

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: KWG RESOURCES INC. (the "Issuer").

Trading Symbol: KWG / KWG.A

Number of Outstanding Listed Securities: 1,010,526,439 **Subordinate** **Voting**
Shares / 76,716 Multiple Voting Shares

Date: June 5, 2017

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer continued to assess potential exploration programs and other project development initiatives for its various mineral properties in Ontario, its intellectual property rights and other business initiatives.

2. Provide a general overview and discussion of the activities of management.

In June, the board of directors and management assisted with the developments described in Section 1 above. The management and the directors continued to evaluate the Issuer's existing projects, potential exploration programs and potential acquisitions as well as other business development strategies.

The management attended with representatives of Marten Falls First Nation on a delegation to China to meet with China Rail First Survey and Design Institute Group ("FSDI") regarding its study of the proposed railroad route from Nakina, Ontario, to the Ring of Fire. The delegation was advised by FSDI engineers that their study had concluded the route which traverses the Marten Falls First Nation's traditional territory, was a viable alignment for the construction of an ore-carrying railroad transporting substantial volumes from the chromite deposits of the Ring of Fire.

On June 6, 2017, the Issuer announced that the Issuer and Marten Falls First Nation agreed to negotiate the terms of a partnership agreement for mining undertakings in the traditional territories of Marten Falls First Nation, particularly chromite resources in the Ring of Fire. The partnership has been conceived of as an equal sharing of profits that may be derived from mining activities after provision for fully-absorbed manufacturing costs, including comminution, concentration and transportation, plus reclamation, and the amortization of project-finance borrowings.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that

occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Units	8,809,524		See Note 2 below
Units	4,915,714		See Note 3 below

(1) State aggregate proceeds and intended allocation of proceeds.

(2) **On June 6, 2017, the Issuer closed tranche 3 of the private placement by issuing an aggregate of 8,809,524 Units at a purchase price of \$0.021 per Unit for aggregate gross proceeds of \$185,000. Each Unit is comprised of one (1) subordinate voting share of the Issuer (a “Subordinate Voting Share”) and one (1) Subordinate Voting Share purchase warrant (a “Warrant”), each Warrant entitling the holder to purchase one Subordinate Voting Share for \$0.05 within 60 months after closing.**

(3) **On June 30, 2017, the Issuer closed tranche 4 of the private placement by issuing an aggregate of 4,915,714 Units at a purchase price**

of \$0.021 per Unit for aggregate gross proceeds of \$103,230. Each Unit is comprised of one (1) subordinate voting share of the Issuer (a “Subordinate Voting Share”) and one (1) Subordinate Voting Share purchase warrant (a “Warrant”), each Warrant entitling the holder to purchase one Subordinate Voting Share for \$0.05 within 60 months after closing

All securities issued by the Issuer pursuant to tranche 3 and tranche 4 of the private placement are subject to a four month hold period in accordance with applicable securities laws.

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

The Issuer will remain subject to general market trends that impact the junior resource sector, including the ability of junior resource companies to obtain financing.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated July 6, 2017.

Frank Smeenck
Name of Director or Senior Officer

Frank Smeenck
Signature

President & CEO
Official Capacity

Issuer Details Name of Issuer KWG Resources Inc.	For Month End June 30, 2017	Date of Report YY/MM/D 2017/07/06
Issuer Address 141 Adelaide Street West, Suite 420		
City/Province/Postal Code Toronto, Ontario M5H 3L5	Issuer Fax No. (416) 644-0592	Issuer Telephone No. 1-(888) 644-1374
Contact Name Frank Smeenck	Contact Position President and Chief Executive Officer	Contact Telephone No. (416) 642-3575
Contact Email Address fcs@primus.ca	Web Site Address www.kwgresources.com	