

KWG RESOURCES INC.

September 29, 2021

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 today a private placement (the “**Offering**”) of \$3,410,657 of debentures (the “**Debentures**”) convertible into units (each, a “**Unit**”) at a deemed price of \$15.00 per Unit (i) at the holder’s option at any time or (ii) at the option of the Issuer after the first anniversary date of September 29, 2022. The Debentures mature on June 30, 2023 and bear interest at 12% per annum, accruing daily, compounding annually and payable concurrently with the payment of principal at the earliest of maturity, redemption or conversion, such payment to be made either (i) at the Issuer’s option on 30 days’ notice, by payment in cash (other than in the event of a conversion) or (ii) by the issuance of Units at a deemed value of \$15.00 per Unit. Each Unit will be comprised of two KWG.A multiple-voting shares (as such KWG.A shares are presently constituted; or six KWG.A multiple-voting shares if the proposed subdivision of KWG.A multiple-voting shares approved at last week’s shareholder meeting is implemented) and one multiple-voting share purchase warrant enabling its holder to acquire one further KWG.A multiple-voting share (as such KWG.A shares are presently constituted; or to acquire three KWG.A multiple-voting shares if the proposed subdivision of KWG.A multiple-voting shares approved at last week’s shareholder meeting is implemented) from treasury upon payment of \$9.60 (for each such KWG.A share as presently constituted; or \$3.20 for each KWG.A multiple voting share if the proposed subdivision of KWG.A multiple-voting shares approved at last week’s shareholder meeting is implemented) exercisable at any time on or before December 15, 2023.

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