

FORM 12
AMENDED
NOTICE OF PROPOSED STOCK CONSOLIDATION
OR RECLASSIFICATION

Name of Listed Issuer: **KWG Resources Inc** (the "Issuer")

Trading Symbol: **KWG**

Date: **February 13, 2017**

This form is to be used to report a proposed reclassification, which is any change to the terms of a listed security other than a stock split or dividend.

1. Provide full details of the reclassification

The Issuer proposes to reclassify each of its issued and outstanding common shares into one subordinate voting share.

2. Number of securities outstanding and reserved for issuance following the reclassification

Following completion of reclassification, the Issuer will have 966,320,281 issued and outstanding subordinate voting shares and 250,045,263 subordinate voting shares reserved for issuance upon exercise of warrants and stock options.

3. Describe the anticipated impact of the reclassification on the liquidity of the market for the listed security and on voting and equity rights of public shareholders

The Issuer does not anticipate that the reclassification will have any impact.

4. Date of shareholders' meeting to approve the reclassification

 August 18, 2016

5. Record date for the reclassification

 February 14, 2017

6. 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 is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 12 Notice of Proposed Stock Consolidation or Reclassification is true.

Dated: February 13, 2017

Bruce Hodgman

Name of Director or Senior
Officer

Signed: "*Bruce Hodgman*"

Signature

Vice-President

Official Capacity