

# FORM 7

## MONTHLY PROGRESS REPORT

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

Trading Symbol:     KWG / KWG.A    

Number of Outstanding Listed Securities:     1,025,579,127     **Subordinate** **Voting**  
**Shares / 1,487,633 Multiple Voting Shares**

Date:     May 3, 2021    

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 (also sometimes referred to as "KWG" or the "Company") 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.

On April 1, 2021, the Issuer announced completion of the conversion on March 31, 2021 of outstanding Convertible Debentures into Units with a deemed value of \$21 per unit (“Unit”). Each Unit was comprised of four KWG.A multiple voting shares and four 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 before December 15<sup>th</sup>, 2022.

As a result of the conversion the Issuer reduced its current liabilities by \$5,180,860 and added 986,830 multiple voting shares to its issued and outstanding capitalization.

Effective April 21, 2021, the Issuer announced that it launched a website ([www.canadachromecorp.com](http://www.canadachromecorp.com)) focusing on transportation of mine production from the Ring of Fire mineral interests. The website includes a scoping study report prepared for CCC by Rail-Veyor Technologies Global Inc. for the transportation of 10 million tons per annum of chromite ore.

*‘This appears to be a very viable option for our ore-haulage mining-claims, with tremendously attractive project economics and a very benign environmental footprint,’* said CCC President Tony Marquis. *‘What is very exciting also is the opportunity to run a powerline to provide electricity to Marten Falls, Eabematoong, Webequie, Neskantaga and possibly Nibinamik, to maximize this option. It deserves to be aptly named; perhaps the ‘Lowlands Trade Corridor’. We’ll next be examining the integration of the system into underground bulk mining and other ways to ensure that the area’s sensitive biosphere remains intact with minimal alteration to its natural state.’*

*Added the Issuer's CEO Frank Smeenk, ‘We suspect it has not been lost on the USA-Canada Critical Minerals Task Force that China’s pre-emptive right to acquire Noront assets, or production from them, was recently relinquished by Baosteel, one of the PRC’s most important State-Owned Enterprises. We anticipate this will pave the way for development of this critical chromite bank-in-the-ground for the national security of the USA and reinforce its role in global trade. Accordingly, we will communicate to the Chiefs of the most directly-affected First Nations, a plan that would let our long-proposed equal-revenue-sharing model become fungible as these developments ensue, perhaps as an early advance royalty sale to provide indigenous certainty to the highly focused US capital markets.’*

Other ongoing activities included continuing to examine available alternatives for a distribution of Chrome Delivery Warrants amongst desirable and appropriate potential market participants in order to satisfy that requirement for listing the warrants for trading on CNSX. In those

researches considerable time has been invested in considering the utility and mechanics of pledging the company's mineral properties under the *Canada Bank Act* so that the pledgee Schedule 1 bank may be the issuer of the delivery warrants thus qualifying them for margin advances to their holders, of up to 50% of their market value. Communications commenced to examine the efficacy of a Swiss private bank providing a guarantee to the pledgee Schedule 1 bank, in exchange for the mineral property exposure.

These initiatives have also included ongoing communications towards identifying the appropriate assets and avenues for the development and financing of railroad transportation over the company's mineral claims staked and assessed to provide access to markets for the chromite discoveries. In this connection, the recent sale by RCF of its holdings of the convertible debt and equity of Noront Resources, triggered a review of the purchaser group's business plan alignments.

These initiatives have also included ongoing communications towards participation of all affected First Nations and the Province of Ontario in a multi-year holistic exploration and development program budget which would provide remote-community funding of infrastructure necessities as a capital cost of the development of the chromite discoveries. These communications included solicitation of support from the ten companies with mineral interests in the area, for the proposed budget and for an application to Ontario to undertake the granting of life-of-mine mineral tenure coincident with the delivery of reclamation sureties upon commencement of production.

More recently, these initiatives have included considering geographical extension of the remote community funding concept as part of an acquisition opportunity being examined.

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.

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, save as reported in Section 1 above.**

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; although certain convertible debentures were not repaid, convertible debentures were converted into shares and warrants and, accordingly, the indebtedness of those convertible debentures was eliminated.**

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Multiple Voting Shares	986,830	Conversion of Convertible Debentures	
Warrants <sup>(2)</sup>	986,830	Conversion of Convertible Debentures	

(1) Elimination of \$5,180,860 of indebtedness.

(2) Each warrant is exercisable to purchase one Multiple Voting Share for \$7.50 at any time on or before December 15, 2022.

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 has been monitoring the COVID-19 outbreak and the potential impact on its operations and has put measures in place to ensure the wellness of all of its officers, directors and contractors, as well as surrounding communities where the Issuer operates. Currently, fieldwork has been halted on all projects and all corporate personnel travel has been restricted to absolute minimum requirements. Officers and contractors have been encouraged to work remotely. With respect to our operations or work locations in Ontario, we have implemented the typical control measures for dealing with the outbreak of COVID-19. These include self-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any travel to or from a site and isolation, where necessary, from the general site population. These cautions and precautions rely on voluntary information and voluntary compliance of those working directly or indirectly for the Issuer. We expect that procedures will continue to evolve according to Health Canada, World Health Organization, Center for Disease Control and other applicable governmental guidelines as more becomes known about the virus.**

**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 3, 2021.

Frank Smeenck  
Name of Director or Senior Officer

Signed by: "Frank Smeenck"

Signature

President & CEO

Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer <b>KWG Resources Inc.</b>	For Month End <b>April 30, 2021</b>	Date of Report YY/MM/D <b>2021/05/03</b>
Issuer Address <b>141 Adelaide Street West, Suite 420</b>		
City/Province/Postal Code <b>Toronto, Ontario M5H 3L5</b>	Issuer Fax No. <b>(416) 644-0592</b>	Issuer Telephone No. <b>1-(888) 644-1374</b>
Contact Name <b>Frank Smeenck</b>	Contact Position <b>President and Chief Executive Officer</b>	Contact Telephone No. <b>(416) 642-3575</b>
Contact Email Address <b>fcs@kwgresources.com</b>	Web Site Address <b>www.kwgresources.com</b>	