

**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**” or “**KWG**”)  
141 Adelaide Street West, Suite 420  
Toronto, Ontario M5H 3L5

**Item 2 Date of Material Change**

January 18, 2021

**Item 3 News Release**

News releases were issued via Newsfile Corp. on January 19 and 22, 2021.

**Item 4 Summary of Material Change**

Under the terms of an agreement made on January 18, 2021, between KWG and Tony Marquis, Mr. Marquis agreed to be the President and Chief Operating Officer of KWG’s wholly owned subsidiary, Canada Chrome Corporation (“**CCC**”).

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

Pursuant to an agreement made on January 18, 2021, Tony Marquis agreed to be the President and Chief Operating Officer of CCC. Over a two-year term, Mr. Marquis may earn up to a 10% interest in CCC, for the purpose of which the total value of CCC was deemed to be valued at \$16.8 million. The agreement may be terminated by either party in certain circumstances, provided that a minimum of six (6) months of monthly installment payments calculated at a rate of \$70,000 per month are payable in any event. All or any part of any such unpaid installments previously earned and vested in Mr. Marquis may be tendered in payment for multiple voting shares in the capital of KWG at a price of \$3.00 each within three years of the date of the contract with CCC.

Mr. Marquis has agreed to be the President and Chief Operating Officer 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. Mr. Marquis has been a top tier executive with both Canadian National Railroad and Canadian Pacific Railroad, where he played an integral role in the two most successful railroad turnarounds in North America. At both companies, he worked closely with his mentor, the legendary Hunter Harrison, who led both railroads to becoming the most efficient in the industry.

**5.2 Disclosure for Restructuring Transactions**

Not applicable

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Inquiries in respect of the material change referred to herein may be made to:

Frank Smeenk, Chief Executive Officer  
tel: (416) 642-3575

**Item 9 Date of Report**

This report is dated the 25<sup>th</sup> day of January, 2021.