

MATERIAL CHANGE REPORT
Form 51-102F3
Section 7.1 of National Instrument 51-102

Item 1 Name and Address of Company

KWG Resources Inc. (the “Company”)
600 de Maisonneuve West
Suite 2750
Montreal, Quebec H3A 3J2

Item 2 Date of Material Change

August 21, 2015

Item 3 News Release

The news release was disseminated through the facilities of Marketwired on August 21, 2015.

Item 4 Summary of Material Change

The Company issued 4,000,000 common shares to purchase claims and 361,600 common shares to consultants. The common shares were issued at \$0.025.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Further to an agreement announced June 5, 2015, the Corporation issued on August 21, 2015, four million common shares to MacDonald Mines Exploration Ltd. to acquire the 5-claim Hornby Property. Under the terms of the agreement the vendor will retain a 2% NSR, half of which may be purchased by the Company for \$1 million at any time prior to production from the property.

In addition, on August 21, 2015, the Company issued: 361,600 common shares at \$0.025 to RBL Communications for the second payment under a service agreement announced in January 2015; 904,000 shares to Agora Internet Relations Corp; and 1,356,000 shares to JDBailey Productions for services.

All common shares were issued at a price of \$0.025 and have a four-month hold period ending December 22, 2015. The Canadian Securities Exchange where the common shares of the Company are trading granted an exemption to issue shares at less than the minimum \$0.05.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted.

Item 8 Executive Officer

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this report.

Luce L. Saint-Pierre
Corporate Secretary
(514) 866.6001 ext. 230

Item 9 Date of Report

August 24, 2015

PRESS RELEASE

No. 221

KWG

Symbol on CSE: **KWG**
Shares issued and outstanding: **838,526,118**

KWG TO ISSUE SHARES TO MACDONALD MINES FOR HORNBY ACQUISITION

Toronto, Canada, August 21, 2015 - **KWG Resources Inc.** (CSE: KWG; Frankfurt: KW6) ("KWG") announces that further to an agreement announced June 5, 2015, it will issue 4 million treasury shares at \$0.025 to MacDonald Mines Exploration Ltd. to acquire the 5-claim Hornby Property. Under the terms of the agreement the vendor will retain a 2% NSR, half of which may be purchased by KWG for \$1 million at any time prior to production from the property. KWG will also have the first right to buy the balance of the NSR at any time the holder proposes to sell it.

The Hornby Property claims constitute an extensive holding adjoining the southerly boundary of the Big Daddy Joint Venture property immediately to the north and would effectively double the surface area available for possible future mining operations at the Big Daddy deposit and the adjoining Black Thor deposit. The property is also adjacent to the Koper Lake property to the west that contains the Black Horse chromite deposit. The westernmost claim is underlain by the Ring of Fire Intrusion, the host rock of all the chromite deposits, and as such represents an important unexplored gap. The property carries banked assessment credits exceeding \$390,000 which will provide almost 10 years of tenure. To view an updated claims map showing chromite deposit ownership in the Ring of Fire, click on the following link:

http://www.kwgresources.com/resources/maps/Chromite_Deposit_Ownership_Ring_of_Fire_Ontario.pdf

Issuance of shares:

KWG will issue 361,600 common shares at \$0.025 to RBL Communications Inc. for the third payment under the shares for services contract announced January 21, 2015. In addition the company will issue 904,000 shares to Agora Internet Relations Corp. and 1,356,000 shares to JDBailey Productions to partially fund a documentary to chronicle the history of the Ring of Fire.

Relief granted:

KWG applied for and was granted relief to the CSE's minimum price rule. All shares issued will have a hold period of four months.

About KWG:

KWG has a 30% interest in the Big Daddy chromite deposit and the right to earn 80% of the Black Horse chromite where resources are being defined. KWG also owns 100% of Canada Chrome Corporation which has staked claims and conducted a surveying and soil testing program, originally for the engineering and construction of a railroad to the Ring of Fire from Aroland, Ontario. KWG subsequently acquired patent interests, including a method for the direct reduction of chromite to metalized iron and chrome using natural gas. The company has determined that the reduction method can be employed to metalize finely ground chromite which could also be recovered from slurry delivered to Aroland in an underground pipeline constructed within the Canada Chrome claims.

For further information, please contact:
Bruce Hodgman, Vice-President
416-642-3575 ● info@kwgresources.com

Cautionary Note Regarding Forward-Looking Statements: This Press Release contains or refers to “forward-looking information” within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “occur” or “be achieved”. All information, other than information regarding historical fact that addresses activities, events or developments that KWG believes, expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information contained in this Press Release is subject to a number of risks and uncertainties that may cause the actual results of KWG to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, KWG. Should one or more of these risks and uncertainties occur, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, or expected. We do not intend and do not assume any obligation to update these forward-looking statements, except as required by law. Shareholders are cautioned not to put undue reliance on such forward-looking statements.