

KWG RESOURCES INC.

August 1, 2017

Canadian Securities Exchange
220 Bay Street, 9th Floor
Toronto, Ontario M5J 2W4

Dear Sirs/Mesdames:

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

The Issuer has completed a non-brokered private placement of 2,868,428 units (each, a “**Unit**”) at a price of \$0.021 per Unit for aggregate gross proceeds of \$60,237, each Unit being comprised of one (1) subordinate voting share of the Issuer (a “**Subordinate Voting Share**”) and one (1) warrant (a “**Warrant**”), each whole Warrant entitling the holder to purchase one Subordinate Voting Share for \$0.05 within 60 months after closing (the “**Offering**”).

The Issuer has also issued an aggregate of 5,357,160 subordinate voting shares at a price of \$0.05 per share for gross proceeds of \$267,858 pursuant to the exercise of conversion rights in a convertible debenture issued on October 18, 2016 (the “**Convertible 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 and the Convertible Debenture.

Yours very truly,

KWG RESOURCES INC.

Signed: “*Bruce Hodgman*”

Per: _____
Bruce Hodgman, Vice-President