KWG RESOURCES INC.

(An exploration stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

- QUARTERLY HIGHLIGHTS

FOR THE QUARTER ENDED
SEPTEMBER 30, 2023

This Management's Discussion and Analysis – Quarterly Highlights (the "MD&A") should be read in conjunction with the 2022 annual and the interim quarterly financial statements for the period ended September 30, 2023 of KWG Resources Inc. ("KWG" or the "Company") all of which are available on the System for Electronic Document Analysis and Retrieval (`SEDAR+`) and can be accessed through the internet at www.sedar.com. This MD&A – Quarterly Highlights contains "forward-looking statements" that are subject to risk factors set out in the cautionary note contained herein.

DATE

This MD&A for the quarter ended September 30, 2023, is dated as of November 29, 2023.

COMPANY OVERVIEW

KWG Resources Inc. (CSE: CACR and CACR.A), which carries on business as The Canadian Chrome Company ("CCC", "KWG" or the "Company") (The Canadian Chrome Company is a registered business style of KWG Resources Inc.) is an exploration stage company focussed on the acquisition of interests in, and the exploration, evaluation and development of, large-scale mineral deposits of chromite and other base metals and minerals.

The Company is participating in and consolidating the acquisition, delineation and development of large-scale mineral deposits, including chromite deposits approximately 280 km north of Nakina, in the James Bay Lowlands of Northern Ontario, including 1,024 hectares covered by four unpatented mining claims which contain the Black Horse chromite deposit (the "Koper Lake Project") and 1,241 hectares covered by seven unpatented mining claims which contain the Big Daddy chromite deposit (the "Big Daddy Project"). These deposits are globally significant sources of chromite which may be reduced into metalized iron and chrome or refined into ferrochrome, a principal ingredient in the manufacture of stainless steel. KWG has been active in exploring the James Bay Lowlands since 1993 and discovered diamond-bearing kimberlite pipes near Attawapiskat and five pipes near the Ring of Fire area in 1994. This led to the discovery of the McFaulds Lake copper-zinc volcanogenic sulphide deposits in 2002, which precipitated a staking rush that defined the "Ring of Fire".

Bold Ventures Inc. ("Bold") entered into an option agreement with Fancamp Exploration Ltd. ("Fancamp") entitling Bold to acquire up to 100% of the Koper Lake Project. Through a subsequent option agreement (the "Option Agreement") with Bold, KWG obtained the right to acquire: (i) up to an 80% interest in respect of chromite contained in the Koper Lake Project and (ii) up to a 20% interest in respect of the non-chromite minerals contained in the Koper Lake Project. In 2016, KWG became vested in a 50% operator's interest in the Koper Lake Project which KWG renamed the Black Horse Joint Venture. The 50% joint venture interest includes 10% thereof in respect of chromite and 40% in respect of non-chromite minerals, of which Bold is the beneficial owner as KWG funds that share of exploration and development expenses as a carried interest recoverable by capital payback from future production.

Through an agreement with Fancamp, on September 1, 2022, KWG acquired all of the rights, title and interests beneficially owned by Fancamp in and adjacent to the "Koper Lake-McFaulds" mineral properties, subject to Bold's rights under the Option Agreement. For Fancamp's interest in the Koper Lake Project plus $1,500,000 from Fancamp, KWG (a) delivered to Fancamp a secured convertible promissory note (the "Secured Convertible Promissory Note") in the principal amount of C$34.5 million (the "Principal Amount"); (b) issued to Fancamp 4,044,453 warrants (the "Consideration Warrants") to purchase multiple voting shares of KWG ("MVS") at an exercise price of $4.6916 per MVS prior to September 1, 2023, $4.4783 per MVS from September 1, 2023 until August 31, 2024 or $4.2651 per MVS (the "Base Conversion Price") thereafter until the expiry date of September 1, 2027; and (c) granted to Fancamp a 2.0% net smelter return royalty (one-quarter of which may be purchased by KWG at any time for C$5 million and the next one-quarter of which will be subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the mining claims held by KWG on and after the closing date (the "Royalty").

The Company also has a 30% joint venture interest in the Big Daddy Project and a 100% interest in 1,033.6 hectares covered by 80 unpatented mining claims (the "Hornby Property") adjoining the southerly boundary of the Big Daddy Project, as well as interests in other mining exploration claims in northern Ontario, most of which are in the Ring of Fire area.

Through Canada Chrome Corporation ("CCC"), a wholly owned subsidiary, the Company has also staked mining claims in Northern Ontario with a view to the development and construction of a proposed railway, tramway or other form of haulage system from the Black Horse Project and the Big Daddy Project to Aroland near Nakina, Ontario, as well as exploring for, delineating and developing aggregate and other minerals.

KWG has also acquired intellectual property interests, including a method for the direct reduction of chromite to metalized iron and chrome using natural gas and an accelerant. KWG subsidiary, Muketi Metallurgical LP, has acquired two chromite-refining patents in Canada and one in each of the USA, Kazakhstan and South Africa and is prosecuting an application in Turkey.

HIGHLIGHTS

During and subsequent to the quarter ended September 30, 2023:

- On July 28, 2023 the Company announced that it agreed to acquire (the "Acquisition") all of the issued and outstanding special shares of The Magpie Mines Inc. ("Magpie Mines"). A majority of the special shares have the right to elect a majority of the Board of Directors of Magpie Mines. As a term of the Acquisition, metallurgical researcher and advisor Fouad Kamaleddine, Ph.D., and renowned exploration pioneer Peter H. Smith, Ph.D, will continue their incumbency as the directors of Magpie Mines at the pleasure of the Company to supervise the management of the business and affairs of Magpie Mines, including with respect to the activities of the Operator or a new Operator to be appointed, on development of the four known deposits and on development of the metallurgy for recovering the ultra-high-strength strategically critical minerals hosted in the deposits. The four deposits are contained within one project located approximately 130 km north□northwest of Havre St. Pierre in the North Shore area of the St. Lawrence River in the Province of Quebec. Rio Tinto's Lac Tio Mine is in the same general area, being approximately 43 kilometers northeast of Havre St. Pierre in Quebec.

- Drs. Smith and Kamaleddine (each a "Vendor") have each agreed to exchange their Magpie Mines special shares for consideration payable in two parts. Initially on the first closing date, KWG will pay $1,000,000 to each Vendor payable, at the option of each Vendor, in (a) convertible debentures having a maturity date (the "Maturity Date") of the earlier of (i) five (5) years after the first closing date and (ii) the date of completion of a Change of Control of KWG, bearing interest on the unpaid principal at the rate of 5% per annum with interest payable annually at KWG's option in cash or units at a value of $3.00 per unit (each unit (a "Unit") being comprised of one multiple voting share in the capital of the Company (each a "MVS") and one warrant to acquire an additional MVS for $3.50 on or before the Maturity Date), payable (principal plus interest) in cash by the Company at any time after the first anniversary of the first closing date on 30 days' notice and convertible (interest and principal) in whole or in part into Units at a rate of $3.00 per Unit (i) at any time at the option of the holder prior to payment in cash or (ii) at the option of KWG on or after the first anniversary of the first closing date or completion of a Change of Control of KWG; (b) 333,333 Units of the Company, or (c) conditional on KWG obtaining consent from Fancamp Exploration Ltd. ("Fancamp") for the creation of Series A Special Shares in the authorized capital of KWG, 333,333 Series A Special

Shares of KWG (each a "Series A Special Share") issued at $3.00 per share, each Series A Special Share having a redemption price of $3.00 per share, such redemption price payable in cash or in Units, with the holder being entitled to require KWG to redeem the Series A Special Shares for Units at any time prior to payment in cash, and KWG being able to redeem the Series A Special Shares for cash at any time on 30 days' notice or for Units at any time after the first anniversary of the first closing date and KWG being required to redeem the Series A Special Shares for cash or Units on the earlier of (i) five years after the first closing date or (ii) the date of completion of a Change of Control of KWG. For these purposes, a Change of Control will occur on completion of a take-over bid or a merger, amalgamation, arrangement or other form of business combination as a result of which the shareholders of the Company immediately prior to such bid or business combination do not own a majority of votes attaching to the voting securities of the Company or of the resulting issuer or do not have the power to elect a majority of the directors of the Company or of the resulting issuer, as the case may be, after completion of such bid or business combination.

- Each of the Vendors has also agreed to continue as a director of Magpie Mines at the pleasure of the Company. In the event that the Company does not acquire direct or indirect ownership of a majority of the common shares of Magpie Mines within one year after the first closing date of the Acquisition, each of the Vendors has retained the right to tender the consideration received by the Vendor on the first closing date back to the Company within 30 days after such one-year anniversary in exchange for his special shares of Magpie Mines.

- In the event that the Company is able to complete the acquisition of all of the common shares of Magpie and the 2% royalty held by Fancamp on Magpie's project (the "Magpie Royalty") or is able to complete a business combination with or the acquisition of the shares of Fancamp (and, accordingly, indirectly acquire a majority of the common shares of Magpie Mines), in each case on terms and conditions satisfactory to the Company, the Company's agreement with the Vendors provides for a second closing of the Acquisition in which the Company will pay an additional $4,000,000 to each of the Vendors (the "Additional Payment") payable, at the option of each of the Vendors, in (i) convertible debentures of the Company, (ii) units issued by the Company comprised of MVS and warrants or (iii) Series B Special Shares, in each case having substantially the same terms as those available on the first closing date but adjusted to reflect the then current trading price of the MVS of the Company. In addition, the Company will transfer the Magpie Royalty or cause it to be transferred on terms which will result in one quarter of the Royalty being held by each Vendor and one half of the Royalty being held by the Innu of Ekuanitshit First Nation.

- In the event that the Company does not acquire direct or indirect ownership of a majority of the common shares of Magpie Mines within five (5) years after the date of the agreement for the Acquisition, each of the Vendors has retained the right to tender the consideration received by the Vendor on the first closing date back to the Company within 30 days prior to such five-year anniversary in exchange for his special shares of Magpie Mines (each a "Put Right"). In the event that the Company has not completed a direct or indirect acquisition of a majority of the common shares of Magpie Mines prior to such five-year anniversary and the Vendors do not exercise their Put Rights, the Company will retain ownership of the special shares of Magpie Mines without having the obligation to pay the Additional Payments to the Vendors.

- On September 22, 2023 – the Company announced it had received from the Ministry of Mining, Exploration Permit PR-23-000242 for the conduct of further drilling at the Black Horse Project. The permit will have a term of 3 years from its issue on September 15, 2023.

OUTLOOK

KWG was invited on August 9, 2019, by the Canadian Environmental Assessment Agency (the Agency) to comment on its acceptance of a Project Description for the **Marten Falls Community Access Road Project** (the Project) submitted by Marten Falls First Nation (the proponent), to which the Company made the following response:

> *To ensure the economic feasibility of our interests in the chromite discoveries in the Ring of Fire in northern Ontario (by enabling their access to markets), we staked contiguous claims from locations near Nakina, Ontario, to the Ring of Fire, which was completed prior to the Far North Act's promulgation. Our consent to the use of those claims will be forthcoming to any application that enhances and does not frustrate that purpose. The Supreme Court of Canada declined to interfere with the Ontario Court of Appeal's finding that we may not withhold consent to uses not offending our rights under the Mining Act, leaving intact the requirement for our consent to uses which could offend our rights under the Mining Act.*
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> *To properly assess that purpose, it is imperative for you to fully understand the results of the research undertaken by CanmetMINING and a study completed for us by China Railway First Survey & Design Institute Group (FSDI) relating to the economics of constructing and operating a railroad line on our claims from Nakina to the Ring of Fire in connection with development of chromite mines in the Ring of Fire.*
>
> *The prospect for the development of these mines will provide for you important parts to an understanding of the global economic context of the rationale for Ontario providing the Webequie First Nation with a road to them, and the Marten Falls First Nation with bridges across the Ogoki and Albany Rivers for a road link south to Ontario's transportation network, in addition to the ostensible utility for the inhabitants of those communities.*
>
> *That context is absent from the material filed to date.*
>
> *Without that holistic context, your consideration of the Project is missing a significant and substantive reason, not being completely informed of an ultimate goal of these disparate and uncoordinated activities that may appear otherwise to be economically unsound but, with that holistic context, have a sound economic basis.*
>
> *That substantive reason should absolutely command your consideration of the Project, in our view. That substantive reason is that Canada has been demonstrated to host in the Ring of Fire in northern Ontario an extremely high-grade and very thick chromite mineral occurrence of historic proportions which may be beneficiated to supply ferrochrome to a global market for many, many years, even generations and, with our country's wealth of natural gas, be able to do so at a tremendous cost advantage. Only your agency can properly weigh the profound economic imperative that these national endowments may visit on the global order for the benefit of many generations. Only your agency can rationally balance that international strategic currency of our land and people in considering the effect of its exploitation on its locale's society and biosphere.*
>
> *Responsible extrapolations from available data suggest that, at current metal prices, there is a staggering value of chromium in situ in the Ring of Fire, that the FSDI railroad design can deliver from it, quantities greater than 100% of the world's present chromium consumption, and*

that a Canadian gas reduction patented process can produce ferrochrome from those deposits at significantly lower cost than all other sources.

As the world's nascent preference for non-corroding steel increasingly displaces corroding steels in rebar, structural steel and other aspects of infrastructure and building construction, Canada's chromium can become a most important international trade commodity. How that may occur, and the international trade considerations that will accompany that, must form part of your consideration.

These developments, combined with previously published resource estimates, support management's opinion that the chromite deposits of the Ring of Fire may have a very long combined production life. Management believes that this will enable the depreciation and amortization of the cost of an infrastructure asset such as a railroad, tramway or utility corridor over a very long time. When that term is combined with the present historic low cost of the capital required to construct such an undertaking, the unit cost for projected usage can be quite modest when compared to all available alternatives. The test work done to date on the conversion of the Black Horse chromite into a metalized chrome and iron alloy using natural gas continues to encourage KWG's management that an opportunity to create a substantial and globally significant export industry in this key industrial commodity appears achievable. In this context, the creation of the Canada-USA Critical Minerals Task Force can be anticipated to bring attention to not only this export potential, but also to the capacity of these domestic resources to guarantee Canadian and United States national security in chromium and its alloys.

KWG is very pleased to see the discovery area's directly affected First Nations continue to propound the Environmental Assessments for the transportation infrastructure which, in addition to servicing local communities, is needed for development of these resources. KWG's management is also very encouraged that the support for the development previously pledged by the governments of Ontario and Canada is now being acted on by the Province of Ontario to underwrite the planning cost of community access roads and a proposed link between them.

On July 27, 2021 KWG announced that (a) it had engaged Rail-Veyor Technologies Global Inc. for the preparation of a design engineering feasibility proposal to construct an ore haulage system to facilitate the direct transport of mine production from underground, across the surface of mining claims staked and assessed in part for that purpose by the Company's subsidiary, Ring of Fire Transportation and Utilities Inc. (formerly Canada Chrome Corporation), along a 330-kilometer corridor from the Company's Black Horse project and Big Daddy project area to Aroland (near Nakina, Ontario) and (b) it had engaged Cormorant Utility Services Ltd. for the preparation of a design engineering feasibility proposal to construct electrical power transmission lines along the same corridor from Aroland to the Ring of Fire including transmission lines connecting to several contiguous remote communities.

The power line proposal will enable the Rail-Veyor ore haulage proposal to be prepared on the basis of electricity being supplied at Hydro One power-grid electricity rates, rather than the very-high-cost diesel-generated alternative. The Rail-Veyor ore haulage system will facilitate the direct transport of chromite and other ores from underground, across the surface of mining claims staked and assessed for that purpose by KWG subsidiary, Canada Chrome Corporation, along a distance of 330 kilometers to Aroland (near Nakina, Ontario) where there is access to existing railroad systems that connect to the rest of North America. The Company has proposed that the utility corridor assets may be vested in a trust for the benefit of members of affected indigenous communities in the area in order that those utility assets can be operated by the beneficiaries whose traditional territories host this infrastructure so the provision of this Ring of Fire's mining transportation requirements can become a substantial and independent indigenous enterprise.

The purchase of all of the rights, title and interests beneficially owned by Fancamp in and adjacent to the "Koper Lake-McFaulds" mineral properties (also known as the Black Horse property), located within the "Ring of Fire" in the Province of Ontario consolidates ownership and control of the chromite interests in that property. That should make the project more attractive to investors and facilitate the further exploration and development of the project.

Selected Consolidated Financial Information

As at and for the years ended December 31	2022	2021	2020
Summary Operating Results Data	**$**	**$**	**$**
General and administrative expenses	4,192,888	2,945,968	1,315,747
Loss from operations	(38,370,977)	(14,751,544)	(1,543,039)
Net loss for the year	(35,269,353)	(14,884,427)	(1,611,503)
Loss per share	(0.02)	(0.01)	(0.00)
Summary Balance Sheet Data	**$**	**$**	**$**
Cash	921,680	1,825,789	11,613
Receivables	423,329	187,361	8,817
Marketable securities	-	-	370
Total current assets	1,359,927	2,013,150	20,800
Total assets	1,462,969	2,081,874	20,800
Trade and other payables	3,545,265	2,158,734	2,474,652
Long-term liabilities	23,204,108	1,047,147	80,930
Total equity (deficiency)	(26,217,856)	(1,968,796)	(4,076,716)

OVERALL PERFORMANCE – FINANCIAL

During the third quarter of 2023, the Company continued to utilize the proceeds of the cash injection of $1,500,000 received from Fancamp in September 2022 to cover administrative and general expenses as the Company does not currently have any significant revenue sources. The Company also utilized the proceeds of the convertible debenture financing from April, May and June 2023, which injected $1,008,000 of cash and converted $80,590 of payables into convertible debentures. KWG's exploration activities and operating costs were funded from the proceeds of this cash inflow. This cash inflow, together with the settlement of payables by issuing convertible debentures, was also utilized to reduce the Company's liabilities. The Company's other cash inflows consisted of a royalty payment of $781.

Regular operating expenditures for general and administrative expenses in the third quarter of 2023 were approximately $306,000 lower than the third quarter of the previous year when some significant consulting fees and professional fees were incurred in connection with its purchase of Fancamp's interest in the Koper Lake – McFauld's properties.

On November 2, 2022, KWG completed the conversion of $6,609,419.86 of Debentures (representing $5,862,053.51 of principal and $747,366.35 of interest) into 2,643,648 MVS and 440,614 warrants, each such warrant entitling the holder acquire three (3) MVS from treasury upon payment of $3.20 per share at any time on or before the earlier of: (i) December 15, 2023, or (ii) two (2) business days after completion of a change of control event.

The Company has maintained its focus on its strategic plan to develop what it expects will become a major North American ferro-chrome source of supply to the globe's stainless-steel makers, as well to assess the construction of (a) a haulage system to transport mine production from the mine site and materials to the mine site and (b) an electrical power transmission system to serve the transportation system, the mine site and several contiguous remote communities.

KWG believes that its infrastructure project has been well-timed and the need for such facilities in the Ring of Fire is increasingly appreciated to be potentially very economic. Meetings with government and First Nations' officials are ongoing to determine a mutually beneficial result. As well, KWG continues to explore the available funding mechanisms that can be employed to continue development of the transportation and utility link to the Ring of Fire.
Although exploration activities on the mineral deposits in the Black Horse Project and the Big Daddy Project were not progressed very much in the last few years, that has recently changed with the Company engaging Quantec to undertake and report on a magnetotelluric survey completed in the first quarter of 2023 over portions of the Company's Black Horse chromite project in the Ring of Fire area of northern Ontario.

The reporting currency of the Company is Canadian dollars and the financial data is reported in this currency.

LIQUIDITY & CAPITAL RESOURCES

The main sources of financing for KWG have been the issuance of equity shares and convertible debentures and the sale of non-core assets, although the Company also received some funds from Fancamp in connection with the Company's acquisition of Fancamp's interests in the Koper Lake-McFauld's property in September 2022. Each of KWG's projects has demonstrated sufficient evidence of geological merit to warrant additional exploration. However, it is not presently possible to estimate the cost of further exploration programs, which may or may not bring individual properties to a subsequent stage of development, since they are all exploration projects and their development depends on the results of exploration and infrastructure.

On September 30, 2023, the Company had a working capital deficiency of $4,449,140 ($3,116,790 as at December 31, 2022). It had $286,827 in cash as at September 30, 2023 ($921,680 in cash as at December 31, 2022). The decrease in cash and the corresponding increase in the working capital deficit are attributable to normal operating expenses, as well as professional fees and other costs associated with its purchase of Fancamp's interests in the Koper Lake-McFauld's property.

On April 25, 2022, 500,000 warrants were exercised to purchase 500,000 Subordinate Voting Shares at $0.05 each for cash consideration of $25,000. On July 24, 2022, 10,005 Multiple Voting Share Options were exercised at $1.00 each for cash consideration of $10,005. On July 26, 2022, 98,505 Multiple Voting Share Options were exercised by a director at $1.00 each for cash consideration of $98,505. On December 1, 2022, 5,808 Multiple Voting Share warrants were exercised by an officer at $2.50 each for cash consideration of $14,520. On March 8, 2023, 20,000 Multiple Voting Share Options were exercised at $1.00 each for cash consideration of $20,000. On July 24, 2023, 24,000 Multiple Voting Share Options were exercised at $1.00 each for a cash consideration of $24,000.

Between April 13 and August 15, 2022, $1,542,063 of the convertible debentures issued on September 29, 2021 and October 22, 2021, were converted by the holders into 589,224 MVS and 98,204 Multiple Voting Share Warrants (each such warrant is exercisable to acquire three MVS at $3.20 per share at any time on or before the earlier of December 15, 2023 or two business days after completion of a change of control event).

On November 2, 2022, KWG completed the conversion of $6,609,419.86 of Debentures (representing $5,862,053.51 of principal and $747,366.35 of interest) into 2,643,648 MVS and 440,614 warrants, each such warrant entitling the holder acquire three MVS from treasury upon payment of $3.20 per share at any time on or before the earlier of December 15, 2023 or two business days after completion of a change of control event. The conversion of these Debentures had a significant positive effect on the Company's working capital.

Interest payment due to Fancamp under the terms of the Secured Convertible Debenture were paid by issuing MVS to Fancamp. An interest payment of $510,411 due on November 30, 2022 was paid by issuing 159,783 MVS at $3.1944 per share, an interest payment of $510,411 due on February 28, 2023 was paid by issuing 175,525 MVS at $2.9079 per share, an interest payment of $521,753 due on May 31, 2023 was paid by issuing 208,259 MVS at $2.5053 per share and an interest payment of $521,753 due on August 31, 2023 was paid by issuing 227,343 MVA at $2.295 per share.

The Company forecasts operating expenditures of approximately $5,000,000 for 2023. Due to the funds raised through the convertible debenture issuances in September and October 2021 and again in April, May and June 2023 and the receipt of funds from Fancamp on September 1, 2022, the Company currently has sufficient working capital to finance its corporate and administrative activities through most of 2023. The Company expects to raise additional funds through further equity and/or debt financings, receipt of funds from the exercise of outstanding share purchase warrants and stock options or the sale of non-core assets throughout 2023 to cover longer term costs and exploration activities.

The Company is in the process of exploring its exploration and evaluation projects and has not yet determined whether its exploration and evaluation projects contain mineral deposits that are economically recoverable. The Company is also in the process of pursuing patents on its chromium alloy technology in several countries and preparing for the commercialization of that technology. The Company will periodically have to raise additional funds to continue its exploration and other activities and, while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Unless the holders of convertible debentures and a convertible promissory note issued by the Company exercise their conversion rights to convert such liabilities into equity, the Company will also have to raise additional funds to repay its debenture and promissory note obligations when they come due and, while many convertible debentures have been converted into equity in the past, there can be no assurance that the holders of those compound financial instruments will convert into equity or that the Company will be able to raise sufficient additional funds in a timely way at the applicable time.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation properties. The recoverability of the amounts expended on the Company’s exploration and evaluation projects is dependent upon: the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to complete exploration, development and construction of mining and processing facilities; obtaining certain government approvals; and attaining profitable production.

There is no assurance that the Company will be successful in obtaining further financing or continuing accommodation and support from service providers. Should the Company not be able to obtain the necessary financing and support, there would be significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

RESULTS FROM OPERATIONS

During the third quarter of 2023, the Company recorded a loss of $2,261,990 ($0.00 per share) compared to a loss of $44,719,271 ($0.01 per share) for the same period in 2022 for a cumulative loss of $12,970,059 for the nine months ended September 30, 2023 (compared to a loss of $47,230,934 for the comparable period in 2022) ($0.01 per share ($0.00 in 2022)). Included in these results are non-cash expenditures of $1,526,059 ($43,367,635 in 2022), cumulative non-cash expenses of

$10,627,182 for the nine months ended September 30, 2023 ($43,664,890 for the comparable period in 2022). The period results are explained as follows:

Income
Other income totaled $782 (cumulative of $2,344) in the second quarter of 2023 compared to $782 (cumulative of $2,344) in the same period of 2022.

Administrative Expenses
Administrative expenses for the quarter ended September 30, 2023 amounted to $1,220,343 (cumulative of $3,535,882 for 2023) compared to $1,526,711 for the same period in 2022 (cumulative of $3,766,865 for 2022) for a net decrease of approximately $306,000 (cumulative decrease of $231,000). The following discusses variances in the main components of the administrative expenses for the quarter ended September 30, 2023 (with corresponding amounts for the comparable period in 2022):

- Decreased salaries and benefits of $64,000 (cumulative decrease of $181,000) compared to the same period in 2022. Increased directors' fees of $8,000 (cumulative increase of $20,000) compared to the same period in 2022;

- Professional and consultants' fees decreased by $584,000 (cumulative decrease of $1,461,000) compared to the same period in 2022; and

- Corporate expenses increased by $334,000 in the third quarter of 2023 (cumulative increase of $1,391,000) compared to 2022 which included a decrease in filing fees and investor relations fees of $13,000 (cumulative increase of $44,000), increased overheads of $38,000 (cumulative increase of $7,000), increased interest expense of $328,000 (cumulative increase of $1,360,000) due to the interest paid to Fancamp and decreased travel and promotional costs of $19,000 (cumulative decrease of $20,000).

Stock-based Compensation Costs
Stock compensation costs constitute a non-cash expense. During the third quarter of 2023, stock compensation costs totaled $nil ($6,876,492 cumulative to September 30, 2023) compared with $nil for the same period in 2022 ($nil cumulative to September 30, 2022). The Company issued nil stock options on MVS in the third quarter of 2023 (1,736,100 cumulative to September 30, 2023) compared with nil for the same period in 2022 (nil cumulative to September 30, 2022). The calculated cost of these stock options is recognized as an expense over the vesting period. No options expired in the third quarter of either 2023 or 2022. 20,000 Multiple Voting Share Options were exercised in the first quarter of 2023 for $1.00 per share compared with nil for the same period in 2022. 24,000 Multiple Voting Share Options were exercised in the third quarter of 2023 for $1.00 per share compared with nil for the same period in 2023.

Exploration and Evaluation Expenditures
During the year ended December 31, 2019, the Company changed its accounting policy for its exploration and evaluation projects to recognize these costs in the statements of operations in the period incurred, as permitted under International Financial Reporting Standard 6, Exploration for and Evaluation of Mineral Resources. Management judges that the change in accounting policy will result in clearer, more relevant and reliable financial information. The previous accounting policy was that exploration and evaluation expenditures were capitalized in respect of each identifiable area of interest, once the legal right to explore had been acquired, until the technical feasibility and commercial viability of extracting a mineral resource was demonstrated.

This policy change was accounted for retrospectively. As a result, exploration and evaluation expenditures expenses of $61,885 were recognized in the third quarter of 2023 ($380,518 cumulative to September 30, 2023) compared with $43,061,888 for the same period in 2022 ($43,069,000 cumulative to September 30, 2022).

SUMMARY OF QUARTERLY RESULTS

(Thousands of dollars except amount per subordinate voting share)

Quarter ending	Total revenue	Net income (loss)	Loss per Subordinated Voting share (basic and diluted)
September 30, 2023	-	(2,262)	<(0.01)
June 30, 2023	-	(5,021)	<(0.01)
March 31, 2023	-	(5,687)	<(0.01)
December 31, 2022	-	11,962	(0.01)
September 30, 2022	-	(44,720)	(0.03)
June 30, 2022	-	(1,566)	<(0.01)
March 31, 2022	-	(945)	<(0.01)
December 31, 2021	-	(12,312)	(0.01)

The losses in the first, second and third quarters of 2023 were mainly due to stock compensation costs and interest incurred on the Secured Convertible Promissory Note issued to Fancamp. The loss in the third quarter of 2022 was due to exploration and evaluation expenditures related to the purchase of mining claims from Fancamp and increased professional and consulting fees, including those associated with that purchase and the profit in the fourth quarter of 2022 was due to an adjustment to the calculated value of this purchase. The increase in the loss in the fourth quarter of 2021 was mainly due to consulting expenses, stock compensation costs, and to incur exploration and evaluation costs of studies for transportation and utility services. The increase in the losses in the first and second quarters of 2022 was mainly attributable to increased professional and consulting fees incurred as a result of increased activity and the proposed Fancamp transaction.

COMMITMENTS AND CONTINGENCIES

(i) Under the terms of an employment agreement with the Company's CEO dated October 8, 2008, in the event of a change in control of the Company and the CEO's employment is involuntarily terminated within three years following the change in control, the Company shall pay the CEO an amount equal to three times his then-current base salary and three times his annual bonus most recently paid or accrued along with any unpaid salary and vacation pay. The total commitment for the CEO's agreement along with certain other management contracts require payments totaling approximately $1,019,000 upon termination. On a change of control, minimum payments range from $2,540,000 to $2,890,000 plus amounts calculated based on the share price of the Company and changes in the share price of the Company. As the triggering events have not taken place, the contingent payments have not been reflected in the financial statements.

(ii) The Company and its subsidiary, Canada Chrome Corporation ("CCC"), entered into an agreement in January 2021 with the President and Chief Operating Officer of CCC whereby he may, over the two-year term of the agreement, earn $70,000 per month (all of which has been earned as of January 2023) which salary may, at his option, be tendered for 244,400 common shares of CCC, representing a 10% interest in CCC as at the date of the agreement, for the purpose of which the total value of CCC was deemed to be $16.8 million. Alternatively, all or any part of any unpaid salary may be tendered by him for payment in Multiple Voting Shares of the Company at $1.00 per share at any time on or before January 18, 2024. An aggregate of 1,680,000 Multiple Voting Shares have been reserved by the Company for issuance for this contingency.

(iii) The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(iv) The Company renounced $420,000 of qualifying exploration expenditures to a shareholder effective December 31, 2020. Under the "look back" provision governing flow-through shares, this amount was fully spent by the end of 2022.

(v) The Company renounced $150,000 of qualifying exploration expenditures to a shareholder effective December 31, 2022. Under the "look back" provision governing flow-through shares, this amount was fully spent by June 30, 2023.

(vi) The Company has entered into certain agreements which subject certain future transactions to finder's fees, success fees and other fees contingent on the completion of such transactions.

(vii) The Company has entered into certain agreements which contain break fees that could become payable by the Company. The amount of any such amount would be determined at the time. The Company has the option to make any such payment in shares.

RELATED PARTY TRANSACTIONS

The Company defines its officers (CEO, President, CFO and corporate secretary) and directors as Key Management Personnel ("KMP"). During the first three quarters of 2023, officers and companies controlled by officers charged consulting fees for cash consideration of $1,023,907 ($1,144,247 in 2022) and salaries in the amount of $481,904 ($474,000 in 2022). The consulting fees were for services performed by the corporate secretary, the president, a director and the CFO as well as for general accounting services. Directors' fees charged in the first three quarters of 2023 totalled $87,000 ($66,000 in 2022). Amounts owing to directors and officers as at September 30, 2023 totalled $2,282,845 ($1,538,577 at December 30, 2022). The Company has advanced sums to the CEO against his accruing compensation; as of September 30, 2023, net advances of $151,012 were outstanding. Amounts receivable/payable are unsecured, non-interest bearing and have no fixed terms of repayment. KMP received 1,299,500 stock options for Multiple Voting Shares in the first quarter of 2023, stock compensation expenses totalled $3,168,601 for KMP ($nil in 2022).

CHANGES IN ACCOUNTING POLICIES

The consolidated financial statements for the years ended December 31, 2022 and 2021 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB").

See Note 3 to the 2022 audited annual consolidated financial statements for further information on accounting policies adopted by the Company during the year.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 3 to the 2022 audited annual consolidated financial statements for further information on recent accounting pronouncements that may have a future impact on the Company.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

It is reasonably possible that, on the basis of existing knowledge, outcomes in the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset or liability affected.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Management has made a number of significant estimates and valuation assumptions based on present conditions and management's planned course of action as well as assumptions about future business and economic conditions which include, but are not limited to, the following:

Income taxes and recoverability of potential deferred tax assets
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Convertible debentures
The classification of the Company's convertible debentures required management to analyze the terms and conditions of such debentures and to use judgment to assess whether these debentures are liability, equity, or a combination of the two. IAS 32 provides the criteria for management to assess these complicated financial instruments to determine their appropriate classification(s). Factors considered are, but are not limited to, whether the Company has a future obligation to settle the instrument in cash or exchange other assets or liabilities, and if the settlement is already known to be equity, the amount will not vary based on the Company's future share price.

Impairment of Intangible Assets
Management has assessed that there are indicators of impairment with regards to its intangible assets. As a result, an impairment loss equal to the full carrying value of these assets was recorded during 2019.

FINANCIAL INSTRUMENTS

The following presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative and qualitative disclosures are included throughout the 2022 audited consolidated financial statements which are available on www.SEDAR.com.

Risk Management Framework
The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board fulfils its responsibility through the Audit Committee, which is responsible for overseeing the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management practices are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has an established code of conduct which sets out the control environment within which framework all directors' and employees' roles and obligations are outlined.

The Company's risk and control framework is facilitated by the small-sized and hands-on executive team.

Credit Risk
Credit risk is the risk of an unexpected financial loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, receivables and marketable securities.

Cash
The Company's cash is held through large Canadian financial institutions. The Company has a corporate policy of investing its available cash in Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise specifically approved by the Board. As at September 30, 2023 and December 31, 2022, the Company did not have any cash equivalents.

Receivables
The Company's receivables consist primarily of trade receivables and amounts due from related and unrelated parties, as well as recovery of net GST/HST paid.

When necessary, the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. Management reviews and assesses the collectability of its receivable balances on a periodic basis.

Furthermore, when the Company engages in corporate transactions, it seeks to manage its exposure by ensuring that appropriate recourse is included in such agreements upon the counterparty's failure to meet contractual obligations.

Marketable Securities
The Company invests only in securities of companies listed on public stock exchanges and warrants of those companies. There is no active market for these warrants. Such strategic investments are approved by the Board of Directors of the Company. Management actively monitors changes in the markets and management does not expect any counterparty to fail to meet its obligations. The Company's investments are generally in the junior natural resources sector and these companies are subject to similar areas of risk as the Company itself.

Guarantees
The Company's policy is to provide financial guarantees only to wholly-owned subsidiaries or under business arrangements where the benefit of the guarantee will accrue to the Company. At both September 30, 2023 and December 31, 2022, the Company had $nil in guarantees outstanding.

The Company's maximum exposure to credit risk at the reporting date was:

	September 30, 2023	**December 31, 2022**
Carrying amount	$	$
Cash and cash equivalents	286,827	921,680
Receivables	436,731	423,329
	723,558	1,345,009

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking undue damage to the Company's reputation.

The Company's objective is to maintain sufficient capital in order to meet short-term business requirements after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents and marketable securities. This is accomplished by budgets and forecasts which are updated on a periodic basis to understand future cash needs and sources. Spending plans are adjusted accordingly, when possible, to provide for liquidity.

The Company manages its liquidity risk through the mechanisms described above and as described in Note 23 of the 2022 annual consolidated financial statements. The Company has historically relied on issuances of shares and debt instruments to develop projects and to finance day-to-day operations and may do so again in the future.

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Foreign Currency Risk
The Company is exposed to foreign currency risk on purchases and other payables that are denominated in a currency other than the functional currency of the Company, the Canadian dollar. The currencies in which these transactions are denominated, when they occur, are the United States dollars (US$). The Company does not actively hedge its foreign currency exposure. A 10% strengthening or weakening of the Canadian dollar would not have a material impact on the Company's equity or results of operations.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing debt, comprised of convertible debentures payable is at a fixed rate of interest. Consequently, the Company is not exposed to any significant interest rate risk which could be caused by a sudden change in market interest rates.

Other Market Price Risk
The Company's marketable securities and strategic investments are subject to equity price risk. The values of these investments will fluctuate as a result of changes in market prices, the price of metals or other factors affecting the value of the investments.

Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Historically, such prices have fluctuated and are affected by numerous factors outside of the Company's control, including, but not limited to: industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities and other factors such as significant mine closures. The Company does not have any hedging or other commodity-based risks respecting its operations. The value of the Company's strategic investments is also related to the price of, and outlook for, base and precious metals and other minerals.

Other Business Risks
KWG is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage. Other than the risks relating to reliance on financing previously discussed, as well as those discussed elsewhere in this MD&A, KWG's risks include, but are not limited to, limited operating history, speculative nature of mineral exploration and development activities, operating hazards and risks, mining risks and insurance, lack of mineral reserves, environmental and other regulatory requirements, competition, stage of development, fluctuations in commodity prices, conflicts of interest, reliance on key individuals and no key man insurance other than certain life insurance policies on the Company's CEO.

Limited Operating History - An investment in KWG should be considered highly speculative due to the nature of KWG's business. KWG has no history of earnings; it has not paid any dividends; and it is unlikely to enjoy earnings or be paying dividends in the immediate or foreseeable future.

Speculative Nature of Mineral Exploration and Development Activities - Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by KWG may be affected by numerous factors which are beyond the control of KWG and which cannot be accurately predicted, such as market fluctuations, the accessibility and proximity to transportation, infrastructure and other necessities for development, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in KWG not receiving an adequate return of investment capital.

Substantial expenditures are required to establish mineral reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely basis. Estimates of mineral reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short-term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in mineral reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

KWG’s mineral properties are in the exploration stage only and are without known bodies of mineral reserves. The exploration programs proposed by KWG are exploratory searches for commercial ore bodies only. Development of any of KWG’s mineral properties will only follow upon obtaining satisfactory exploration results.

Some exploration properties are held under option agreements requiring capital payments, exploration expenditure and other commitments to earn an interest in the property, failing which no interest may be earned and the property may be lost. There is no assurance that the Company will be able to fulfill such obligations to earn any interest in such properties held under option.

Some exploration properties are purchased under terms which include obligations for later payments, which later payments may be secured by granting security interests on those properties or on those and other properties and assets of the Company. If those later payments are not made or if the Company breaches any terms of applicable security agreements, the properties and any other assets which have been provided as security for such payments may be sold by that creditor to obtain payment of moneys owing or that creditor may foreclose by judicial process and take over the properties pursuant to the terms of such security agreements. There is no assurance that the Company will be able to fulfill its obligations when payments become due and payable under the Secured Convertible Promissory Note issued to Fancamp in connection with the Company’s purchase of Fancamp’s interest in the Koper Lake-McFaulds property.

Few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves, to develop metallurgical processes, to construct infrastructure for access to a proposed mine site and to construct mining and processing facilities at a particular site. There is no assurance that KWG’s mineral exploration activities will result in any discoveries of commercial bodies of ore. Also, no assurance can be given that any or all of KWG’s properties will not be subject to prior unregistered agreements or interests or undetected claims which could be materially adverse to KWG.

Lack of Mineral Reserves - All of the KWG properties are considered to be in the exploration stage only and do not contain a known body of commercial ore. Mineral reserves are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular accounting period. While KWG does have estimated mineral resources, such estimated resources are not mineral reserves and do not have demonstrated economic viability.

IP Rights – KWG has acquired the rights to certain intellectual property patent applications. Although the Company is confident that the applications will be successful and the patents will be issued, there is no assurance of such success or issuance. Moreover, there is no assurance that such rights will not later be attacked or be circumvented. The prosecution and maintenance of such applications and patents is expensive and there is no assurance that the Company will be able to secure, exploit, maintain or defend its intellectual property rights.

Conflicts of Interest - Certain of the directors and officers of KWG are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of KWG may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a director or officer has an interest in a contract or proposed contract or agreement, the director or officer shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

Operating Hazards and Risks - Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. KWG's operations will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, such as unusual or unexpected formations, cave-ins or pollution, all of which could result in work stoppages, damage to property and possible environmental damage.

Mining Risks and Insurance - The business of mining for gold, chromite and other metals is generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such risks and hazards can be covered by insurance or, if currently available, such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

Environmental and Other Regulatory Requirements - KWG's activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving which means stricter standards and enforcement, fines and penalties for non-compliance may become more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The exploration operations of KWG and development and commencement of production on its properties require permits from various federal, provincial and local governmental authorities and applications for such permits require consultations with affected First Nations. There is no assurance that consultations with affected First Nations can be completed effectively or within any set time-frame, resulting in lengthy delays in obtaining necessary exploration permits. There is no assurance that such permits can be obtained within a reasonable period of time or at all.

Operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. In addition, the government tax authorities may audit the Company's various tax filings and assess additional taxes not forecast by the Company.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. KWG believes it is in substantial compliance with all material laws and regulations, which currently apply to its activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition - Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than KWG, KWG may be unable to acquire additional attractive mineral properties on terms it considers acceptable. Accordingly, there can be no assurance that KWG's exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

Stage of Development - KWG is in the business of exploring for, with the ultimate goal of producing, precious and base metals from its mineral exploration properties. None of the KWG properties has commenced commercial production and KWG has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that KWG will be able to develop any of its properties profitably or that its activities will generate positive cash flow.

KWG has not paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. KWG has not sufficiently diversified such that it can mitigate the risks associated with its planned activities. KWG has limited cash and other assets.

A prospective investor in KWG must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of KWG's management in all aspects of the development and implementation of KWG's business activities.

Fluctuations in Commodity Prices - The profitability, if any, in any mining operation in which KWG has an interest is significantly affected by changes in the market price of precious and base metals which fluctuate on a daily basis and are affected by numerous factors beyond KWG's control.
Reliance on Key Individuals - KWG's success depends to a certain degree upon certain key members of management. These individuals are a significant factor in KWG's growth and success. The loss of the service of certain members of management and certain key employees could have a material adverse effect on KWG.

No Key Man Insurance - KWG does not have and does not anticipate having key man insurance in place in respect of any of its senior officers or personnel, except for one vice president.

OTHER

National Instrument 51-102 - Section 5.3

Below is a detailed analysis of exploration expenditures incurred for the nine months ended September 30, 2023 with comparative figures for the year ended December 31, 2022 on a property by property basis:

Black Horse Project

Cumulative exploration expenses	***Nine months ended September 30, 2023***	***Year ended December 31, 2022***
	$	***$***
Balance – Beginning of the period	42,213,429	8,915,156
Exploration expenses		
Acquisition costs	-	33,045,000
Engineering	380,518	253,273
	380,518	33,298,273
Balance – End of the period	42,593,947	42,213,429

Chromium IP J.V.

Cumulative exploration expenses	***Nine months ended September 30, 2023***	***Year ended December 31, 2022***
	$	***$***
Balance – Beginning of the period	4,377,619	4,374,767
Exploration expenses		
Legal fees	3,156	2,852
Balance – End of the period	4,380,775	4,377,619

Railway Corridor

Cumulative exploration expenses	***Nine months ended September 30, 2023***	***Year ended December 31, 2022***
	$	***$***
Balance – Beginning of the period	23,319,573	23,301,273
Exploration expenses		
Engineering	-	18,300
Balance – End of the period	23,319,573	23,319,573

All Projects Combined

Cumulative exploration expenses	***Nine months ended September 30, 2023***	***Year ended December 31, 2022***
	$	***$***
Balance – Beginning of the period	84,511,715	51,192,290
Exploration expenses		
Acquisition costs	-	33,045,000
Engineering	380,518	271,573
Legal fees	3,156	2,852
	383,674	33,319,425
Balance – End of the period	84,895,389	84,511,715

The following is a detailed break-down of administrative expenses incurred for the nine months ended September 30, 2023 with comparative figures for the same period in 2022.

	2023	***2022***
	$	**$**
Advertising and promotion	5,864	18,092
Consultants' fees	706,725	1,985,974
Directors' fees & insurance	96,149	76,554
Filing fees	27,045	22,350
Interest	1,634,382	274,518
Investor relations fees	54,206	15,002
Professional fees	536,849	717,082
Office overheads	119,237	112,425
Salaries and benefits	322,109	503,431
Travel & accommodation	33,316	41,437
Total administrative expenses	3,535,882	3,766,865

National Instrument 51-102 - Section 5.4

Disclosure of Outstanding Share Data (as at November 29, 2023*)

Note: * Effective November 6, 2021, the Multiple Voting Shares were subdivided on the basis of one pre-subdivision Multiple Voting Shares being subdivided into three post-subdivision Multiple Voting Shares and, accordingly, the post-subdivision exercise prices for Multiple Voting Share warrants and options were reduced to one third of their pre-subdivision exercise prices.

Subordinate Voting Shares outstanding: 1,238,181,532

Multiple Voting Shares outstanding: 8,216,659

One hundred Subordinate Voting Shares are convertible at the option of each individual shareholder at any time into one Multiple Voting Share. Similarly, each Multiple Voting Share is convertible at the option of each individual shareholder at any time into one hundred Subordinate Voting Shares. At all meetings of shareholders, shareholders are entitled to cast one vote for each one Subordinate Voting Share and to cast one hundred votes for each one Multiple Voting Share. Dividend and liquidation rights for each Multiple Voting Share are correspondingly one hundred times the dividend and liquidation rights for each Subordinate Voting Share.

Subordinate Voting Share Warrants outstanding: nil

Multiple Voting Share Warrants outstanding: 9,691,387

An aggregate of 66,667 Multiple Voting Share warrants entitle the holders to purchase for each such warrant one Multiple Voting Share at an exercise price of $2.75 on or before December 30, 2027.

An aggregate of 16,800 Multiple Voting Share warrants entitle the holders to purchase for each such warrant one Multiple Voting Share at an exercise price of $3.00 on or before April 24, 2026.

An aggregate of 4,044,453 Consideration Warrants entitle Fancamp to purchase 4,044,453 MVS at $4.6916 per MVS prior to September 1, 2023, $4.4783 per MVS from September 1, 2023 until August 31, 2024 or $4.2651 per MVS thereafter until the expiry date of September 1, 2027.

An aggregate of 1,854,489 Multiple Voting Share warrants entitle the holders to purchase for each such warrant three (3) Multiple Voting Shares with exercise prices and expiry dates set out in the table below.

Warrants on Multiple Voting Shares with exercise prices as at November 29, 2023 are summarized in the table below:

Number of Multiple Voting Share warrants	***Exercise price per MVS $***	***Expiry date***
1,654,620	3.20	December 2023
76,740	3.20	March 2024
11,424	3.20	June 2024
45,144	3.20	August 2024
840,000	0.67	December 2025
2,935,539	3.20	March 2026

Options outstanding under the Company's Stock Option Plan:

There are currently no outstanding options on Subordinate Voting Shares; when granted, each such option entitles the holder to purchase one Subordinate Voting Share of the Company at a set exercise price. Each Multiple Voting Share option entitles the holder to purchase one Multiple Voting Share at the following per share prices as of November 29, 2023:

Number of Multiple Voting Share options	***Exercise price $***	***Expiry date***
685,900	1.00	January 2026
296,451	2.65	June 2026
120,961	3.20	November 2027
360,000	2.85	February 2028
1,186,100	3.00	February 2028
550,000	2.65	June 2028

Convertible debentures outstanding: There is currently one unsecured convertible debenture outstanding which is due and payable. It is a single unsecured convertible debenture which was issued in the principal amount of $500,000 on October 3, 2017, bears interest at 12% per annum, compounded annually and was due on October 3, 2019, but was extended to March 26, 2021. The maturity date has not been extended any further and, accordingly, the principal and accrued interest is due and payable. Interest is payable in Multiple Voting Shares issued at their volume-weighted average trading price on the ten trading days prior to payment. The principal may be converted by the holder at any time, in whole or in part, into units at a rate of $21 per unit, with each unit being comprised of twelve Multiple Voting Shares and six warrants, with each such warrant enabling its holder to acquire one further Multiple Voting Share from treasury upon payment of $2.50 at any time prior to maturity (namely, until March 26, 2021). The Company is currently renegotiating the terms of this debenture with the debenture-holder.

In addition, there is a series of unsecured convertible debentures (the “Debentures”) outstanding which were issued on April 24, 2023, May 26, 2023 and June 21, 2023 for an aggregate of $2,388,590. These Debentures are convertible into units at a rate of $3.00 per unit at the holder’s option at any time prior to payment in cash. The Debentures mature on April 24, 2026. The Debentures bear interest at 5% per annum, accruing daily, compounding annually on the date on which the first Debenture of the Series CD-2023 debentures was issued (the “Date of First Issuance”) and payable on each anniversary of the Date of First Issuance and at the Maturity Date or conversion, such interest payments to be made at the Company’s option either (i) by payment in cash (other than in the event of a conversion) or (ii) by the issuance of Units at a deemed value of $3.00 per unit. Each unit will be comprised of one (1) multiple-voting share and one (1) share purchase warrant enabling its holder to acquire one further multiple-voting share from treasury upon payment of $3.00 exercisable at any time on or before the earlier of (i) the third anniversary of the maturity date or (ii) two (2) business days after completion of a take-over bid or a merger, amalgamation, arrangement or other form of business combination as a result of which the shareholders of the Company immediately prior to such bid or business combination do not own a majority of votes attaching to the voting securities of the Company or of the resulting issuer or do not have the power to elect a majority of the directors of the Company or of the resulting issuer, as the case may be, after completion of such bid or business combination. On maturity, the Company may pay the principal of the Debentures in cash or, at the Company’s option, in replacement debentures having the same terms as the Debentures except (a) the maturity date of the replacement debentures will be the earlier of (i) two (2) years after the maturity date of the Debentures and (ii) two business days after a change of control of the Company, (b) the expiry date of the warrants comprising part of the units issuable for payment of interest or on conversion will be the maturity date of the replacement debentures, and (c) the conversion rate for the replacement debentures will be the lesser of (i) $3.00 per unit and (ii) the 30-day (ending on the maturity date of the Debentures) volume-weighted average trading price of the MVS and the Company’s SVS on the Canadian Securities Exchange and any other securities exchange where such SVS and MVS are listed and posted for trading as of the maturity date of the Debentures (the SVS adjusted for the then applicable exchange ratio between SVS and MVS, currently 100 SVS for each MVS).

Secured Convertible Promissory Note outstanding: There is a single secured convertible promissory note outstanding which was issued in the principal amount of $34,500,000 on September 1, 2022. It bears interest at 6% compounded annually and is due on September 1, 2026. Interest is payable quarterly in arrears on the last day of each of the months of February, May, August and November commencing on November 30, 2022 in cash or, at the option of KWG, in Multiple Voting Shares at their volume-weighted average trading price on the five trading days prior to the payment date. The principal may be converted by the holder at any time, in whole or in part, into Multiple Voting Shares for $4.6916 per share from the issue date to September 1, 2023; for $4.4783 per share from September 2, 2023 to September 1, 2024; or for $4.2651 per share from September 2, 2024 to the maturity date.

Other convertible securities: The Company and its subsidiary, Canada Chrome Corporation (“CCC”), entered into an agreement in January 2021 with the President and Chief Operating Officer of CCC whereby he may, over the two-year term of the agreement, earn $70,000 per month which monthly salary may, at his option, be tendered for (all of which has been earned as of January 2023) which salary may, at his option, be tendered for 244,400 common shares of CCC, representing a 10% interest in CCC as at the date of the agreement, for the purpose of which the total value of CCC was deemed to be $16.8 million. Alternatively, all or any part of any unpaid salary may be tendered by him for payment in Multiple Voting Shares of the Company at $1.00 per share at any time on or before January 18, 2024. He has earned $1,680,000 under this agreement, which amount is unpaid. An aggregate of 1,680,000 Multiple Voting Shares have been reserved for issuance for this contingency.

FORWARD LOOKING INFORMATION

This MD&A contains or refers to forward-looking information. All information, other than information regarding historical facts that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future is forward-looking information. Such forward-looking information includes, without limitation: the economic potential of the Company's projects; the proposed construction of a rail line, tramway, pipeline or other haulage system; the proposed construction of an electricity transmission system; the continued maintenance, exploration and development of the Company's properties and the costs related thereto, as well as the Company's expectation of periodically requiring additional funds therefor; exploration, development and operational plans, objectives and budgets; the expected strategic importance and value of the Company's mineral property interests inside and outside of its projects, including expectations regarding the completion of the Company's agreement with Fancamp to acquire its interests in the Koper Lake Project, the exercise of the Company's option on the Koper Lake Project and the Company's participation in the development of the Koper Lake Project and the McFaulds Lake properties; expectations regarding the consultation, assessment and construction of an electrical transmission system and a railroad, tramway and/or pipeline and/or other haulage system, including the costs and timing associated therewith; the expected acceptance of the Company's patent applications for chromium processing technologies and the issuance and exploitation of patents therefor; mineral resource estimates; potential mineral resources; plans with respect to the use of private placement proceeds; estimates relating to critical accounting policies; the Company's expectations with respect to pursuing new opportunities and acquisitions and its future growth; estimated operating expenses; potential reassessments by the Canada Revenue Agency and associated shareholder indemnification liabilities; and the Company's ability to raise new funding.

Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company 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, the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the inability of the Company to obtain required financing; demand for ferrochrome by global integrated steel producers; the impact of consolidation and rationalization in the steel industry; the grade and recovery of ore varying from estimates; delays in, or the failure to develop, the projects of the Company caused by unavailability of financing, equipment, labour or supplies, weather and climatic conditions, labour disputes, access, infrastructure or other factors; risks normally incidental to exploration and development of mineral properties; uncertainties in the interpretation of drill results; the possibility that future exploration, development or mining results will not be consistent with expectations; uncertainty of mineral resources estimates; the Company's inability to obtain, maintain, renew and/or extend required licenses, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the applicable regulatory framework; the Company's inability to maintain its title to its assets; the Company's inability to secure of develop access and infrastructure such as roads, railroads, tramways and/or electricity transmission lines for its proposed projects; the Company's inability to obtain, defend and exploit the patents for its chromium processing technologies; the Company's ability to defend its renunciations of exploration expenditures to subscribers of flow-through shares; capital and operating costs varying significantly from estimates; the Company's inability to participate in, exercise options on and/or develop the Company's property interests; inflation; changes in exchange and interest rates; adverse changes in commodity prices; the Company's inability to declare and/or pay a dividend on its Subordinate Voting Shares or its Multiple Voting Shares, or at all; adverse general market conditions; the Company's inability to delineate additional mineral resources and delineate mineral reserves; operating hazards and risks, management and control; environmental risks; adverse land claims; future unforeseen liabilities and other factors including, but not limited to, those listed under "Risk Factors" in the Financial Instruments section of this MD&A.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ (WWW.SEDAR.COM).