

Form 51-102F3

**MATERIAL CHANGE REPORT UNDER SECTION 7.1(1) OF
NATIONAL INSTRUMENT 51-102 AND SECTION 5.2 OF
MULTILATERAL INSTRUMENT 61-101**

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

December 8, 2015

Item 3 News Release

The news release was disseminated through the facilities of Marketwired on December 9, 2015.

Item 4 Summary of Material Change

On December 8, 2015, the Company issued 26,271,250 common shares at \$0.02.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company issued 25,000,000 common shares in consideration for the extension of the period, and partly in lieu, of expenditures as detailed in the accompanying press release.

In addition, the Company issued 141,250 common shares and 1,130,000 common shares pursuant to two service agreements previously announced.

All common shares were issued at a price of \$0.02 and have a four-month hold period ending April 9, 2016.

The Company was granted relief by the Canadian Securities Exchange to the \$0.05 minimum price rule for the issuance of capital stock.

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

December 9, 2015

PRESS RELEASE

No. 226

KWG

Symbol on TSX Venture Exchange: **KWG**
Shares issued and outstanding: **871,418,968**

KWG BRIEFS GREENSTONE, ISSUES COMMON SHARES

Toronto, Canada, December 9, 2015 - **KWG Resources Inc. (CSE: KWG; Frankfurt: KW6)** (“KWG”) met on Monday this week with the 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.

Shares Issued:

KWG also announces that it was granted relief to the CSE’s minimum price rule for the issuance of 25,000,000 common shares to Fancamp Exploration Ltd. (see Press Release of October 29, 2015) and 1,271,250 in payment of services at \$0.02 per common share. 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 CCC 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 CCC 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, such as: KWG failing to undertake the feasibility study for the possible development of beneficiation facilities at Exton, Ontario; the actual results of current exploration programs; risks normally incidental to exploration and development of mineral properties; the uncertainty of mineral resources estimates; uncertainties in the interpretation of drill results; the possibility that future exploration, development or mining results will not be consistent with expectations; the grade and recovery of ore varying from estimates; the general risks associated with the mining industry; adverse changes in commodity prices; currency and interest rate fluctuations; increased competition and general economic and market factors, 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.