

**KWG RESOURCES INC.**

October 3, 2017

**Canadian Securities Exchange**  
220 Bay Street, 9<sup>th</sup> Floor  
Toronto, Ontario M5J 2W4

Dear Sirs/Mesdames:

**RE: KWG Resources Inc. (the “Issuer”) – Receipt of Proceeds**

The Issuer has completed a private placement of \$500,000 debenture convertible into units (each, a “**Unit**”) at a deemed price of \$0.021 per Unit plus an option to acquire a further such debenture at any time within 120 days from closing (the “**Offering**”). Each Unit is comprised of four (4) multiple voting shares of the Issuer (each, a “**Multiple Voting Share**”) and two (2) warrants (each, a “**Warrant**”), each whole Warrant entitling the holder to purchase one Multiple Voting Share for \$7.50 within 24 months from the date of issuance of the debenture.

Pursuant to section 2.7(a) of CSE Policy 6 – *Distributions*, we confirm that the Issuer has received all consideration in relation to the Offering.

Yours very truly,

**KWG RESOURCES INC.**

Signed: “*Bruce Hodgman*”

Per: \_\_\_\_\_  
Bruce Hodgman, Vice-President