

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: KWG / KWG.A

Number of Outstanding Listed Securities: 1,020,332,127 **Subordinate** **Voting**
Shares / 237,049 Multiple Voting Shares

Date: May 4, 2020

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 April, 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.

Effective April 28, 2020, the Issuer announced that due to circumstances created by the COVID-19 pandemic, the Ontario Securities Commission and other members of the Canadian Securities Administrators granted "Issuers" in the Canadian securities industry up to an additional 45 days, to complete year-end statutory filings (the "Extension"). The Issuer did not believe that it would be able to file its December 31, 2019 audited annual financial statements by its usual 120-day deadline of April 29, 2020, and relied on the Extension. Accordingly, as required by the conditions of the Extension, the Company's management and other insiders will be subject to a trading black-out that reflects the principles in Section 9 of National Policy 11-207 until its financial statements are filed, which will be by June 13, 2020. Other than as previously disclosed by the Company in news releases, including the information herein, there are no other material business developments since the date of the Issuer's most recent filing of its interim financial statements and management discussion and analysis for its Q3 ended September 30, 2019. The Issuer will be providing an update news release on the status of filing its December 31, 2019 audited financial statements by May 29, 2020.

In addition, the Issuer announced that it is seeking regulatory approval for the issue after filing of the audited financial statements, of \$3 million of Convertible Debentures to be pari passu with previously-issued debentures maturing March 31, 2021. Within that time all or part of the sum secured by the debentures are convertible at the option of the Issuer into units with a deemed value of \$21 per unit (each a "Unit"). Each Unit is comprised of four (4) KWG.A multiple voting shares and four (4) multiple voting share purchase warrants, with each such warrant enabling its holder to acquire one further KWG.A multiple voting share from treasury upon payment of \$7.50 at any time within two years from the date of its issuance. The debentures bear interest at a rate of 12% per annum, accruing daily, compounding annually and payable at the earlier of maturity, redemption or conversion, in KWG.A multiple voting shares from treasury at their volume-weighted average price for the ten trading days prior to payment.

For each \$35.00 principal amount of Convertible Debentures, the Debenture-holder will also receive Delivery Warrants exchangeable on a first-come aliquot basis for one ton of warehoused ferrochrome. The terms of the Delivery Warrants will provide that they may be tendered by their holders to receive ferrochrome from 1% of any future ferrochrome production from the Company's chromite mineral interests, if and when

produced. The Issuer intends to set a ferrochrome delivery standard for ferrochrome after processing to be approximately 52% chrome content with carbon of 6% – 8%, silica not exceeding 1.5% and the remaining fraction being principally iron. The Issuer proposes to list the Delivery Warrants for trading on the Canadian Securities Exchange (the “CSE”) which, if implemented, could provide a liquid market for ferrochrome price hedging.

In connection with the creation of the Delivery Warrants, the Issuer will undertake to provide a security interest in its chromite mineral title to back the obligation for future delivery and will also undertake that, should production of ferrochrome ensue in future from minerals recovered from those mineral claims, 1% of all such production will be warehoused on an ongoing basis to provide stocks of ferrochrome for delivery to warrant-holders wishing to take delivery of ferrochrome in exchange for tender and cancellation of their corresponding Delivery Warrants.

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⁾

(1) State aggregate proceeds and intended allocation proceeds.

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: May 4, 2020.

Frank Smeenck
Name of Director or Senior Officer

Signed by: "Frank Smeenck"
Signature

President & CEO
Official Capacity

Issuer Details Name of Issuer KWG Resources Inc.	For Month End April 30, 2020	Date of Report YY/MM/D 2020/05/04
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@kwgresources.com	Web Site Address www.kwgresources.com	