec**") its final report (the "**Quantec Report**") on the magnetotelluric survey recently completed over portions of KWG's Black Horse chromite project in the Ring of Fire area of northern Ontario. The Quantec Report, as well as the Summary thereof, were filed by the Corporation on its profile on SEDAR+ at www.sedarplus.ca. The magnetotelluric survey was conducted over project areas including (i) one line over a target one kilometer to the northeast of the Black Horse chromite deposit and (ii) on a grid consisting of four northwest trending, 5km long lines covering a target area 2 to 4 kilometers to the northeast of the Black Horse chromite deposit postulated to contain the fault offset twin of the Black Thor chromite deposit. Those grid lines cover a northeast strike distance of 1.5 km at the confluence of the Koper Lake Project claims, the Big Daddy claims and the adjoining 100% KWG-owned Hornby claims to a depth of 2.5 km. Each of these lines delineated distinct domains of low resistivity rock, similar to that found containing the Black Horse chromite deposit. They are capped by the lowest resistivity, which is likely associated with hydrothermal alteration and shearing. The upper surface of these domains ranges from 250 to 900 metres in depth, with width ranging from 1 to 2 km. This is the same range of width as the Ring of Fire intrusion at its northern extremity which contains the Black Thor and Black Label chromite deposits, confirming that these areas of low resistivity comprise viable chromite deposit targets that should be investigated further.
- On April 24, 2023, KWG completed the first tranche of a private placement (the "**2023 Private Placement**") of up to \$3,000,000 of convertible debentures (the "**2023 Debentures**"). This first tranche was comprised of an aggregate of \$959,590 of 2023 Debentures. The 2023 Debentures are convertible into units (each a "**Unit**") with a deemed value of \$3.00 per Unit at the holder's option at any time prior to payment in cash. The 2023 Debentures mature on April 24, 2026 (the "**Maturity Date**") and bear interest at 5% per annum, accruing daily, compounding annually on the date on which the first debenture of the Series CD-2023 Debentures is issued (the "**Date of First Issuance**") and payable on each anniversary of the Date of First Issuance and at the Maturity Date or conversion, such interest payment to be made at the Corporation's option either (i) by payment in cash (other than in the event of a conversion) or (ii) by the issuance of Units at a deemed value of \$3.00 per Unit. Each Unit will be comprised of one Multiple Voting Share and one (1) share purchase warrant enabling its holder to acquire one further Multiple Voting Share from treasury upon payment of \$3.00 exercisable at any time on or before the earlier of (i) the third anniversary of the Date of First Issuance or (ii) two (2) business days after completion of a take-over bid or a merger, amalgamation, arrangement or other form of business combination as a result of which the shareholders of the Corporation immediately prior to such bid or business combination do not own a majority of votes attaching to the voting securities of the Corporation or of the resulting issuer or

do not have the power to elect a majority of the directors of the Corporation or of the resulting issuer, as the case may be, after completion of such bid or business combination (each a “**Change of Control**”). On maturity, the Corporation may pay the principal of the 2023 Debentures in cash or, at KWG’s option, in replacement debentures having the same terms as the 2023 Debentures except (a) the maturity date of the replacement debentures will be the earlier of (i) two (2) years after the Maturity Date of the 2023 Debentures and (ii) two business days after a Change of Control of the Corporation, (b) the expiry date of the warrants comprising part of the units issuable for payment of interest or on conversion will be the maturity date of the replacement debentures, and (c) the conversion rate for the replacement debentures will be the lesser of (i) \$3.00 per Unit and (ii) the 30-day (ending on the Maturity Date of the 2023 Debentures) volume-weighted average trading price of the Multiple Voting Shares and the Subordinate Voting Shares on the CSE and any other securities exchange where such Subordinate Voting Shares and Multiple Voting Shares are listed and posted for trading (the “**VWAP**”) as of the Maturity Date of the 2023 Debentures (the Subordinate Voting Shares adjusted for the then applicable exchange ratio between Subordinate Voting Shares and Multiple Voting Shares, currently 100 Subordinate Voting Shares for each Multiple Voting Share). The Corporation paid a finder’s fee of 5% of the aggregate of 2023 Debentures sourced by finders which finder’s fee was paid in Units at a deemed price of \$3.00 per Unit.

- On May 26, 2023, KWG announced the closing of the second tranche of the 2023 Private Placement by issuance of an aggregate of \$1,414,000 of 2023 Debentures, of which an aggregate of \$1,350,000 of 2023 Debentures closed in escrow pending receipt of necessary consents and other matters, bringing the total principal amount of 2023 Debentures issued under the first and second tranches of the 2023 Private Placement to \$2,373,590. The terms of the second tranche are identical to those of the first tranche. The part of the second tranche of the 2023 Private Placement which closed in escrow was completed and released from escrow on June 21, 2023.
- On May 31, 2023, the Corporation issued 208,259 Multiple Voting Shares to Fancamp in satisfaction of interest owing in the amount of \$521,753 on the Secured Convertible Promissory Note.
- On June 21, 2023, KWG announced the closing of the third and final tranche of the 2023 Private Placement. This third tranche was comprised of an aggregate of \$15,000 of Debentures, bringing the total principal amount of 2023 Debentures issued under the first, second and third tranches of the 2023 Private Placement to \$2,388,590. The terms of the 2023 Debentures issued on the third tranche are identical to those of the first tranche.
- On July 28, 2023 the Corporation announced that it had entered into an agreement to acquire (the “**Magpie Special Share Acquisition**”) all of the issued and outstanding special shares of The Magpie Mines Inc. (“**Magpie Mines**”). A majority of the special shares have the right to elect a majority of the board of directors of Magpie Mines. As a term of the Magpie Special Share Acquisition, metallurgical researcher and advisor Fouad Kamaledine, Ph.D., and renowned exploration pioneer Peter H. Smith, Ph.D, will continue their incumbency as the directors of Magpie Mines at the pleasure of KWG to supervise the management of the business and affairs of Magpie Mines, including with respect to the activities of the Operator or a new Operator to be appointed, on development of the four known deposits and on development of the metallurgy for recovering the ultra-high-strength strategically critical minerals hosted in the deposits. The four deposits are contained within one project located approximately 130 km north northwest of Havre St. Pierre in the North Shore area of the St. Lawrence River in the Province of Quebec. Rio Tinto’s Lac Tio Mine is in the same general area, being approximately 43 kilometers northeast of Havre St. Pierre in Quebec.

Dr. Smith and Kamaledine (each a “**Vendor**”) have each agreed to exchange their 10,000 Magpie Mines special shares for consideration payable in two parts. Initially on the first closing date, KWG will pay \$1,000,000 to each Vendor payable, at the option of each Vendor, in (a) convertible debentures having a maturity date (the “**Magpie Debenture Maturity Date**”) of the earlier of (i) five (5) years after the first closing date and (ii) the date of completion of a Change of Control of KWG, bearing interest on the unpaid principal at the rate of 5% per annum with interest payable annually at KWG’s option in cash or units at a value of \$3.00 per unit (each unit, a “**\$3.00 Unit**”) being comprised of one Multiple Voting Share and one warrant to acquire an additional Multiple Voting Shares for \$3.50 on or before the Magpie Debenture Maturity Date), payable (principal plus interest) in cash by the Corporation at any time after the first anniversary of the first closing date on 30 days’ notice and convertible (interest and principal) in whole or in part into \$3.00 Units at a rate of \$3.00 per \$3.00 Unit (i) at any time at the option of the holder prior to payment in cash or (ii) at the option of KWG on or after the first anniversary of the first closing date or completion of a Change of Control of KWG; (b) 333,333 \$3.00 Units, or (c) conditional on KWG obtaining consent from Fancamp for the creation of Series A Special Shares in the authorized capital of KWG, 333,333 Series A Special Shares of KWG (each a “**Series A Special Share**”) issued at \$3.00 per share, each Series A Special Share having a redemption price of \$3.00 per share, such redemption price payable in cash or in \$3.00 Units, with the holder being entitled to require KWG to redeem the Series A Special Shares for \$3.00 Units at any time prior to payment in cash, and KWG being able to redeem the Series A Special Shares for cash at any time on 30 days’ notice or for \$3.00 Units at any time after the first anniversary of the first closing date and KWG being required to redeem the Series A Special Shares for cash or \$3.00 Units on the earlier of (i) five years after the first closing date or (ii) the date of completion of a Change of Control of KWG.

Each of the Vendors has also agreed to continue as a director of Magpie Mines at the pleasure of KWG.

In the event that KWG does not acquire direct or indirect ownership of a majority of the common shares of Magpie Mines within one year after the first closing date of the Magpie Special Share Acquisition, each of the Vendors has retained the right to tender the consideration received by the Vendor on the first closing date back to KWG within 30 days after such one-year anniversary in exchange for a return of his special shares of Magpie Mines.

In the event that KWG is able to complete the acquisition of all of the common shares of Magpie and the 2% royalty (the “**Magpie Royalty**”) held by Fancamp on Magpie’s project (a “**Magpie Acquisition**”) or is able to complete a business combination with or the acquisition of the shares of Fancamp (and, accordingly, indirectly acquire a majority of the common shares of Magpie Mines) (a “**Fancamp Acquisition**”), in each case on terms and conditions satisfactory to KWG, KWG’s agreement with the Vendors provides for a second closing of the Magpie Special Share Acquisition in which KWG will pay an additional \$4,000,000 to each of the Vendors (the “**Additional Payments**”) payable, at the option of each of the Vendors, in (i) convertible debentures of KWG, (ii) units issued by KWG comprised of Multiple Voting Shares and warrants or (iii) Series B Special Shares, in each case having substantially the same terms as those available on the first closing date but adjusted to reflect the then current trading price of the Multiple Voting Shares. The KWG debentures (i) will have a term of five years, (ii) will bear interest at 6% per annum payable quarterly at KWG’s option either in cash or in Multiple Voting Shares at the 20-day VWAP as of the applicable payment date, (iii) will require principal to be repayable in five equal annual instalments, and (iv) convertible at the 20-day VWAP as of day prior to the date of issuance of such debenture either at the option of the holder at any time or at the option of KWG if Multiple Voting Shares trade at a 25% premium to the conversion price for five consecutive trading days. In addition, on completion of a Magpie Acquisition or a Fancamp Acquisition, KWG will

pay \$5,000,000 to the Innu of Ekuanitshit First Nation in a combination of cash and/or convertible debenture on the same terms as the paid to the Vendors and transfer the Magpie Royalty or cause it to be transferred on terms which will result in approximately one quarter of the Magpie Royalty being held by each Vendor and one half of the Magpie Royalty being held by the Innu of Ekuanitshit First Nation.

In the event that KWG does not acquire direct or indirect ownership of a majority of the common shares of Magpie Mines within five (5) years after the date of the Magpie Special Share Acquisition, each of the Vendors has retained the right to tender the consideration received by the Vendor on the first closing date back to KWG within 30 days prior to such five-year anniversary in exchange for his special shares of Magpie Mines (each a “**Put Right**”). In the event that KWG has not completed a direct or indirect acquisition of a majority of the common shares of Magpie Mines prior to such five-year anniversary and the Vendors do not exercise their Put Rights, KWG will retain ownership of the special shares of Magpie Mines without having the obligation to pay the Additional Payments to the Vendors.

- On August 31, 2023, the Corporation issued 227,343 Multiple Voting Shares to Fancamp in satisfaction of interest owing in the amount of \$521,753 on the Secured Convertible Promissory Note.
- On September 22, 2023, the Corporation announced that it had received from the Ministry of Mining, Exploration Permit PR-23-000242 for the conduct of further drilling at the Black Horse Project. The permit has a term of 3 years from its issue on September 15, 2023.
- On November 29, 2023, the Corporation extended the time to exercise 551,540 warrants to purchase Multiple Voting Shares issued from March 17, 2022 to November 2, 2022, to the earlier of (i) September 29, 2026 or (ii) a Change of Control of KWG. The warrants were first issued upon conversion of various debentures issued by the Corporation as part of the 2021 Private Placement. Each such warrant entitles the holder to purchase three (3) additional Multiple Voting Shares at an exercise price of \$3.20 per share.
- On November 30, 2023, the Corporation issued 332,313 Multiple Voting Shares to Fancamp in satisfaction of interest owing in the amount of \$516,082.19 on the Secured Convertible Promissory Note.

Activities Subsequent to the Fiscal Year ended December 31, 2023

- On February 29, 2024, the Corporation issued 344,100 Multiple Voting Shares to Fancamp in satisfaction of interest owing in the amount of \$516,082.19 on the Secured Convertible Promissory Note.
- On April 24 2024, the Corporation paid the first annual interest payment in the aggregate of \$108,511.72 due on the first anniversary of the date of first issuance of series CD 2023 convertible debentures, by issuance of an aggregate of 36,166 units (each, a “**Unit**”) at a deemed value of \$3.00 per Unit, with each Unit being comprised of one (1) Multiple Voting Share and one (1) share purchase warrant, each such warrant enabling its holder to acquire one (1) further Multiple Voting Share from treasury upon payment of \$3.00 at any time on or before the earlier of: (i) April 24, 2026, or (ii) two (2) business days after a change of control as defined in the debentures.

DESCRIPTION OF THE BUSINESS

General

KWG, which carries on business in Ontario as “*The Canadian Chrome Company*”, is an exploration stage company that is focused on the acquisition of interests in, and the exploration, evaluation and development of, large-scale mineral deposits of chromite and other base metals and minerals. The Corporation is participating in the discovery, delineation and development of large-scale mineral deposits, including chromite deposits approximately 280 km north of Nakina, in the James Bay Lowlands of Northern Ontario, including the Koper Lake Project and the Big Daddy Project. These deposits are globally significant sources of chromite which may be reduced into metalized iron and chrome or refined into ferrochrome, a principal ingredient in the manufacture of stainless steel. KWG has been active in exploring the James Bay Lowlands since 1993 and discovered diamond-bearing kimberlite pipes near Attawapiskat and five pipes near the Ring of Fire area in 1994. This led to the discovery of the McFaulds Lake copper-zinc volcanogenic sulphide deposits in 2002, which precipitated a staking rush that defined the “Ring of Fire”.

The Koper Lake Project

In May 2012, Bold entered into an option agreement with Fancamp entitling Bold to acquire up to 100% of the Koper Lake Project, subject to a 2% net smelter returns royalty. The Bold/Fancamp Option Agreement was amended on several occasions (the “**Bold/Fancamp Option Agreement**”).

Through a subsequent option agreement between Bold and KWG in March 2013 and subsequently amended on several occasions (the “**Bold/KWG Option and JV Agreement**”), KWG obtained the right to acquire: (i) up to an 80% interest in respect of chromite contained in the Koper Lake Project and (ii) up to a 20% interest in respect of the non-chromite minerals contained in the Koper Lake Project.

In 2016, as a result of KWG’s efforts, the option held by Bold under the Bold/Fancamp Option Agreement was exercised as to a 50% interest and Bold and Fancamp signed a joint venture agreement (the “**Bold/Fancamp JV Agreement**”). As a result of these agreements, KWG became vested in a 50% operator’s interest in the Koper Lake Project which KWG renamed the Black Horse Joint Venture. The 50% joint venture interest includes a 10% carried interest held for Bold (for itself and its co-participant) in respect of chromite and a 40% interest in respect of non-chromite minerals. KWG is required to fund Bold’s share of exploration and development expenses on the carried interest held for Bold (and its co-participant) which is recoverable by capital payback from future production. The form of the joint venture agreement between Bold and KWG is appended to the Bold/KWG Option and JV Agreement.

Through an agreement with Fancamp, which closed on September 1, 2022, KWG acquired all of the right, title and interests beneficially owned by Fancamp in and to the Koper Lake Project, subject to Bold’s rights under the Bold/Fancamp Joint Venture Agreement. For Fancamp’s interest in the Koper Lake Project plus \$1,500,000 received by KWG in cash from Fancamp, KWG (a) delivered to Fancamp the Secured Convertible Promissory Note in the principal amount of \$34.5 million; (b) issued to Fancamp 4,044,453 warrants to purchase Multiple Voting Shares at an exercise price of \$4.6916 per share prior to September 1, 2023, at \$4.4783 per share from September 1, 2023 until August 31, 2024 or at \$4.2651 per share thereafter until the expiry date of September 1, 2027; and (c) granted to Fancamp a 2.0% net smelter return royalty (one-quarter of which may be purchased by KWG at any time for \$5 million and the next one-quarter of which will be subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the mining claims held by KWG on and after the closing date.

For further information regarding KWG and the Koper Lake Project, see “*The Koper Lake Project*” below and the documents incorporated by reference in this AIF available under the Corporation’s profile at www.sedarplus.ca.

The Big Daddy Project

The Big Daddy Project is currently operated pursuant to the terms of a joint venture agreement entered into effective as of November 28, 2012, between KWG, through its wholly owned subsidiary CCMC, and Cliffs Natural Resources Inc., through its subsidiaries, Cliffs Chromite Ontario Inc. (holding 39% interest) and Cliffs Chromite Far North Inc. (holding 31% interest) (the “**Big Daddy JV Agreement**”). The Corporation, through CCMC, holds a 30% interest in the Big Daddy Project. Pursuant to the Big Daddy JV Agreement, the purpose of the joint venture is to: further the exploration of the Big Daddy Project for mineral deposits, prepare a feasibility study, implement a construction program to build a mine, implement operating plans for commercial production of the Big Daddy Project and any other operation or activity necessary, appropriate or incidental to any of the foregoing. Under the terms of the Big Daddy JV Agreement, the parties contribute their respective rights and interests in the property forming the Big Daddy Project to the joint venture to form part of the joint venture assets. Cliffs Far North Inc. is the operator of the Big Daddy Project pursuant to the terms of the Big Daddy JV Agreement. A management committee and technical committee have also been formed under the Big Daddy JV Agreement. The Big Daddy JV Agreement also sets out the mechanisms by which the parties may elect to participate and contribute to work programs and to vary the parties’ respective joint venture interests. In addition, the Big Daddy JV Agreement provides for the mechanisms to deal with cost overruns, defaults under the Big Daddy JV Agreement by a party thereto, and the sale of a party’s joint venture interest.

For further information regarding KWG and the Big Daddy Project, see “*The Big Daddy Project*” below and the documents incorporated by reference in this AIF available under the Corporation’s profile at www.sedarplus.ca.

The CCC Claims

CCC staked the CCC Claims which cover a unique linear sand ridge, containing consolidated and non-consolidated aggregates and is anticipated to be suited for the construction of an embankment for a railroad, tramway, road or other transportation system to transport materials, including any mined materials, in and/or out of the Ring of Fire area.

CCC continues to hold mineral exploration claims along the route which it believes is best suited for the transportation facilities and electrification systems to connect the Ring of Fire area and several First Nations communities in the James Bay Lowlands to the road and railroad systems passing through Nakina and to the Ontario power grid also passing through Nakina. CCC also continues to have 32 aggregate permit applications in place for the planned production of aggregate at various locations along that route, sometimes referred to as the Transportation and Utility Corridor, for the construction of such transportation and electrification systems and other infrastructure developments to serve the local communities. As the electrification and transportation studies were prepared to assist with Aboriginal consultations by providing information to help affected First Nations communities understand and consider KWG’s proposed projects in the Ring of Fire and how those and other projects might affect the communities’ asserted and established Aboriginal and treaty rights as part of the consultation process, KWG believes that the cost of those studies should qualify for assessment credits with the Ontario Ministry of Mines to extend the life of CCC’s mineral exploration claims, some of which would otherwise expire at various times throughout this year. However, there is some doubt whether those costs will be accepted by the Ministry on that basis. To address such possibilities, CCC has requested that some of the CCC Claims which require additional assessment credits to extent their continuity be placed on hold (that is, not requiring any further annual assessment credits to

maintain their continued existence). However, as noted above, even if that request is not successful and some of those CCC Claims are lost for lack of exploration assessment credits, important aspects of their utility have been fulfilled, including to identify and make available local sources of aggregate along the proposed Transportation and Utility Corridor for which CCC has filed 32 aggregate permit applications, and other CCC Claims will continue and will require notice to be given to CCC of any applications for surface rights over those CCC Claims that continue, thereby enabling CCC to receive notice of any applications by third parties for surface rights over those strategic claims and CCC would have the opportunity to negotiate with those third parties or, through the hearing process regarding those surface rights applications, seek an order to include terms and conditions for access and other rights for CCC and KWG regarding use of the surface and extraction of the aggregate.

Chromium IP

As part of its initiative to develop and identify opportunities to improve the conventional technology related to the conversion of chromite ores into metallized chrome and iron alloys, the Corporation has acquired an ownership interest in the Chromium IP.

Specialized Skill and Knowledge

Management of the Corporation is comprised of a team of individuals who have extensive expertise and experience in the mineral exploration industry and exploration finance and are complemented by an experienced board of directors. See “*Directors and Officers*”.

Competitive Conditions

The mineral exploration and mining business is intensely competitive in all of its phases. KWG competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than KWG, in the search for and acquisition of exploration and development rights to attractive mineral properties and in the development of the properties in which it currently has an interest. KWG’s ability to acquire exploration and development rights to properties in the future and to develop properties in which it has an interest will depend not only on its ability to develop the Koper Lake Project, KWG’s and Cliffs’ ability to develop the Big Daddy Project, and its ability to develop other properties in which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights in suitable additional properties. See “*Risk Factors – Competition*” for more information.

Environmental Considerations

The Corporation’s operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances related to mining industry operations, which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions in respect of and approvals of environmental impact assessments. Environmental legislation is evolving, which means stricter standards and enforcement, fines and penalties for non-compliance may become more stringent. Non-compliance could have a material adverse effect on KWG’s results of operations. KWG cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. See “*Risk Factors – Environmental*” for more information.

Employees

As at December 31, 2023, the Corporation had a total of 3 employees – the Chief Executive Officer, the Vice-President and the Vice President, Exploration & Development. KWG utilizes the services of two professionals on a consulting basis, the Chief Financial Officer and the President and Chief Operating Officer. The Corporation seeks to employ individuals and utilize the services of consultants who have relevant mining experience and is able to identify such individuals through its industry contacts and reputable recruitment consultancies specializing in the mining sector. Please also see “*Risk Factors – Dependence on Key Employees, Contractors and Management*” for more information.

Cyclical Nature of Operations

The majority of any of the Corporation’s exploration and development works and associated exploration and development expenditures are incurred between March and November to take advantage of the favourable ground conditions during these months.

RISK FACTORS

An investment in the securities of the Corporation is subject to various risks and uncertainties, including those set out below and elsewhere in this AIF. Such risks and uncertainties should be carefully considered by an investor before making any investment decision. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation’s business operations.

KWG’s business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The risk factors include risks summarized below, risk factors disclosed herein under “*Cautionary Statement Regarding Forward-Looking Information*”, and risk factors disclosed in the Corporation’s most recent Management’s Discussion and Analysis available electronically on SEDAR+ at www.sedarplus.ca. The Corporation attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Corporation will be profitable in the future, and an investment in the securities of the Corporation should be considered speculative.

Risks Related to the Mining Exploration and Development

Mineral Exploration

The business of exploration for minerals and mining involves a high degree of risk. A relatively small proportion of properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on any of the mineral properties in which the Corporation holds interest or intends to acquire an interest and any proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Corporation has limited experience in the development and operation of mines and has relied on and may continue to rely upon consultants and others for exploration and operating expertise. The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined, and fluctuations in the price of any minerals produced.

Actual mineral production is difficult to predict and may differ significantly from the resource estimates contained in this AIF.

The estimates concerning KWG's mineral resources contained in the Koper Lake Technical Report and Big Daddy Technical Report (the "Technical Reports") and in this AIF, and filed with the applicable securities commissions, are subject to considerable uncertainties. These estimates are based on interpretations by geologists of geological data obtained from sampling techniques and projected rates of production in the future. Until mineral resources are actually mined and processed, the quantity of metal and grades must be considered as estimates only, and no assurances can be given that the indicated levels of metals will be produced. In making determinations about whether to advance any of its projects to development, KWG will need to rely upon estimated calculations as to mineral resources and grades of mineralization on its properties. In addition, it may take many years from the initial phase of drilling before production is possible. During that time, the economic feasibility of exploiting a discovery may change as a result of, among other things, market price fluctuations of metals, as well as increased production costs (including costs of transportation and costs of power) or reduced recovery rates, which may render mineral resources containing relatively low grades of mineralization uneconomic. Short-term factors relating to any mineral reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may impair the profitability of a mine in any particular accounting period.

The estimation of mineral resources is a subjective process that relies on the judgment of the persons preparing the estimates. These persons rely on the quantity and quality of available data and the estimation process is based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. Further studies are required as well.

Estimated mineral resources may have to be recalculated based on changes in metal prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource estimates. The extent to which mineral resources may ultimately be reclassified as mineral reserves is dependent upon the demonstration of their profitable recovery. Any material changes in mineral resource estimates and grades of mineralization, costs of extraction, costs of processing or costs of transportation of mining production, will affect the economic viability of placing a property into production and a property's return on capital. There can be no assurance that mineralization can be mined or processed profitably.

Mineral resources, which are not mineral reserves, do not have demonstrated economic viability

The Koper Lake Technical Report does not estimate any mineral reserves for the Koper Lake Project. The Big Daddy Technical Report does not estimate any mineral reserves for the Big Daddy Project. There can be no assurance that any resource estimates for the Koper Lake Project or the Big Daddy Project will ultimately be reclassified as mineral reserves. The failure to establish proven and probable mineral reserves could restrict KWG's ability to successfully implement the proposed strategies for long-term growth and could have a material adverse effect on KWG's business, financial condition and prospects.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There can be no assurance that mineral exploration programs at the Koper Lake Project or the Big Daddy Project will establish the presence of any proven or probable mineral reserves for the purposes of NI 43-101. The failure to establish proven or probable reserves at any of KWG's mineral properties would severely restrict its ability to implement its proposed strategies for long-term growth. In addition, the costs, timing and complexities of upgrading the mineralized material at the Koper Lake Project or the Big Daddy Project to proven or probable reserves, and ultimately

to develop those reserves, may be greater than KWG currently anticipates. By their nature, resource estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- actual results will meet the estimates contained in the Technical Reports;
- the estimates will be accurate;
- resource or other mineralization estimates will be accurate; or
- any mineralization can be mined or processed profitably.

Any material change in quantity of mineral resources, grade or stripping ratio may affect the economic viability of KWG's operations and exploration and development. In addition, there can be no assurance that chromite recoveries or other metal recoveries or the grades of concentrates produced in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production. There can be no assurance that anticipated recoveries will be realized.

Fluctuation in chromite, ferrochrome, chromium and other base metals prices, results of drilling and metallurgical testing subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on KWG's business, financial condition and prospects.

Extended declines in market prices for chromite may render portions of the mineralization, and resource estimates uneconomic and result in reduced reported mineralization or adversely affect the commercial viability of the Corporation's projects.

Title to Mineral Properties (Ownership Rights)

Although title to the properties has been reviewed by or on behalf of KWG, no assurances can be given that there are no title defects affecting the properties. Title insurance generally is not available for mining claims in Canada and KWG's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be limited. KWG has not conducted surveys of the claims in which it holds direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. It is possible that the properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. Mineral exploration claims require annual assessment credits to extend the claims' durations, which assessment credits are based on qualifying exploration expenditures on the applicable and adjoining claims; failure to make sufficient qualifying expenditures on the applicable claims or on other connected claims from which assessment credits can be transferred can result in the forfeiture and loss of applicable mineral exploration claims. The holding of mineral rights does not provide full rights to the surface of the lands over those mineral rights – such surface rights may be held or acquired by third parties. There is no assurance that the Corporation's interest in any of its properties may not be challenged or impugned. In addition, KWG may be unable to operate the properties as permitted or to enforce its rights with respect to its properties.

Regulations and Permitting

The operations of the Corporation require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary

licenses and permits that may be required to carry out exploration, development or mining operations at its projects.

Environmental

The Corporation's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions on and prohibitions of spills, releases or emissions of various substances related to mining industry operations, which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions in respect of and approvals of environmental impact assessments. Environmental legislation is evolving, which means stricter standards and enforcement, fines, and penalties for non-compliance may become more stringent. Non-compliance could have a material adverse effect on KWG's results of operations. KWG cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced.

Compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory agency, could in the future require material expenditures by KWG, which could have a material adverse effect on KWG's business, financial condition and/or competitive position. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to remain fully compliant with all environmental regulations.

First Nations

KWG is committed to working in partnership with its local communities and First Nations in a manner which fosters active participation and mutual respect. KWG works towards minimizing negative project impacts, encouraging certain joint consultation processes, addressing certain decision-making processes and maintaining meaningful ongoing dialogue not only for the Corporation but for all stakeholders in the Ring of Fire.

Many of KWG's contractors and suppliers live and work in the local communities. The Corporation regularly consults with communities proximal to any of the exploration activities of the Corporation to advise them of plans and answer any questions they may have about current and future activities. The objective is to operate to the benefit of the shareholders and the local communities using the resources and the environment today without compromising the long-term capacity to support post-exploration and ultimately post-mining land uses.

First Nations in Ontario are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation traditional territory or treaty lands. Should a First Nation make such a claim in respect of the lands subject to claims held by the Corporation and CCC and should such claim be resolved by government or the courts in favour of the First Nation, it could materially adversely affect the business of KWG.

Adequate Infrastructure

Mining, processing, development and exploration activities depend, to a substantial degree, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other

interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Corporation.

Risks Related to the Corporation's Business

Potential Principal Shareholder

Fancamp is the holder of the \$34.5 million principal amount Secured Convertible Promissory Note, which was issued by the Corporation to Fancamp on September 1, 2023 (see the “*General Development of the Business*” section of this AIF). The Secured Convertible Promissory Note bears interest at a rate of 6% per annum and matures on September 1, 2026, subject to extension in accordance with the terms of the Secured Convertible Promissory Note by up to an additional 12 months (the “**Maturity Date**”). The interest payments under the Secured Convertible Promissory Note are payable in cash or, at the option of KWG, in Multiple Voting Shares. The Secured Convertible Promissory Note is convertible, in whole or in part, at the option of Fancamp, at any time up to and including the Maturity Date, into Multiple Voting Shares at a conversion price per share of \$4.4783 if converted prior to September 1, 2024 or at \$4.2651 if converted from September 1, 2024 to the Maturity Date, subject to adjustment in accordance with the terms of the Secured Convertible Promissory Note. The security for the indebtedness represented by the Secured Convertible Promissory Note is senior and first ranking to all other indebtedness of KWG and its subsidiaries, but subject to certain encumbrances.

Based on Fancamp's public filings as of the date of this AIF, Fancamp currently holds 1,447,323 Multiple Voting Shares, 4,280,000 Subordinate Voting Shares and 4,044,453 warrants of KWG (the “**Fancamp Warrants**”), with each such Fancamp Warrant entitling the holder to purchase one Multiple Voting Share at an exercise price of \$4.4783 if exercised prior to September 1, 2024 or at \$4.2651 if exercised from September 1, 2024 to September 1, 2027, subject to adjustment in accordance with the terms of the Fancamp Warrant. Any Fancamp Warrants not exercised on or prior to September 1, 2027 shall expire.

Based on Fancamp's current holdings, and assuming (a) the conversion in full by Fancamp of the \$34.5 million principal amount of the Secured Convertible Promissory Note, (b) the exercise in full by Fancamp of the Fancamp Warrants, and (c) the conversion into Multiple Voting Shares of all of the currently outstanding Subordinate Voting Shares, Fancamp would hold 40.73% of all of the outstanding voting shares of KWG. This would result in Fancamp being able to exert significant influence in determining the outcome of corporate actions requiring shareholder approval and otherwise control the Corporation's business. This control could have the effect of delaying or preventing a change in control of the Corporation or entrenching management or the board of directors, which could conflict with the interests of other shareholders and, consequently, could adversely affect the market price of the Multiple Voting Shares and Subordinate Voting Shares.

Also, the full conversion of the Secured Convertible Promissory Note and exercise of the Fancamp Warrants would result in the issuance of a substantial number of additional Multiple Voting Shares (12,133,360 Multiple Voting Shares if the said conversion and exercise occurred on the date of this AIF). Such issuance, or the perception that such issuance could occur, may adversely affect prevailing market prices for the Multiple Voting Shares and Subordinate Voting Shares, and such issuance would have a dilutive effect on KWG's shareholders.

The Corporation's substantial indebtedness and other liabilities and obligations could adversely affect the Corporation's financial condition.

As shown on the Corporation's consolidated balance sheet as at December 31, 2023, the Corporation has a significant amount of indebtedness and other liabilities and obligations (collectively, “**Obligations**”),

including the \$34.5 million principal amount Secured Convertible Promissory Note held by Fancamp and trade, loans and other payables. This could have important adverse consequences, including:

- limiting the Corporation's ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements or the repayment of the principal of the Secured Convertible Promissory Note;
- placing the Corporation at risk of default and the secured creditor proceeding to realize on its security by selling or foreclosing on the secured assets;
- increasing the Corporation's vulnerability to general adverse economic and industry conditions;
- limiting the Corporation's flexibility in planning for and reacting to changes in the industry in which it competes;
- placing the Corporation at a disadvantage compared to other, less leveraged competitors; and
- increasing the cost of borrowing.

The Corporation is subject to certain restrictive covenants which restrict the Corporation's current and future operations, particularly the Corporation's ability to respond to changes or to take certain actions.

The Secured Convertible Promissory Note held by Fancamp contains a number of restrictive covenants that impose significant operating and financial restrictions on the Corporation and may limit the Corporation's ability to engage in acts that may be in its long-term best interest, including restrictions on the Corporation's ability to:

- incur liens;
- sell or otherwise dispose assets;
- change its financial year end;
- make any material change in the nature of the Corporation's business as presently carried on;
- make any amendments or modifications to the Corporation's articles, including any of the share attributes attaching to the Multiple Voting Shares and the Subordinate Voting Shares or creating any new series of Preference Shares or Special Shares;
- enter into a (i) reorganization, amalgamation, arrangement, winding-up, merger or other similar transaction, or (ii) change of control transaction;
- use cash to acquire or invest in securities or to make loans to or investments in another entity;
- enter into transactions with non-arm's length parties;
- pay dividends or make other distributions or repurchase or redeem capital stock; and
- incur certain cash borrowings for indebtedness.

A breach of the covenants under the Secured Convertible Promissory Note could result in an event of default thereunder (and possibly under other Obligations). Such a default may allow Fancamp to accelerate the

Obligations under the Secured Convertible Promissory Note and may result in the acceleration of any other Obligation to which a cross-acceleration or cross-default provision applies. In the event Fancamp accelerates the repayment of such Obligation (or the holder of another Obligation accelerates the repayment of such Obligation), KWG may not have sufficient assets to repay that Obligation and Fancamp may proceed with its remedies under the Secured Convertible Promissory Note, including forcing a sale or foreclosing on the secured assets.

As a result of these restrictions, KWG may be:

- limited in how it conducts its business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect the Corporation's ability to grow in accordance with its strategy.

The Corporation may not be able to generate sufficient cash to service all of its Obligations, and may be forced to take other actions to satisfy the requirements under its Obligations, which may not be successful.

The Corporation's ability to make scheduled payments on or refinance the Corporation's Obligations (including the Secured Convertible Promissory Note and other outstanding debentures) depends in part on its financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control.

If the Corporation's capital resources are insufficient to fund its Obligations, the Corporation could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the Corporation's Obligations. KWG may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Corporation to meet its scheduled Obligations. The Secured Convertible Promissory Note restricts the Corporation's ability to dispose of assets and use the proceeds from those dispositions and may also restrict the Corporation's ability to raise capital to be used to repay Obligations when they become due. The Corporation may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any Obligations then due.

If the Corporation cannot make scheduled payments in respect of its Obligations, the Corporation will be in default and holders of such Obligations could declare all outstanding amounts to be due and payable, causing a cross-acceleration or cross-default under certain of the Corporation's other Obligations, and the Corporation could be forced into bankruptcy or liquidation. For a default under the Secured Convertible Promissory Note, the holder may exercise its right to accelerate the due date for repayment and to force a sale or foreclosure on the assets, including the Corporation's interests in the Koper Lake Project and the Black Horse Project, which could result in the loss of those assets.

Additional Funding Requirements and Potential Dilution

KWG has no current or foreseeable prospect of generating significant revenues. Accordingly, the success of the Corporation is dependent, among other things, on obtaining sufficient funding to enable the Corporation to explore and develop its properties and to carry out its current plans. There can be no

assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Corporation will require significant new capital to continue to operate its business, to continue with exploration on its mineral properties and to repay its Obligations (including the Secured Convertible Promissory Note) when due, and there is no assurance that such capital will be available when needed, if at all. It is likely such additional capital, if available, will be raised through the issuance of additional equity, which will result in dilution to the Corporation's shareholders.

The issuance of Subordinate Voting Shares and Multiple Voting Shares upon the exercise of options, compensation options, convertible debentures and/or warrants will dilute the ownership of the Corporation's current shareholders. KWG may also issue additional securities convertible into Multiple Voting Shares or Subordinate Voting Shares in the future, the conversion of which would result in further dilution to the shareholders of the Corporation.

Continuation of Operating Losses

The Corporation does not generate operating revenues upon which investors may rely. Consequently, investors will have to rely on the expertise of the Corporation's management. Further, the Corporation's properties are in the exploration stage and are not commercially viable at this time. The Corporation does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

The Chromium IP Transaction

There are no guarantees that any additional patents will be granted in respect of the Chromium IP, or that the processes described in connection therewith are effective. It is also possible that a third party may have prior or complimentary intellectual property rights or improvements to those rights that may be infringed by the exploitation of the processes described in the provisional patent applications acquired by KWG in the transaction (the "**Chromium IP Transaction**") pursuant to which the Chromium IP was acquired and the patents that have been obtained therefrom. It is hoped that any patents ultimately granted from the Chromium IP will prevent others from exploiting the claimed technology. However, no assurances or assessments of these potentials or risks have been made.

Proposed Tramway, Railway or Other Transportation System

The proposed tramway leading in and out of the Koper Lake Project and the Big Daddy Project is currently in the planning stage and accordingly remains very preliminary in nature. In order to successfully develop such a tramway, railway, road or other transportation system, CCC will be required to follow a consultation process with relevant stakeholders before any such system can be constructed. Notwithstanding that CCC has staked the claims on which it would expect any tramway, railway, road or other transportation system to be developed, many approvals, permits and other clearances are required to build any transportation system. There is no guarantee that any or all of the required permits for the construction of the proposed tramway or other railway, road or transportation system will be granted and even if such permits are granted, there is no guarantee that financing will be available in the future to construct the proposed tramway or other railway, road or transportation system.

Demand for Ferrochrome Products and Associated Price Risk

The ability of the Corporation to develop its mining properties and the future profitability of the Corporation are directly related to the market price of ferrochrome and demand levels for products made therefrom.

Share Price

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Corporation. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Corporation's securities.

Economic

Even if the Corporation's exploration programs are successful, factors beyond the control of the Corporation may affect the marketability of any mineral products discovered. The prices of mineral products have historically fluctuated widely and are affected by numerous factors beyond the Corporation's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition

The mineral exploration and mining business is intensely competitive in all of its phases. KWG competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than KWG, in the search for and acquisition of exploration and development rights to attractive mineral properties and in the development of the properties in which it currently has an interest. KWG's ability to acquire exploration and development rights to properties in the future and to develop properties in which it has an interest will depend not only on its ability to develop the Koper Lake Project, KWG's and Cliffs' ability to develop the Big Daddy Project, and its ability to develop other properties in which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights in suitable additional properties. Other companies, entities, individuals and groups may also have competing concepts for transportation and electrification systems to access and service the Ring of Fire area. There is no assurance that KWG will compete successfully in acquiring exploration and development rights in such properties, or in the development of properties in which it has an interest or in the development of transportation and electrification systems which it is proposing, and such inability could have a material adverse effect on KWG's business and financial condition. Accordingly, there can be no assurances that KWG's exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

Dependence on Key Employees, Contractors and Management

KWG currently has a small executive management group, which is sufficient for the Corporation's present stage of activity. Given that KWG's success to date has depended, and in the future will continue to depend, in large part on the efforts of the current executive management group, the loss of any significant individual or number of the members of this group could have a material adverse effect on the Corporation, its business and its ability to develop its projects. KWG does not maintain key person life insurance. Accordingly, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Corporation.

The mining industry has been impacted by increased worldwide demand for critical resources including industry consultants, engineering firms and technical experts. These shortages have caused increased costs and delays in planned activities. KWG is also dependent upon a number of key personnel, including the services of certain key employees and contractors. KWG's ability to manage its activities, and hence its

success, will depend in large part on the efforts of these individuals. KWG faces intense competition for qualified personnel, and there can be no assurance that Corporation will be able to attract and retain such personnel. In addition, KWG does not anticipate having key man insurance in place in respect of any of its senior officers or personnel.

Conflicts of Interest

Certain directors and officers of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest which they may have in any project or opportunity of the Corporation. If a conflict of interest arises, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

Uninsurable Risks

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in exploration, and monetary losses and possible legal liability. Where KWG considers it practicable to do so, it maintains standard insurance to cover normal business risks in amounts believed to be reasonable and consistent with industry practice for companies at a similar stage of development.

Such insurance, however, contains exclusions and limitations on coverage and does not cover all potential risks associated with the operations of a mining company. Accordingly, KWG's insurance policies may not provide coverage for all losses related to KWG's activities (and specifically do not cover environmental liabilities and losses or losses from actions by creditors, including secured creditors). The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material and adverse effect on KWG's results of operations and financial condition. KWG cannot be certain that insurance will be available to the Corporation, or that appropriate insurance will be available on terms and conditions acceptable to the Corporation. In some cases, coverage is not available or is considered too expensive relative to the perceived risk.

Joint Ventures and Option Agreements

KWG enters into option agreements and joint ventures as a means of gaining property interests and raising funds. Any failure of a co-venturer to meet its obligations to KWG or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on such agreements. In addition, KWG may be unable to exert direct influence over strategic decisions made in respect to properties that are subject to the terms of these agreements.

Litigation

The Corporation is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process and the lengthy period of time to achieve a resolution, any particular legal proceeding to which the Corporation is or may become subject could have a material effect on its financial position, results of operations or the Corporation's mining and project development operations.

Legal

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on KWG and cause increases in expenditures or exploration costs or reduction in levels of activities on KWG's exploration projects, or require abandonment or delays in the development of new exploration properties.

Risks relating to intellectual property rights

Protection of Intellectual Property Rights

There will be limited protection of the Chromium IP in the form of patents only if and when and to the extent that they are granted. Any patents ultimately granted in respect of the Chromium IP may be invalidated, circumvented or challenged or rendered unenforceable. The rights granted thereunder may not provide competitive advantages to KWG. In addition, current and future patent applications with respect to the Chromium IP may not be issued with the scope of the claims sought, if at all. Furthermore, others may have already developed or may develop technologies that are similar or superior to the processes described in the provisional patent applications or may design around such patents to avoid infringing them. The Corporation cannot be sure that steps taken to protect the claimed technology will prevent misappropriation of such technology. In addition, effective patent protection may not be sought by the Corporation, or may be unavailable or limited, in foreign countries where patent protection may be required or desirable.

Intellectual Property Litigation

Patents are subject to complex factual and legal issues that may give rise to uncertainty as to the ownership validity, scope and enforceability of a particular patent. There can be no assurance that claims for infringement or invalidity (or claims for damages, lost profits or indemnification resulting from infringement claims) will not be asserted or prosecuted against KWG. The Corporation may become involved with costly and lengthy litigation involving any patents ultimately granted in respect of the Chromium IP, which, in turn, could subject the Corporation to significant liability for damages, legal fees and costs which could adversely impact the Corporation's financial results, liquidity or the price of its securities. Any such claims would also divert a significant portion of management's attention and resources. Ultimately, any potential intellectual property litigation could prevent the Corporation from using or further developing the technologies acquired in the Chromium IP Transaction.

THE KOPER LAKE PROJECT

The information that follows relating to the Koper Lake Project is a reproduction of the summary from the Koper Lake Technical Report authored by Alan Aubut, P. Geo., of SBG, an independent "Qualified Person" as such term is defined in NI 43-101. The complete Koper Lake Technical Report is incorporated by reference into this AIF.

Portions of the following information are based on assumptions, qualifications and procedures that are not fully described herein. Reference should be made to the full text of the Koper Lake Technical Report, which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on the Corporation's profile at www.sedarplus.ca. The Koper Lake Technical Report is dated December 15, 2015 and has an effective date of December 15, 2015.

For readers to fully understand the information in this document, they should read the Koper Lake Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the information

set out in this document which qualifies the technical information. The Koper Lake Technical Report is intended to be read as a whole, and summaries or sections should not be read or relied upon out of context. The technical information in that report is subject to the assumptions and qualifications contained in the Koper Lake Technical Report.

Reproduction of Summary from Koper Lake Technical Report

“Summary

The Koper Lake Project property is located in North-western Ontario, approximately 280 kilometres north of the town of Nakina. It consists of about 1,024 hectares covered by 4 unpatented mining claims. KWG Resources Inc. has an option to earn up to 80% in any chromium production and 20% in other minerals, and Bold Ventures Inc. in turn have an option to earn a 100% interest in the property from Fancamp Exploration Limited.

The area is underlain by Archean volcanics and ultramafic rocks intruded by a granodiorite complex. The Koper Lake Project property is underlain by a multi-phase layered ultramafic intrusion consisting of peridotite, olivine cumulates including dunite, chromitite, pyroxenite and gabbro that have been transected by a major deformation zone. This deformation zone, introduced here as “Frank’s Fault”, is a major regional structure that is interpreted to have a lateral displacement component of approximately 6 km and implies that the Black Horse deposit may be the faulted extension of the nearby Big Daddy deposit. The chromitite within the Black Horse deposit consists of fine grained disseminated to massive accumulations of chromite grains typically in a peridotite to olivine intercumulate matrix.

Exploration to date has consisted of geophysics followed by diamond drilling designed to look for nickel-copper mineralisation and to trace the chromitite. The chromitite has been traced approximately 0.6 kilometres along strike and 1 kilometre down dip. The current objective is to define a chromite deposit that can be economically extracted using underground mining techniques.

Using the drill hole data available as of May 11, 2014 and reflecting the latest geological interpretation an updated Ordinary Kriged block model was created for the Koper Lake Project chromite deposit. The volume modelled is 0.6 kilometre long and has a down dip extent of approximately 1.0 kilometre with the top of the mineral zone as high as 350 metres below surface and has been traced down to a depth of approximately 1400 metres below surface. All of the resources present have a low confidence in the estimate such that they can only be classified as Inferred Resources. The following table provides the identified Inferred Resources using a cut-off of 20% Cr₂O₃.

<u>Classification</u>	<u>Tonnes (millions)</u>	<u>%Cr₂O₃</u>
Inferred Resources	85.9	34.5

Notes:

- (1) CIM Definition Standards were followed for classification of Mineral Resources.
- (2) The Mineral Resource estimate uses drill hole data available as of May 11, 2014.
- (3) The cut-off of 20% Cr₂O₃ is the same cut-off used for the Kemi deposit as reported by Alapieti et al. (1989) and for the nearby Big Daddy chromite deposit (Aubut, 2014a).
- (4) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- (5) Resources reported are for blocks above cut-off and as such if and when mining studies are done all may not be recoverable.

Using this 20% cut-off, there are 85.9 million tonnes at a grade of 34.5% Cr₂O₃ of Inferred Resources which

should be easily upgradable through gravity concentration. Currently chromite ore concentrates of 40-42% Cr₂O₃ sell for approximately US\$150 per tonne. No mineability and dilution studies have been applied to these resources and therefore they may not all be economically recoverable.

The drill hole spacing is 100 to 300 metres with several off-azimuth holes. To date only 9 holes have tested the mineral zone on the property and of these intersections most are very steep and cut the zone at a very oblique angle. As a result there is poor confidence in the lateral continuity of the Mineralization to a degree that all of the defined resources can only be classified as Inferred Resources at this time.

It is recommended that further drilling be done to extend the limits of the known chromitite and to infill areas to better define the continuity. The estimated cost of this program is \$14.2 million.”

THE BIG DADDY PROJECT

The information that follows relating to the Big Daddy Project is a reproduction of the summary from the Big Daddy Technical Report authored by Alan Aubut, P. Geo., of SBG, an independent “Qualified Person” as such term is defined in NI 43-101. The complete Big Daddy Technical Report is incorporated by reference into this AIF.

Portions of the following information are based on assumptions, qualifications and procedures that are not fully described herein. Reference should be made to the full text of the Big Daddy Technical Report, which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on the Corporation’s profile at www.sedarplus.ca. The Big Daddy Technical Report is dated November 12, 2014 and has an effective date of November 12, 2014.

For readers to fully understand the information in this document, they should read the Big Daddy Technical Report in its entirety, including all qualifications, assumptions and exclusions that relate to the information set out in this document which qualifies the technical information. The Big Daddy Technical Report is intended to be read as a whole, and summaries or sections should not be read or relied upon out of context. The technical information in that report is subject to the assumptions and qualifications contained in the Big Daddy Technical Report.

Reproduction of Summary from Big Daddy Technical Report

“Summary

The property is located in North-western Ontario, approximately 280 kilometres north of the town of Nakina. It consists of approximately 1,241 hectares covered by 7 unpatented mining claims held in a joint venture between Canada Chrome Mining Corporation (30%), Cliffs Chromite Far North Inc. (30%) and Cliffs Chromite Ontario Inc. (40%). Canada Chrome Mining Corporation is a 100% owned subsidiary of KWG Resources Inc. (KWG). Cliffs Chromite Far North Inc. and Cliffs Chromite Ontario Inc. are both 100% owned subsidiaries of Cliffs Natural Resources Inc.

The area is underlain by Archean volcanics and ultramafic rocks intruded by a Granodiorite complex. The Big Daddy chromite deposit is hosted by a multi-phase layered ultramafic intrusion consisting of peridotite, olivine cumulates including dunite, chromite, pyroxenite and gabbro. The chromite mineralisation consists of fine grained disseminated to massive accumulations of chromite grains typically in a peridotite to olivine cumulate matrix. There are multiple layers of significant chromite accumulation.

Exploration to date has consisted of geophysics followed by diamond drilling designed to trace the Big Daddy chromite zone approximately 1.2 kilometres along strike and approximately 490m down dip. The

ultimate objective is to define a chromite deposit that can be economically extracted using a combination of open pit and underground mining techniques.

Using the drill hole data available as of June 1, 2012, an Ordinary Kriged block model was created for the Big Daddy chromite deposit. The volume modelled is 1.3 kilometres long and is down to a depth of approximately 490 metres below surface. A significant proportion of all resources present have a high enough confidence in the estimate that they can be classified as Measured and Indicated Resources with the remainder being Inferred Resources. The following table provides the breakdown based on CIM resource classifications, using a cut-off of 20% Cr₂O₃.

<u>Classification</u>	<u>Tonnes (millions)</u>	<u>%Cr₂O₃</u>
Measured Resources	23.3	32.1
Indicated Resources	5.8	30.1
Meas. & Ind. Resources	29.1	31.7
Inferred Resources	3.4	28.1

Notes:

- (1) CIM Definition Standards were followed for classification of Mineral Resources.
- (2) The Mineral Resource estimate uses drill hole data available as of June 1, 2012.
- (3) The cut-off of 20% Cr₂O₃ is the same cut-off used for the Kemi deposit as reported by Alapieti et al. (1989).
- (4) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Using this 20% cut-off, there are 29.1 million tonnes at a grade of 31.7% Cr₂O₃ of Measured and Indicated Resources which preliminary metallurgical testing indicates should be easily upgradable through gravity concentration. And there are 3.4 million tonnes at a grade of 28.1% Cr₂O₃ of Inferred Resources. No mineability and dilution studies have been applied to these resources and therefore they may not all be economically recoverable.

The drill hole spacing is typically 50 metres with several off-azimuth holes. As a result there is good confidence in the lateral continuity of the mineralization to a degree that a significant proportion of the defined resources can be classified as Measured and Indicated Resources at this time.

It is recommended that further drilling be done to infill areas that currently are poorly sampled, and to extend the limits down dip as the mineralization is still open on this direction. The estimated cost of this program is \$3.5 million.”

DIVIDENDS AND DISTRIBUTIONS

The Secured Convertible Promissory Note issued by the Corporation to Fancamp in September 2022 contains a number of covenants made by KWG which restricts KWG’s activities. One such covenant restricts distributions that may be made by the Corporation. This covenant provides that, so long as any obligations in respect of the principal amount and interest under the Secured Convertible Promissory Note remain outstanding, neither KWG nor its affiliates shall, without the written consent of Fancamp (such written consent not to be unreasonably delayed, conditioned or refused) declare, make, pay or commit to any form of cash distribution to KWG securityholders, including by way of: (i) any cash dividend or other cash distribution on any present or future shares; or (ii) the purchase, redemption or retirement by cash or acquisition by cash of any of its shares or of any option, warrant or other right to acquire any such shares.

Other than the restriction contained in the Secured Convertible Promissory Note summarized above, there

is no restriction that could prevent the Corporation from paying dividends or distributions. Subject to the said restriction contained in the Secured Convertible Promissory Note, dividends and distributions, if any, will be paid solely at the discretion of KWG's board of directors after taking into account the Corporation's financial condition and other relevant factors.

The Corporation does not have a dividend or distribution policy and does not anticipate paying dividends or distributions in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

General Description

Subordinate Voting Shares and Multiple Voting Shares

The authorized capital of the Corporation consists of an unlimited number of Subordinate Voting Shares, an unlimited number of Multiple Voting Shares, an unlimited number of preference shares issuable in series and an unlimited number of special shares issuable in series. KWG has not issued any preference shares or special shares. As of December 31, 2023, there were 1,248,181,532 Subordinate Voting Shares and 8,448,972 Multiple Voting Shares issued and outstanding. As of the date hereof, there are 1,254,527,532 Subordinate Voting Shares and 8,765,778 Multiple Voting Shares issued and outstanding.

Holders of the Subordinate Voting Shares are entitled to receive notice of, attend (in person or by proxy) and vote at, any meeting of shareholders of the Corporation, with each holder of Subordinate Voting Shares being entitled to one (1) vote per Subordinate Voting Share.

Holders of the Multiple Voting Shares are entitled to receive notice of, attend (in person or by proxy) and vote at, any meeting of shareholders of the Corporation, with each holder of Multiple Voting Shares being entitled to one hundred (100) votes per Multiple Voting Share.

Each holder of Multiple Voting Shares has the right, at his, her or its option, at any time and from time to time, to convert such Multiple Voting Shares into Subordinate Voting Shares by exchanging such Multiple Voting Shares for Subordinate Voting Shares on the basis of one hundred (100) Subordinate Voting Shares for each one (1) Multiple Voting Share so exchanged.

Each holder of Subordinate Voting Shares has the right, at his, her or its option, at any time and from time to time, to convert such Subordinate Voting Shares into Multiple Voting Shares by exchanging such Subordinate Voting Shares for Multiple Voting Shares on the basis of one (1) Multiple Voting Share for every one hundred (100) Subordinate Voting Shares so exchanged.

Holders of Subordinate Voting Shares and Multiple Voting Shares are entitled to receive on a *pro rata* basis such dividends as may be declared by the board of directors, out of funds legally available therefor. In the event of the liquidation, dissolution or winding up of the Corporation, holders of Subordinate Voting Shares and Multiple Voting Shares will be entitled to receive on a *pro rata* basis all of the assets of the Corporation remaining after payment of all of the Corporation's liabilities. Dividend and liquidation rights for each Multiple Voting Share are correspondingly one hundred times the dividend and liquidation rights for each one Subordinate Voting Share.

Warrants

As at December 31, 2023, there were (i) 4,127,920 warrants outstanding, with each warrant entitling the holder to purchase one (1) Multiple Voting Share; and (ii) 1,854,489 warrants outstanding, with each

warrant entitling the holder to purchase three (3) Multiple Voting Shares. As at the date of the AIF, there are (i) 4,164,086 warrants outstanding, with each warrant entitling the holder to purchase one (1) Multiple Voting Share, and (ii) 1,828,909 warrants outstanding, with each warrant entitling the holder to purchase three (3) Multiple Voting Shares at various prices over various periods of time, as follows:

Number of Warrants	Number of Underlying Multiple Voting Shares	Exercise Price	Expiry Date
3,808	11,424	3.20	June 2024
15,048	45,144	3.20	August 2024
280,000	840,000	0.67	December 2025
978,513	2,935,539	3.20	March 2026
52,966	52,966	3.00	April 24, 2026
551,540	1,654,620	3.20	September 2026
4,044,453	4,044,453	4.48	September 2027
66,667	66,667	2.75	December 2027

Stock Options

The Corporation’s stock option plan (the “**Plan**”) was approved by the shareholders of the Corporation in 2013 and amended at the special meeting of shareholders of the Corporation held on April 21, 2017 following the re-classification of the common shares of the Corporation into Subordinate Voting Shares effective as of February 14, 2017. The Plan was further amended on September 11, 2018 to include references to the Multiple Voting Shares and their exchangeability with Subordinate Voting Shares and then on September 21, 2021 to reflect that change in the exchange ratio from 300:1 to 100:1 between the Subordinate Voting Shares and Multiple Voting Shares following the subdivision of the Multiple Voting Shares.

On February 7, 2023, the Corporation further amended the Plan to change the plan from a “rolling up to 10%” stock option plan, whereby the number of options that may be granted under the plan at any time is restricted to up to 10% of the number of Subordinate Voting Shares of the Corporation outstanding at the time of such grant (calculated on the basis that all Multiple Voting Shares then outstanding being deemed to be converted into Subordinate Voting Shares), to a “fixed up to 20%” stock option plan, whereby the maximum number of options that may be granted under the plan is fixed at 20% of the number of Subordinate Voting Shares outstanding at the “shareholder approval date” (calculated on the basis that all Multiple Voting Shares then outstanding being deemed to be converted into Subordinate Voting Shares), with “shareholder approval date” meaning the date on which the shareholders of the Corporation most recently approved the Plan or any amendment, renewal or extension of the Plan. As at the shareholder approval date of February 7, 2023, the maximum number of options that may be granted under the Plan is fixed at 398,530,960 Subordinate Voting Shares, being 20% of the number of Subordinate Voting Shares outstanding on that date (calculated on the basis that all Multiple Voting Shares then outstanding being deemed to be converted into Subordinate Voting Shares) or, alternatively, 3,985,310 Multiple Voting Shares (calculated on the basis that all Subordinate Voting Shares then outstanding being deemed to be converted into Multiple Voting Shares). Options vest immediately upon issue. Options granted must be exercised over a period no longer than five years after the date of grant, and they are not transferable.

As at December 31, 2023 and as at the date of the AIF, an aggregate of 3,049,451 stock options to acquire Multiple Voting Shares are currently granted, outstanding and unexercised under the Plan, with various

expiry dates and exercise prices as follows:

Number of Options	Exercise Price	Expiry Date
685,900	\$1.00	January 27, 2026
296,451	\$2.65	June 17, 2026
360,000	\$2.85	February 8, 2028
1,157,100	\$3.00	February 28, 2028
550,000	\$2.65	June 29, 2028

Convertible Debentures

As at December 31, 2023 and as of the date hereof, the following convertible debentures are outstanding:

- one unsecured convertible debenture outstanding which was due and payable (“**2017 Debenture**”). The 2017 Debenture was issued in the principal amount of \$500,000 on October 3, 2017, bears interest at 12% per annum, compounded annually and was due on October 3, 2019, but was extended to March 26, 2021. On December 19, 2019, the principal amount of the 2017 Debenture was amended to \$525,000 upon the holder agreeing to extend the maturity date to March 26, 2021. The maturity date has not been extended any further and, accordingly, the principal and accrued interest is due and payable. Interest is payable in Multiple Voting Shares issued at their volume-weighted average trading price on the ten trading days prior to payment. The principal may be converted by the holder at any time, in whole or in part, into units at a rate of \$21 per unit, with each unit being comprised of twelve Multiple Voting Shares and six warrants, with each such warrant enabling its holder to acquire one further Multiple Voting Share from treasury upon payment of \$2.50 at any time prior to maturity (namely, until March 26, 2021). The Corporation is currently renegotiating the terms of this debenture with the debenture holder.
- a series of unsecured convertible debentures (the “**2023 Debentures**”) issued on April 24, 2023, May 26, 2023 and June 21, 2023 for an aggregate principal amount of \$2,388,590. These 2023 Debentures are convertible into units at a rate of \$3.00 per unit at the holder’s option at any time prior to payment in cash. The 2023 Debentures mature on April 24, 2026. The 2023 Debentures bear interest at 5% per annum, accruing daily, compounding annually on the date on which the first 2023 Debenture was issued (the “**Date of First Issuance**”) and payable on each anniversary of the Date of First Issuance and at the Maturity Date or conversion, such interest payments to be made at KWG’s option either (i) by payment in cash (other than in the event of a conversion) or (ii) by the issuance of Units at a deemed value of \$3.00 per unit. Each unit will be comprised of one (1) Multiple Voting Share and one (1) share purchase warrant enabling its holder to acquire one further Multiple Voting Share from treasury upon payment of \$3.00 exercisable at any time on or before the earlier of (i) the third anniversary of the maturity date or (ii) two (2) business days after completion of a change of control of the Corporation. On maturity, KWG may pay the principal of the 2023 Debentures in cash or, at KWG’s option, in replacement debentures having the same terms as the 2023 Debentures except (a) the maturity date of the replacement debentures will be the earlier of (i) two (2) years after the maturity date of the 2023 Debentures and (ii) two business days after a change of control of the Corporation, (b) the expiry date of the warrants comprising part of the units issuable for payment of interest or on conversion will be the maturity date of the replacement debentures, and (c) the conversion rate for the replacement debentures will be the lesser of (i) \$3.00 per unit and (ii) the 30-day (ending on the maturity date of the 2023 Debentures) volume-weighted average trading price of the Multiple Voting Shares and the Subordinate Voting

Shares on the CSE and any other securities exchange where such Subordinate Voting Shares and Multiple Voting Shares are listed and posted for trading as of the maturity date of the Debentures (the Subordinate Voting Shares adjusted for the then applicable exchange ratio between Subordinate Voting Shares and Multiple Voting Shares, currently 100 Subordinate Voting Shares for each Multiple Voting Share). On April 24, 2024, the Corporation paid the first annual interest payment on the 2023 Debentures by issuing 36,166 units, at a deemed value of \$3.00 per unit, with each unit being comprised of one (1) Multiple Voting Share in the capital of the Corporation and one (1) share purchase warrant, each such warrant enabling its holder to acquire one (1) further Multiple Voting Share from treasury upon payment of \$3.00 at any time on or before the earlier of: (1) April 24, 2026, or (2) two (2) business days after a change of control (as that term is defined in the 2023 Debentures).

Secured Convertible Promissory Note

As of December 31, 2023 and as of the date hereof, the Secured Convertible Promissory Note, which was issued to Fancamp in the principal amount of \$34,500,000 on September 1, 2022, is outstanding. It bears interest at 6% compounded annually and matures on September 1, 2026, subject to extension in accordance with the terms of the Secured Convertible Promissory Note by up to an additional 12 months (the “**Maturity Date**”). Interest is payable quarterly in arrears on the last day of each of the months of February, May, August and November commencing on November 30, 2022 in cash or, at the option of KWG, in Multiple Voting Shares at their volume-weighted average trading price on the five trading days prior to the payment date. The principal may be converted by the holder at any time, in whole or in part, into Multiple Voting Shares for \$4.6916 per share from the issue date until August 31, 2023; for \$4.4783 per share from September 1, 2023 until August 31, 2024; or for \$4.2651 per share from September 1, 2024 to the Maturity Date. To date, the Corporation has paid each quarterly interest instalment by issuing Multiple Voting Shares to Fancamp.

Other Convertible Securities

The Corporation and CCC entered into an agreement in January 2021 with the President and Chief Operating Officer of CCC whereby he may, over the two-year term of the agreement, earn \$70,000 per month which monthly salary may, at his option, be tendered for (all of which has been earned as of January 2023) 244,400 common shares of CCC, representing a 10% interest in CCC as at the date of the agreement, for the purpose of which the total value of CCC was deemed to be \$16,800,000. Alternatively, all or any part of any unpaid salary may be tendered by him for payment in Multiple Voting Shares at \$1.00 per share at any time on or before January 18, 2024. He has earned \$1,680,000 under this agreement, which amount is unpaid. The agreement was amended on January 18, 2024 to provide that the President and Chief Operating Officer of CCC will continue as the sole director of CCC at the pleasure of the Corporation during which time his right to tender the unpaid compensation in exchange for the 244,400 common shares of CCC will be extended to (i) in respect of \$800,000 of compensation earned in 2021, the earliest of (A) December 31, 2024, (B) a change of control of CCC or (C) a change of control of KWG; and (ii) in respect of \$880,000 of compensation earned in 2022 and January 2023, the earliest of (A) December 31, 2025, (B) a change of control of CCC or (C) a change of control of KWG; and in the event that he tenders unpaid compensation to CCC and receives CCC shares in exchange therefor: (i) he will have the right, exercisable on or before the applicable expiry date for acquiring such CCC shares, to tender such CCC shares to KWG and receive 6.874 Multiple Voting Shares at a deemed price of \$1.99 per Multiple Voting Share in exchange for each CCC share tendered; and (ii) KWG will have the right to tender 6.874 Multiple Voting Shares to him at a deemed price of \$1.99 per Multiple Voting Share in exchange for each CCC share held by him. An aggregate of 1,680,000 Multiple Voting Shares have been reserved for issuance for this contingency.

MARKET FOR SECURITIES

Price Range and Volume Traded

The Subordinate Voting Shares are listed for trading on the CSE under the symbol “CACR”. The following table sets out the high and low sale prices and volume of trading of the Subordinate Voting Shares on the CSE for the fiscal year ended December 31, 2023:

Month	High (\$)	Low (\$)	Trading Volume
January 2023	0.045	0.025	40,847,512
February 2023	0.035	0.025	15,645,738
March 2023	0.035	0.025	11,645,102
April 2023	0.03	0.025	3,094,504
May 2023	0.03	0.02	9,426,198
June 2023	0.03	0.02	5,536,699
July 2023	0.03	0.02	17,286,618
August 2023	0.025	0.02	4,888,915
September 2023	0.025	0.02	10,259,968
October 2023	0.02	0.015	5,571,279
November 2023	0.02	0.015	8,141,281
December 2023	0.02	0.015	5,554,688

The closing price of the Subordinate Voting Shares on April 25, 2024 was \$0.015 per share, as reported by the CSE.

The Multiple Voting Shares are listed for trading on the CSE under the symbol “CACR.A”. The following table sets out the high and low sale prices and volume of trading of the Multiple Voting Shares on the CSE for the fiscal year ended December 31, 2023:

Month	High (\$)	Low (\$)	Trading Volume
January 2023	2.90	2.40	297,820
February 2023	2.90	2.84	39,292
March 2023	3.00	2.95	5,673
April 2023	2.95	2.83	513
May 2023	2.90	2.50	4,305
June 2023	2.65	2.50	1,160
July 2023	2.75	2.30	177,264
August 2023	2.90	2.30	15,025
September 2023	2.25	2.00	2,269
October 2023	2.15	2.00	3,506
November 2023	2.34	2.34	200

Month	High (\$)	Low (\$)	Trading Volume
December 2023	2.35	2.00	1,815

The closing price of the Multiple Voting Shares on April 25, 2024 was \$1.20 per share, as reported by the CSE.

Prior Sales

The following table sets out certain information relating to the issuance of securities of the Corporation during the year ended December 31, 2023, that are not listed or quoted on a marketplace:

Date of Issue	Type of security	Number of Securities Issued	Price per Security
February 8, 2023	Stock Options ⁽¹⁾	360,000	\$2.85
February 28, 2023	Stock Options ⁽²⁾	1,186,100	\$3.00
April 24, 2023	Convertible Debentures ⁽³⁾	5	
	Warrants ⁽⁴⁾	14,650	\$3.00
May 26, 2023	Convertible Debentures ⁽⁵⁾	3	
	Warrants ⁽⁶⁾	1,900	\$3.00
June 21, 2023	Convertible Debentures ⁽⁷⁾	2	
	Warrants ⁽⁸⁾	250	\$3.00
June 29, 2023	Stock Options ⁽⁹⁾	550,000	\$2.65

Notes:

- (1) Each stock option entitles the holder to acquire one (1) Multiple Voting Share at an exercise price of \$2.85 per share on or before February 8, 2028.
- (2) Each stock option entitles the holder to acquire one (1) Multiple Voting Share at an exercise price of \$3.00 per share on or before February 28, 2028. An aggregate of 29,000 stock options expired on November 10, 2023, 90 days following the resignation of the optionee as a director of the Corporation.
- (3) On April 24, 2023, KWG closed tranche 1 of a convertible debenture offering by issuing an aggregate of \$959,590 of debentures maturing on April 24, 2026, convertible into units at a rate of \$3.00 per unit at the holder's option at any time prior to payment in cash.
- (4) Each warrant entitles the holder to acquire one (1) Multiple Voting Share at an exercise price of \$3.00 per share prior to April 24, 2026. The warrants were issued to a finder.
- (5) On May 26, 2023, KWG closed tranche 2 of a convertible debenture offering by issuing an aggregate of \$114,000 of debentures maturing on April 24, 2026, convertible into units at a rate of \$3.00 per unit at the holder's option at any time prior to payment in cash.
- (6) Each warrant entitles the holder to acquire one (1) Multiple Voting Share at an exercise price of \$3.00 per share prior to April 24, 2026. The warrants were issued to a finder.
- (7) On June 21, 2023, KWG closed tranche 3 of a convertible debenture offering by issuing an aggregate of \$1,315,000 of debentures maturing on April 24, 2026, convertible into units at a rate of \$3.00 per unit at the holder's option at any time prior to payment in cash.
- (8) Each warrant entitles the holder to acquire one (1) Multiple Voting Share at an exercise price of \$3.00 per share prior to April 24, 2026. The warrants were issued to a finder.
- (9) Each stock option entitles the holder to acquire one (1) Multiple Voting Share at an exercise price of \$2.65 per share on or before June 29, 2028.

The following is a summary of the issuance of securities of the Corporation from January 1, 2024 until the date hereof:

- On February 29, 2024, the Corporation issued 344,100 Multiple Voting Shares to Fancamp in satisfaction of interest owing in the amount of \$516,082.19 on the Secured Convertible Promissory Note.
- On April 24, 2024, the Corporation paid the first annual interest payment in the aggregate of \$108,511.72 due on the first anniversary of April 24, 2023, being the date of first issuance of 2023 Debentures, by issuance of an aggregate of 36,166 units at a deemed value of \$3.00 per unit, with each unit being comprised of one (1) Multiple Voting Share and one (1) share purchase warrant, each such warrant enabling its holder to acquire one (1) further Multiple Voting Share from treasury upon payment of \$3.00 at any time on or before the earlier of: (1) April 24, 2026, or (2) two (2) business days after a change of control as defined in the 2023 Debentures.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

For the year ended December 31, 2023, and as at the date of this AIF, to the knowledge of the Corporation, no securities of KWG were, or are, subject to escrow or contractual restrictions on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets forth, as of the date hereof, the name and municipality of residence of each director and officer of KWG, as well as such individual's current position(s) with the Corporation, principal occupation(s) during the past five years and period of service as a director (if applicable). Each director will hold office until the close of the next annual meeting of shareholders of the Corporation unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

Name and Province/ State and Country of Residence	Office or Position Held with the Corporation	Previous Service as a Director of the Corporation	Principal Occupation during past Five Years	Number of Shares beneficially owned, directly or indirectly, or over which control and direction are exercised⁽¹⁾
Frank C. Smeenk ⁽²⁾ <i>Ontario, Canada</i>	Director and Chief Executive Officer	Since April 14, 1998	Chief Executive Officer of the Corporation	12,683,446 Subordinate Voting Shares (of which he holds 11,423,446 directly and exercises control over 1,260,000) 1,740,421 Multiple Voting Shares
Douglas M. Flett ⁽³⁾ <i>Ontario, Canada</i>	Chairman and Director	Since January 25, 2006	Corporate director, mining company financial consultant	5,325,000 Subordinate Voting Shares (of which he holds 3,025,000 directly and exercises control over 2,300,000)

Name and Province/ State and Country of Residence	Office or Position Held with the Corporation	Previous Service as a Director of the Corporation	Principal Occupation during past Five Years	Number of Shares beneficially owned, directly or indirectly, or over which control and direction are exercised⁽¹⁾
				65,319 Multiple Voting Shares
Donald A. Sheldon ⁽²⁾⁽³⁾⁽⁴⁾ <i>Ontario, Canada</i>	Director and Secretary	Since April 8, 2014	Partner of Dickinson Wright LLP, a law firm, since 2014	4,715,357 Subordinate Voting Shares (of which he holds 3,242,857 directly and exercises control over 1,252,500) 117,330 Multiple Voting Shares (of which he holds 61,038 directly and exercises control over 56,292)
Bruce Reid ⁽³⁾ <i>Ontario, Canada</i>	Director	Since September 6, 2016	Chief Executive Officer of 55 North Mining Inc., a public junior mining company and, prior thereto, Chief Executive Officer of Bunker Hill Mining Corp. (formerly, Liberty Silver Corp.) from 2017 to October 2018	5,047,619 Subordinate Voting Shares
Megan McElwain <i>Ontario, Canada</i>	Director, President and Chief Operating Officer	Since February 7, 2023	President and Chief Operating Officer of the Corporation since January 1, 2022, Director of Development – Fraser Institute since 2018, Vice-President and General Manager of The Canadian Chamber of Commerce since 2020	3,450,000 Subordinate Voting Shares (of which she holds 1,500,000 directly and exercises control over 1,950,000) and 22,262 Multiple Voting Shares
Rajesh Sharma ⁽⁵⁾ <i>Quebec, Canada</i>	Director	Since February 7, 2023	President and Chief Executive Officer of Fancamp Exploration Ltd., executive in Residence, Investissement Québec, strategic advisor, Chief Executive Officer and Managing Director of Tata Steel Mineral Canada	Nil
Corina Moore <i>Ontario, Canada</i>	Director	Since February 7, 2023	President and Chief Executive Officer of the Ontario Northland Transportation Commission from October 2014 to October 2022	Nil

Name and Province/ State and Country of Residence	Office or Position Held with the Corporation	Previous Service as a Director of the Corporation	Principal Occupation during past Five Years	Number of Shares beneficially owned, directly or indirectly, or over which control and direction are exercised ⁽¹⁾
Thomas E. Masters <i>Ontario, Canada</i>	Chief Financial Officer	N/A	Partner, Palmer Reed, an accounting firm, since 1989. Chief Financial Officer of the Corporation since September 2009	6,733,571 Subordinate Voting Shares (of which he holds 680,000 directly and exercises control over 6,053,571) and exercises control over 196,461 Multiple Voting Shares
Bruce Hodgman <i>Ontario, Canada</i>	Vice-President	N/A	Vice-President of the Corporation since May 12, 2017	180,291 Multiple Voting Shares
Maurice Lavigne <i>Ontario, Canada</i>	Vice President Exploration and Development	N/A	Vice President Exploration and Development of the Corporation since June 30, 2015	15,669,846 Subordinate Voting Shares and 141,753 Multiple Voting Shares

Notes:

1. As verified on the System of Electronic Disclosure by Insiders as of April 26, 2024.
2. Member of the Governance and Nominating Committee.
3. Member of the Audit Committee.
4. Member of the Compensation Committee.
5. Mr. Sharma is the President and Chief Executive Officer of Fancamp. Fancamp holds 4,280,000 Subordinate Voting Shares and 1,447,323 Multiple Voting Shares. See also “*General Development of the Business - Three Year History and 2023 Developments – Activities for the Fiscal Year Ended December 31, 2022*” for a summary of the transaction between the Corporation and Fancamp which closed on September 1, 2022.

As at the date of this AIF, the directors and executive officers of KWG, as a group, beneficially owned, or controlled or directed, directly or indirectly, in the aggregate 53,624,839 Subordinate Voting Shares representing approximately 4.27% of the issued and outstanding Subordinate Voting Shares and 2,463,837 Multiple Voting Shares representing approximately 28.10% of the issued and outstanding Multiple Voting Shares.

Cease Trade Orders

Other than as set out below, to the knowledge of the Corporation, no director or executive officer of KWG is, as at the date of this AIF, or was, within ten (10) years prior to the date of this AIF, a director, chief executive officer or chief financial officer of any corporation (including KWG) that:

- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days (an “**Order**”), and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the relevant corporation; or

- (ii) was subject to an Order, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of the Corporation, no director or executive officer of KWG or any shareholder holding a sufficient number of securities of KWG to affect materially the control of KWG:

- (i) is, at the date of this AIF, or has been within ten (10) years prior to the date of this AIF, a director or executive officer of any company (including KWG) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (ii) has, within ten (10) years prior to the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

Except as described below, to the knowledge of the Corporation, no nominee for election as director, nor any personal holding company of any such nominee, (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director, nor has any nominee for director entered into a settlement agreement with a securities regulatory authority.

On June 8, 1999, MacDonald Oil Exploration Ltd. (“**MacDonald Oil**”) commenced a share exchange take-over bid offering under the provisions of the CBCA, for the shares of Bresea Resources Ltd. (“**Bresea**”) (the “**Offer**”). Thirty-five minutes prior to the Offer’s expiry on July 12, 1999, the Ontario and Alberta Securities Commissions (the “**Commissions**”) issued Temporary Orders to cease trading in the shares of Bresea and the consideration to be paid for some 22 million Bresea shares previously tendered to the Offer. At a joint hearing of the Commissions convened on August 11, 1999, the Commissions issued orders (the “**Orders**”) in both Alberta and Ontario that trading cease by MacDonald Oil in the shares of Bresea and the consideration to have been paid for them by MacDonald Oil until, among other things, all such Bresea shares were returned to or withdrawn by their prior holders. All the Bresea shares were returned or withdrawn. Mr. Smeenk, a director of the Corporation, was, at the time of the Orders’ effect, an officer and director of MacDonald Oil.

In consequence of the Orders, MacDonald Oil was unable to satisfy its auditor as to the value of its investment in the Offer, prior to the time for filing its subsequent annual financial statements. Its application to the Ontario Securities Commission (“**OSC**”) for leave to therefore extend the time for filing was declined by the issue of a 15-day Temporary Order on February 2, 2000 which was dissolved on its expiry by the Issuer’s timely filings in the interim. Mr. Smeenk was made a party to the Temporary Order as a then-current insider of the Issuer.

Mr. Smeenk and MacDonald Oil (and other persons) entered into a settlement agreement with the OSC dated January 8, 2001 whereunder the parties agreed to the settlement of proceedings initiated by the OSC in respect of instances of non-compliance by Mr. Smeenk and MacDonald Oil (and others) with filing, disclosure and trading requirements under Ontario securities laws. The terms of the settlement provided that, inter alia, (i) each of the respondents would be reprimanded by the OSC; (ii) Mr. Smeenk would make a payment of \$5,000 to the OSC in respect of the OSC's costs; (iii) commencing March 21, 2001, Mr. Smeenk would cease trading in any securities acquired by him after the date of the settlement for a period of one year; and (iv) Mr. Smeenk could continue as a director and as executive vice-president of MacDonald Oil but would be prohibited, for a period of two years, from assuming the responsibilities of certain of MacDonald Oil's other offices, or acting as the chair of its board of directors or of any of its board committees.

Final Orders to cease trading in the shares of MacDonald Oil were issued by the Ontario Securities Commission on January 24, 2002, by the British Columbia Securities Commission on January 25, 2002 and by the Québec Securities Commission on February 4, 2002. As of the date hereof, those cease-trade orders remain in effect. Mr. Smeenk continues to be a director and officer of MacDonald Oil.

The shares of Fletcher Nickel Inc. were delisted from trading on the Toronto Stock Exchange on November 30, 2009 as the market value of the shares failed to recover to the requisite minimum listing requirements and the company then became dormant. In consequence, orders to cease trading in the shares of Fletcher Nickel Inc. were issued by the Ontario Securities Commission on May 20, 2015, British Columbia Securities Commission on May 11, 2015 and Alberta Securities Commission on August 20, 2015. As of the date hereof, those cease-trade orders remain in effect. Mr. Smeenk continues to be a director and officer of Fletcher Nickel Inc.

Conflicts of Interest

The directors and officers of the Corporation may, from time to time, serve as directors or officers of other issuers or organizations or may be involved with the business and operations of other issuers or organizations, in which case a conflict of interest may arise between their duties as a director or officer of the Corporation and their duties as a director or officer of such other issuers or organizations. In particular, certain of the directors and officers of the Corporation are involved in executive or director positions with other mineral exploration companies whose operations may, from time to time, be in direct competition with those of the Corporation or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' or officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the CBCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Save and except as aforesaid or otherwise disclosed in this AIF, to the best of the Corporation's knowledge there are no existing or potential material conflicts of interest between the Corporation or a subsidiary of the Corporation and a director or officer of the Corporation or of a subsidiary of the Corporation.

AUDIT COMMITTEE INFORMATION

The Audit Committee's Charter

The text of the Audit Committee's charter is attached to this AIF as Schedule "A".

Composition of the Audit Committee

As of December 31, 2023, the Audit Committee was composed of Mr. Reid, Mr. Sheldon and Mr. Flett. Under National Instrument 52-110 - *Audit Committees* ("NI 52-110"), a director of an Audit Committee is "independent" if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board, reasonably be expected to interfere with the exercise of the member's independent judgment. Two of the three members of the Audit Committee are independent, Messrs Flett and Reid.

The Board has determined that each of the members of the Audit Committee is "financially literate" within the meaning of section 1.6 of NI 52-110, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience of Audit Committee Members

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee is set out below.

Mr. Flett completed three years of the Bachelor of Commerce program at the University of Windsor where he minored in accounting before transferring to the University of Windsor Law School. He has also completed the Rotman Institute of Corporate Directors SME Program. He was in private practice for over twenty years with a general, corporate and commercial firm where, during that time, he acted for 150 to 200 private companies. He has been a member of the Board of several TSX-listed, TSXV-listed and CSE-listed mineral exploration companies.

Mr. Reid has extensive experience in corporate financing and financial reporting for public and private companies. His background includes more than 30 years of direct experience in the mining industry following graduation with a B.Sc. in Geology from the University of Toronto in 1979 and a finance degree from the University of Windsor. He has held various senior executive officer positions and has been a member of the Board of numerous TSX-listed, TSXV-listed, CSE-listed and private mining and mineral exploration companies.

Mr. Sheldon has extensive experience in corporate financing and financial reporting for public and private companies. He completed both undergraduate and graduate degrees in Engineering at the University of Toronto and a law degree at Osgoode Hall Law School at York University. He was a professional engineer until December 2022 and has practised law for more than 40 years, specializing in corporate finance and securities regulation. He has held various senior executive officer positions and has been a member of the board of directors of numerous TSX-listed, TSXV-listed, CSE-listed and private corporations, including mineral exploration companies.

Reliance on Exemption

The Corporation is a venture issuer as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 “Composition of Audit Committees” and Part 5 “Reporting Obligations” of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Corporation’s financial year ended December 31, 2023 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors of the Corporation.

Pre-approval Policies and Procedures for Audit Services

Under its charter, the Audit Committee has the mandate to review and pre-approve management requests for any consulting engagement to be performed by the auditors of the Corporation that is beyond the scope of their audit services. There were no such mandates in the financial year ended December 31, 2023.

External Auditor Service Fees

Audit Fees

Audit fees amounted to \$42,800 for the fiscal year ended December 31, 2023 and \$31,500 for the fiscal year ended December 31, 2022.

Non Audit-Related Fees

No non audit-related fees were paid to the external auditors during the fiscal years ended December 31, 2023 and 2022.

Tax Fees

No tax fees were billed by the external auditors during the fiscal years ended December 31, 2023 and 2022.

PROMOTERS

No person or company has been, within the last two most recently completed financial years, or is during the current financial year, a promoter of the Corporation or any of its subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings that involve a claim for damages, the amount of which, exclusive of interest and costs, exceeds 10% of KWG's current assets, to which KWG is or was a party to or of which any of its properties is or was the subject of, during the financial year ended December 31, 2023, nor are there any such proceedings known to KWG to be contemplated.

There were no: (i) penalties or sanctions imposed against KWG by a court relating to securities legislation or by a securities regulatory authority during KWG's financial year ended December 31, 2023; (ii) penalties or sanctions imposed by a court or regulatory body against KWG that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements KWG entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2023.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below or elsewhere in this AIF (including in the notes to the Corporation's Annual Financial Statements and in its Annual MD&A), no (i) director or executive officer of the Corporation, (ii) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of KWG's outstanding securities, and (iii) affiliate or associate of any persons or companies aforementioned, has or had any material interest, directly or indirectly, in any transactions within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

The Corporation closed on December 30, 2022 a non-brokered private placement (the "2022 Placement") of 66,667 flow-through units (each a "FT Unit") at a price of \$2.25 per FT Unit for aggregate gross proceeds of \$150,000.75. Each FT Unit was comprised of one Multiple Voting Share and one multiple voting share purchase warrant of the Corporation, with each such warrant enabling the holder to acquire one Multiple Voting Share upon payment of \$2.75 at any time before December 30, 2027. All of the securities issued pursuant to the 2022 Placement were issued on a "flow-through" basis in accordance with the *Income Tax Act* (Canada). The Corporation's Chief Executive Officer, Frank Smeenk, subscribed for the entire 2022 Placement.

On October 22, 2021, the Corporation closed the third tranche of a private placement of debentures convertible into units of the Corporation. This third tranche was comprised of an aggregate of \$3,642,800 of debentures, bringing the total principal amount of debentures issued under all three tranches of the financing to \$7,404,117.08. See the disclosure herein in respect of the 2021 Private Placement under "*General Development of the Business - Activities for the Fiscal Year ended December 31, 2021*", for a description of the terms of such units (including the securities comprising such units). The following officers and directors of the Corporation participated in this third tranche of the financing for an aggregate of \$1,397,800 of debentures to settle debts owed by the Corporation to such insiders:

Name and Position with KWG	Principal amount of debentures issued on third tranche
Frank Smeenk Chief Executive Officer and a director	\$805,000
Bruce Hodgman Vice President	\$300,000
Douglas Flett Chairman and a director	\$112,000
Thomas Masters Chief Financial Officer	\$180,800

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares of the Corporation is Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5Y 2Y1, Canada.

MATERIAL CONTRACTS

Other than the Fancamp Agreement (see “*General Development of the Business - Activities for the Fiscal Year ended December 31, 2022*”), there are no contracts that are material to the Corporation entered into (or assumed) by the Corporation within the most recently completed fiscal year, or before the most recently completed fiscal year which are still in effect, other than material contracts entered into in the ordinary course of business that are not required to be filed under National Instrument 51-102 *Continuous Disclosure Obligations*.

INTERESTS OF EXPERTS

The Corporation’s consolidated financial statements for the year ended December 31, 2023 have been audited by McGovern Hurley LLP Chartered Professional Accountants, Toronto, Ontario, Canada. In connection with the Corporation’s annual financial statements for the year ended December 31, 2023, the auditors confirmed that they are independent within the meaning of the Rules of Professional Conduct of Ontario.

Information relating to the Koper Lake Project was derived from the Koper Lake Technical Report which was prepared by Alan Aubut P.Geo., Geologist, an independent Qualified Person. Information relating to the Big Daddy Project was derived from the Big Daddy Technical Report which was also prepared by Alan Aubut P.Geo., Geologist, an independent Qualified Person. All other technical information contained in this AIF was approved by Maurice Lavigne, P.Ge., Vice President, Exploration and Development of KWG, a Qualified Person within the meaning of NI 43-101.

Other than Maurice Lavigne who owns Subordinate Voting Shares representing 1.25% of the issued and outstanding Subordinate Voting Shares and Multiple Voting Shares representing 1.62% of the issued and outstanding Multiple Voting Shares, to the best of the Corporation’s knowledge, no Qualified Person or company referred to above, beneficially owns, directly or indirectly, or exercises control or direction over more than one percent of the Corporation’s issued and outstanding Subordinate Voting Shares or Multiple Voting Shares. Furthermore, to the best of the Corporation’s knowledge no Qualified Person or company referred to above has an interest in any property of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR+ at www.sedarplus.ca. Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of the Corporation’s securities and securities authorized for issuance under equity compensation plans, is contained in the Management Information Circular prepared by the Corporation in connection with its Annual and Special Meeting of shareholders held on February 7, 2023. Additional financial information is provided in the Corporation’s Annual Financial Statements and in its Annual MD&A.

SCHEDULE “A”

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Audit Committee (the “Committee”) is a committee of the board of directors. The primary function of the Committee is to assist the board of directors in fulfilling its financial reporting and controls responsibilities to the shareholders of the Corporation and the investment community. The external auditors will report directly to the Committee. The Committee’s primary duties and responsibilities are:

- overseeing the integrity of the Corporation’s financial statements and reviewing the financial reports and other financial information provided by the Corporation to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation’s external auditors, overseeing the external auditors’ qualifications and independence and providing an open avenue of communication among the external auditors, financial and senior management and the board of directors;
- monitoring the Corporation’s financial reporting process and internal controls, its management of business and financial risk, and its compliance with legal, ethical and regulatory requirements.

II. COMPOSITION

The Committee shall consist of a minimum of three directors of the Corporation, including the Chair of the Committee, the majority of whom shall not be employees, officers or “control persons”, as such term is defined hereunder, of the Corporation. All members shall, to the satisfaction of the board of directors, be “financially literate” as such term is defined hereunder.

The members of the Audit Committee shall be elected by the board of directors at the annual organizational meeting of the board of directors following the annual meeting of shareholders and hold office until their successors are duly elected and qualified. The board of directors may remove a member of the Audit Committee at any time in its sole discretion by resolution of the board.

III. DUTIES AND RESPONSIBILITIES

1. The Committee shall review and recommend to the board for approval the annual audited consolidated financial statements and the annual MD&A.
2. The Committee shall review with financial management and the external auditor the Corporation’s financial statements, MD&A’s and earnings releases prior to filing with regulatory bodies such as securities commissions and/or prior to their release.
3. The Committee shall review all documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or non audited interim financial statements results (e.g., prospectuses, press releases with financial results) prior to their release.
4. The Committee, in fulfilling its mandate, will:
 - (a) Satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws.

- (b) Satisfy itself that adequate procedures are in place for the review of the issuer's public disclosure of financial information extracted or derived from the issuer's financial statements, other than MD&A and annual and interim earnings press releases, and must periodically assess the adequacy of those procedures.
- (c) Recommend to the board of directors the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor.
- (d) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor, and discussing and resolving any material differences of opinion or disagreements between management and the external auditor.
- (e) Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Corporation to determine their independence and report to the board of directors.
- (f) Review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant. Consider with management the rationale for employing accounting/auditing firms other than the principal external auditor.
- (g) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
- (h) Arrange for the external auditor to be available to the Audit Committee and the full board of directors as needed. Ensure that the auditors report directly to the Audit Committee and are made accountable to the board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.
- (i) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services.
- (j) Review and approve hiring policies for employees or former employees of the past and present external auditors.
- (k) Review the scope of the external audit, including the fees involved.
- (l) Review the report of the external auditor on the annual audited consolidated financial statements.
- (m) Review problems found in performing the audit, such as limitations or restrictions imposed by management or situations where management seeks a second opinion on a significant accounting issue.
- (n) Review major positive and negative observations of the auditor during the course of the audit.
- (o) Review with management and the external auditor of the Corporation's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results.
- (p) Review emerging accounting issues and their potential impact on the Corporation's financial reporting.
- (q) Review and approve requests for any engagement to be performed by the external auditor that is beyond the scope of the audit engagement letter and related fees.
- (r) Review with management, the external auditors and legal counsel, any litigation, claims or other contingency, including tax assessments, which could have a material effect upon the

financial position or operating results of the Corporation, and whether these matters have been appropriately disclosed in the financial statements.

- (s) Review the conclusions reached in the evaluation of management's internal control systems by the external auditors, and management's responses to any identified weaknesses.
 - (t) Review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements.
 - (u) Review with management their approach with respect to business ethics and corporate conduct.
 - (v) Review annually the legal and regulatory requirements that, if breached, could have a significant impact on the Corporation's published financial reports or reputation.
 - (w) Receive periodic reports on the nature and extent of compliance with security policies. The nature and extent of non-compliance together with the reasons therefore, with the plan and timetable to correct such non-compliance will be reported to the board, if material.
 - (x) Review with management the accuracy and timeliness of filing with regulatory authorities.
 - (y) Review periodically the business continuity plans for the Corporation.
 - (z) Review the annual audit plans of the external auditors of the Corporation.
 - (aa) Review annually general insurance coverage of the Corporation to ensure adequate protection of major corporate assets including but not limited to D&O and "Key Person" coverage.
 - (bb) Perform such other duties as required by the Corporation's incorporating statute and applicable securities legislation and policies.
 - (cc) Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or audit matters.
5. The Committee may engage and communicate directly and independently with outside legal and other advisors for the Committee as required and set and pay the compensation of such advisors.
6. On a yearly basis, the Committee will review the Audit Committee Charter and where appropriate recommend changes to the board of directors.

IV. SECRETARY

The Secretary of the Committee will be appointed by the Chair.

V. MEETINGS

1. The Committee shall meet at such times and places as the Committee may determine, but no less than four times per year. At least annually, the Committee shall meet separately with management and with the external auditors.
2. Meetings may be conducted with members present, in-person, by telephone or by video conference facilities.
3. A resolution in writing signed by all the members of the Committee is valid as if it had been passed at a meeting of the Committee.

4. Meetings of the Audit Committee shall be held from time to time as the Audit Committee or the Chair of the Committee shall determine upon 48 hour notice to each of its members. The notice period may be waived by a quorum of the Committee.
5. The external auditors or any member of the Committee may also call a meeting of the Committee. The external auditors of the Corporation will receive notice of every meeting of the Committee.
6. The board shall be kept informed of the Committee's activities by a report, including copies of minutes, at the next board meeting following each Committee meeting.

VI. QUORUM

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee.

VII. DEFINITIONS

In accordance with *Multilateral Instrument 52-110 - Audit Committee*,

"Financially literate" means that the director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation.

APPROVED BY THE BOARD OF DIRECTORS