

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: KWG

Number of Outstanding Listed Securities: 636,878,941

Date: July 5, 2011

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 the CNSX 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 CNSX.ca 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 CNSX 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.

The Company received the final report from Xstrata Process Support on its Big Daddy chromite metallurgical testing. The report confirms that the samples

collected from four bore holes of the Big Daddy chromite deposit are amenable to refining at relatively modest energy consumption resulting in high yields of refined ferro-chrome product. In addition, The Company reported the results of the two holes completed during its winter drilling program. Hole 63, drilled to a depth of 555m at minus 43 degrees, generated two chromite intercepts. The first through the Big Daddy Massive domain was from 489.6m to 525.0 (35.6m) (32m true width), at a vertical depth of 340-360m, assayed 41.08% Cr₂O₃. The second intercept from 535.5m to 546.0m (10.5m) assayed 32.75% Cr₂O₃. Drilling of this hole was terminated by the ending of KWGs operatorship of the project. Hole 64 drilled to a depth of 710m at minus 57 degrees, beneath hole 63, did not intercept chromite mineralization at the vertical depth target of 550-600m.

The Company having ceased its activities as operator on the Big Daddy project, is not responsible for the exploration program on Big Daddy.

Canada Chrome Corporation, wholly-owned by the Company, has acquired by staking, two 16-unit mineral claims adjoining to the south of the Fancamp Exploration Ltd claims 3012257 and 3012258 outside of the areas of interest provided for in KWG's agreement with Spider Resources Inc. and UC Resources Limited. In addition, Canada Chrome Corporation, together with Greenstone Economic Development Corporation, have filed an application with PPP Canada for consideration of funding support of up to \$496 million for the construction of a railroad to the Ring of Fire mining discoveries in the James Bay Lowlands of Northern Ontario.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(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.

Management has not identified any trends that would impact the Issuer for the time being.

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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated July 5, 2011.

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

Luce L. Saint-Pierre

Signature

Corporate Secretary
Official Capacity

Issuer Details		For June Month End	Date of Report
Name of Issuer			YY/MM/D
KWG Resources Inc.			11/07/05
Issuer Address			
2750 – 600 de Maisonneuve West			
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Contact Name	Contact Position	Contact Telephone No.	
Luce L. Saint-Pierre	Corporate Secretary	514-866-6001 ext. 230	
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