

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: KWG / KWG.A

Number of Outstanding Listed Securities: 1,018,666,527 **Subordinate** **Voting**
Shares / 194,197 Multiple Voting Shares

Date: December 4, 2018

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.
- (a) In November, 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.
 - (b) Effective as of November 22, 2018, Marten Falls First Nation and Ontario announced the agreement to study a long-awaited community access road on August 21, 2017. Since then, Marten Falls has entered into a voluntary agreement with the Ministry of Environment and Climate Change (MOECC) to conduct an Individual Environmental Assessment (EA) and Preliminary Design (PD) for the proposed community access road from Marten Falls First Nation going south to existing provincial highways. The First Nation has established a project team and conducted one field season of baseline surveys; but to carry out the full suite of technical services and studies, and other steps within the EA process, Marten Falls has brought on AECOM. This global engineering firm provides design, consulting, construction, and management services. AECOM will consult with Marten Falls and neighbouring communities, perform data collection, prepare technical studies and all documents associated with the project, to complete the EA process.

Chief and Council are pleased to be working with AECOM and are confident that this project will deliver good outcomes for the community and the region. Chief Achneepineskum said "we are very pleased to note that AECOM brought a consortium of sub-consultants together to form a world-class team that includes local consulting firms as well who have recently worked successfully with First Nations to deliver similar all-season community access roads in other provinces. This project is an opportunity to move forward on addressing many socio-economic needs of the community, including access to more affordable food and housing, access to training, education, health-care and employment and access to neighbouring communities." As the project progresses, Marten Falls will begin a process of collaborative planning with neighbouring First Nations and communities to ensure that the project incorporates their thoughts and ideas in a meaningful way.

Marten Falls First Nation and Ontario stated that, in the future, the all-season road to the community also has the potential to be extended to the Ring of Fire so that Marten Falls First Nation, and other surrounding communities, can participate in and benefit from natural resources development.

Marten Falls also stated that it looks forward to working collaboratively with Premier Doug Ford's government towards the development of the region.

- (c) Effective as of November 26, 2018, Debut Diamonds Inc. (“Debut Diamonds” or the “Company”) announced a series of transactions, including the engagement of the Issuer as its exclusive agent to source buyers for its various diamond mineral resource properties, changes to its board of directors, a proposed private placement, a proposed conversion of debt into common shares of the Company (“Common Shares”), and the sale by the Issuer of all of the Common Shares that it previously held in Debut Diamonds (collectively, the “Transactions”). The Transactions are each described in further detail below.

Sales Agent Agreement

The Company has executed an Exclusive Sales Agent Agreement with the Issuer effective as of November 25, 2018 (the “Sales Agent Agreement”). Under the terms and conditions of the Sales Agent Agreement, the Issuer will actively market the Company’s interests in various diamond mineral resource properties (collectively, the “Properties”) to arm’s-length buyers. If a buyer introduced by the Issuer to the Company acquires one of the Properties, then the Company will pay a commission to the Issuer of 5% of the net sales price applicable to such Property. In addition, the Issuer has agreed to assume all of the Company’s obligations and liabilities in relation to the Properties, and will indemnify the Company from any losses it may suffer as a result of any matter respecting the Properties. Following the sale of all of the Properties, Debut Diamonds intends to declare a dividend to its holders of Common Shares of record as of November 23, 2018 equal to approximately the aggregate net sales price of the Properties, exclusive of the Issuer’s commission and related fees and taxes.

The issuer is considered a “control person” of the Company under applicable securities laws. Accordingly, the Sales Agent Agreement is considered a “related party transaction” under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61-101”). However, the execution of the Sales Agent Agreement and the transactions contemplated thereby are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the services anticipated to be provided by the Issuer under the Sales Agent Agreement, nor the fair market value of its anticipated commission thereunder, is expected to exceed 25% of the Company’s market capitalization.

Sale of Control

In addition, the Issuer announced that, effective November 25, 2018, it had sold an aggregate of 122,448,500 Common Shares and \$25,000 in debt to four purchasers in private transactions for aggregate consideration of \$500,000 or approximately \$0.004 per Common Share (collectively, the “Share Sale”). As a result of the Share Sale, the Issuer’s shareholdings in the Company were reduced from 122,448,500 Common Shares to nil Common Shares.

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⁾
N/A			

(1) State aggregate proceeds and intended allocation of 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 December 4, 2018.

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 November 30, 2018	Date of Report YY/MM/D 2018/12/04
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@primus.ca	Web Site Address www.kwgresources.com	