



June 20, 2016

Dear Shareholder:

This is to ask for your vote in favour of the proposed resolution to provide each shareholder with the option of combining some or all of their shares into multiple voting shares while continuing our shares as single-vote common shares.

That option would allow a shareholder at any time to exchange 300 existing single-vote common shares for 1 multiple voting share carrying 300 votes. That multiple voting share may also be turned back into 300 single-vote common shares at any subsequent time, at the shareholder's election. **THIS IS NOT A SHARE CONSOLIDATION.** Think of it as exchanging 300 coins of 3¢ each for one \$9 dollar-bill, or then breaking up the bill again into the 300 coins at any time that you wish - and being able to switch back and forth as often as you wish.

At current prices for our company's shares, the multiple voting shares will have a value that is more than sufficient for their inclusion in the portfolios of institutional investors and money managers. This most important constituency has been denied participation in the *Ring of Fire* investment potential, due to the "penny-stock" status of the junior exploration companies who, like KWG, are promoting the discoveries there. But these kinds of investors are often buyers who hold their positions for a long time, until the value has had an opportunity to be demonstrated.

Also, the multiple voting shares will be marginable at current prices for our company's shares. A number of our company's numerous large shareholders would like to have the option to use margin credit to buy more of our company's shares. Buying of this nature should help to take supply out of the market in our shares, from those wishing to sell at the low prices that now prevail. .

If the resolution is passed at our upcoming shareholders meeting, it will take a number of weeks to transition to the new system of exchangeable shares. But, in this way, **since this is not a consolidation**, we can avoid the "roll-back" that is so common amongst junior companies without income, and the consequence of which is often so painfully costly to its shareholders. We think this may be a more productive way to increase both the value and liquidity in our company's shares but without taking anything away from its shareholders.

Thank you for your anticipated support, and kindest regards.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Frank Smeenk', is written over a light blue circular stamp.

Frank Smeenk
President & CEO