

## MATERIAL CHANGE REPORT

- Item 1.** **Name and Address of Company** – Nexco Resources Inc. (the “**Company**”), 1095 West Pender Street, Suite 750, Vancouver, BC V6E 2M6
- Item 2.** **Date of Material Change** – August 27, 2021
- Item 3.** **News Release** – News Release issued August 25, 2021.
- Item 4.** **Summary of Material Change** – Nexco Resources Inc. announces that it closed the third and final tranche of its non-brokered private placement of unsecured convertible debentures (each, a “**Debenture**”) of the Company on August 25, 2021 for \$720,500, for total gross proceeds of \$2,030,000 (the “**Financing**”), as previously announced on June 21, 2021.

- Item 5.** **Full Description of Material Change - Nexco Resources Inc.** (the “**Company**” or “**Nexco**”) closed the third and final tranche of its non-brokered private placement of unsecured convertible debentures (each, a “**Debenture**”) of the Company on August 25, 2021 for \$720,500, for total gross proceeds of \$2,030,000 (the “**Financing**”), as previously announced on June 21, 2021.

The Debentures will bear interest at 10% per annum, from the date of issuance (the “**Closing**”), payable upon the earlier of the Maturity Date (as defined below) or the date of any conversion thereof. The Debentures will mature on the date that is one year from the date of issuance (the “**Maturity Date**”).

At the Maturity Date, the outstanding Debentures will automatically convert into units of the Company (each, a “**Unit**”) at the following conversion price: (a) if the Company’s previously announced acquisition (the “**Transaction**”) of Soter Technologies, LLC (“**Soter Technologies**”) has not yet closed, \$0.225 per Unit (the “**Conversion Price**”), with each Unit consisting of one common share in the capital of the Company (each, a “**Share**”) and one-half of one non-transferable share purchase warrant (each whole warrant, a “**Warrant**”), with each Warrant exercisable into one Share (each, a “**Warrant Share**”) at a price of \$0.75 per Warrant Share for a period of two years from the date of the Closing; and (b) if the Transaction has closed, the greater of: (i) the Conversion Price and (ii) a price (the “**Alternative Conversion Price**”) equal to 75% of the price per security at which equity securities are issued by the Company in the concurrent financing (the “**Concurrent Financing**”) carried out in connection with the Transaction (the “**Concurrent Financing Price**”). In the event that the conversion occurs at the Alternative Conversion Price, each Warrant will be exercisable into a Warrant Share at a price equal to three times the Concurrent Financing Price.

In the event that, prior to the Maturity Date, the Transaction has closed, at the option of a Debenture holder, an outstanding Debenture may be converted into Units at a conversion price equal to the greater of: (i) the Conversion Price; and (ii) the Alternative Conversion Price. In the event that the conversion occurs at the Alternative Conversion Price, each Warrant will be exercisable into a Warrant Share at a price equal to three times the Concurrent Financing Price.

All securities issued in connection with the third tranche will be subject to a hold period expiring December 27, 2021. The proceeds of the Financing are for a bridge loan to Soter Technologies and general working capital. Completion of subsequent tranches of the Financing are subject to the receipt of all required regulatory approvals. In connection with the closing of the third and

final tranche, the Company paid finder's fees in the amount of \$57,640 and issued 230,560 broker warrants exercisable at \$0.25 for two years, subject to a hold period expiring on December 27, 2021.

- Item 6.** **Reliance on Section 7.1(2) or (3) of National Instrument 51-102** – Not applicable.
- Item 7.** **Omitted Information** – No significant facts remain confidential in, and no information has been omitted from, this report.
- Item 8.** **Executive Officer** – Mr. Zayn Kalyan, Interim CEO of the Issuer, is knowledgeable about the material change and this report. He can be contacted at (778) 938-3367.
- Item 9.** **Date of Report** –August 27, 2021.