

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: KWG Resources Inc. (the "Issuer").

Trading Symbol: KWG

Number of Outstanding Listed Securities 871,418,968

Date: January 4, 2016

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 Exchange 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 Exchange 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 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.

No drilling activities.

Revised 43-101 At the request of the British Columbia Securities Commission ("BCSC"), KWG filed an amended version of the report

“National Instrument 43-101 Technical Report, Koper Lake Project Chromite Deposit, McFauld’s Lake Area, Ontario, Canada, Porcupine Mining Division, NTS 43D16, Updated Mineral Resource Estimation Technical Report, UTM: Zone 16, 548460m E, 5842511m N, NAD83” which is now dated December 15, 2015. The report was not previously addressed to the property’s optionor Fancamp Exploration Ltd. as well as the optionee KWG; this has been corrected. Also, on page 58 the description of the limits of the mineral envelope had incorrect distances to the nearest holes; these have now been corrected. Further, on page 59 a new section titled "Determination of Cut-off Grade" has been added. A version extracted from another report done by the authour for nearby chromite deposits, and vetted by the Ontario Securities Commission, was initially provided but BCSC requested more information. It should be noted that the original facts supporting the use of the cut-off chosen still remain. Section 23 (Other Relevant Information) has been amended by removing all mention of the sample analysis program done using a Niton portable X-ray analyser.

2. Provide a general overview and discussion of the activities of management.

Regular activities of management.

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. **N/A**
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. **N/A**
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.

KWG met Mayor, CAO and EDO of the Municipality of Greenstone to discuss mutual plans being pursued by them with the Aroland First Nation for the possible development of beneficiation facilities at Exton, Ontario adjacent to the Aroland First Nation Reservation, in Greenstone’s Nakina ward.

***Exton-Aroland Site:* A feasibility study to be undertaken by KWG will determine if chromite feedstock material mined at the *Ring of Fire* and delivered to the site, located at a CN Railway junction, may be processed there into ferrochrome pellets and briquettes using KWG’s proprietary direct reduction process with natural gas from the adjacent Trans-Canada Pipeline. A parallel companion facility would process part of the same feedstock material into high purity chromium metal using KWG’s proprietary continuous aluminothermic casting process. Additional coterminous**

production lines would process other fractions of the feedstock to derive medical grade chromium compounds, animal feed supplements, and refined materials for manufacture into refractory products and for supply to the foundry industry.

KWG has been advised by China Railway First Survey & Design Institute Group Co., Ltd. (“FSDI”) through KWG’s agent Golden Share Mining Corporation (TSXV: GSH) (“GSH”), that an initial analysis by FSDI of KWG’s data has been completed. FSDI has indicated that the quality and extent of the data is adequate for FSDI to undertake a Feasibility Study on behalf of the parties. A meeting to establish terms of reference has been mutually scheduled by KWG and FSDI in January 2016.

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. **N/A**
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. **N/A**
8. Describe the acquisition of new customers or loss of customers. **N/A**
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. **N/A**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **All employees were temporarily laid off in September.**
11. Report on any labour disputes and resolutions of those disputes if applicable. **N/A**
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.
N/A
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness. **N/A**

14. Provide details of any securities issued and options or warrants granted. **N/A**

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common shares	25,000,000	Option payment	\$500,000
Common shares	1,271,250	Debt payments	\$25,425
Options	13,500,000	Stock options	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons. **N/A**

16. Provide details of any changes in directors, officers or committee members. **N/A**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends. **N/A**

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 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 7 Monthly Progress Report is true.

Dated January 4, 2016.

Luce L. Saint-Pierre
Name of Director or Senior Officer

(s) Luce L. Saint-Pierre
Signature

Corporate Secretary
Official Capacity

<i>Issuer Details</i> Name of Issuer KWG Resources Inc.	For December 2015 Month End	Date of Report YY/MM/D 16/01/04
Issuer Address 2750 – 600 de Maisonneuve West		
City/Province/Postal Code Montréal, Québec H3A 3J2	Issuer Fax No. (514) 866-6193	Issuer Telephone No. (514) 866-6001
Contact Name Luce L. Saint-Pierre	Contact Position Corporate Secretary	Contact Telephone No. 514-866-6001 ext. 230
Contact Email Address lspierre@kwgresources.com	Web Site Address www.kwgresources.com	