

# FORM 7

## MONTHLY PROGRESS REPORT

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

Trading Symbol:     KWG / KWG.A    

Number of Outstanding Listed Securities:     1,019,296,527     **Subordinate** **Voting**  
**Shares / 221,625 Multiple Voting Shares**

Date:     April 2, 2019    

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 March, 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.**
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.

**See Item 14 regarding the issuance of convertible debentures for aggregate principal amount of \$725,647.58 bearing interest at 12% per annum (payable in Multiple Voting Shares).**

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Convertible Debentures	\$725,647.58	See Note 2 below	
Multiple Voting Shares	26,624		
Warrants	26,624		

(1) The proceeds of the offering are to be used for the Issuer's ongoing obligations and general corporate purposes.

(2) On March 15, 2019, the Issuer completed a private placement of \$725,647.58 of debentures (the "Convertible Debentures") convertible on or before December 15, 2019 at the option of the Issuer into units (each, a "Unit") with a deemed value of \$21 per Unit, plus an option to acquire an additional equal amount of such debentures at any time within four months from the date of issuance of the Convertible Debentures. Each Unit is comprised of four (4) Multiple Voting Shares and four (4) multiple voting share purchase warrants, with each such warrant (a "Warrant") enabling its holder to acquire one (1) Multiple Voting Share from treasury upon payment of \$7.50 per share at any time on or before December 15, 2019. The Convertible Debentures bear interest at 12% per annum (payable in Multiple Voting Shares) and were issued with a bonus of 20% of the principal amount (payable by issuing 26,624 Multiple Voting Shares and 26,624 Warrants).

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

**Related Parties acquired \$560,207.58 of Convertible Debentures and 5,333 Units in the Private Placement. See Item 14 above.**

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 April 2, 2019.

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>March 31, 2019</b>	Date of Report YY/MM/D <b>2019/04/02</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 <a href="mailto:fcs@kwgresources.com">fcs@kwgresources.com</a>	Web Site Address <a href="http://www.kwgresources.com">www.kwgresources.com</a>	