

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Reporting Issuer

Auxico Resources Canada Inc. (the “**Company**”)
230 Notre Dame Street
Montreal, Quebec H2Y 1T3

Item 2: Date of Material Change

June 19, 2020.

Item 3: News Release

A news release was issued and disseminated on June 22, 2020 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Changes

On June 22, 2020, the Company announced that it has completed a non-brokered private placement, raising aggregate gross proceeds of \$1,600,000 in participating convertible debentures (the “**Debentures**”).

Item 5: Full Description of Material Change

On June 22, 2020, the Company announced that it has completed a non-brokered private placement, raising aggregate gross proceeds of \$1,600,000 in participating Debentures.

Each Debenture consists of \$1 principal amount of participating, secured, non-redeemable 10% convertible debenture maturing on June 19, 2023 (the “**Maturity Date**”) and convertible at the option of the Debenture holder into:

(i) units (“**Units**”) of the Company that is equal to the principal amount of each Debenture being converted at a deemed price of \$0.10 per Unit. Each Unit is comprised of one common share (“**Share**”) in the capital of the Company and one warrant (“**Warrant**”). Each Warrant is exercisable into one Share at a price of \$0.15 for a period of three years from the date of issuance; or

(ii) the number of common shares of Central America Nickel Inc. (“**CAN**”) (a private company based in Montreal, Canada) at a conversion price of \$1.00 per CAN share; and

(iii) a cash payment equal to the principal amount and an amount corresponding to the interest that such holder would receive if the holder held the Debenture from the date of conversion until the Maturity Date.

Interest at a rate of 10% per annum will be paid to Debenture holders semi-annually in arrears.

In addition, Debenture holders will receive a total of 16% of the net profits generated by the Company from the sale of tantalum and niobium-bearing ores, to be paid quarterly in arrears; this represents 1% of the profits for every \$100,000 principal amount of Debentures (“**Participating Feature**”). As previously announced in its news release of June 3, 2020, the Company has entered into a joint venture with Kibara Minerals in the Democratic Republic of the Congo in this regard, and the Company’s share of the profits will be 70%. The Participating Feature will apply to any profits generated for the Company from this joint venture, as well as from other jurisdictions (such as Brazil). This Participating Feature will expire on the earlier of the conversion of the Debentures into Shares of the Company, and the Maturity Date.

The Company paid finder’s fees of \$46,000 in connection with the private placement. The Debentures issued pursuant to the private placement are subject to a four-month hold period in Canada.

The net proceeds of the private placement will be used to begin trading of tantalum and niobium-bearing ores from the Democratic Republic of the Congo and Brazil, as well as for general working capital purposes.

Pierre Gauthier, the CEO, Chairman and a director of the Company purchased 90,000 Debentures (\$90,000) through his company, Seed Capital Inc., Mark Billings, the President and a director of the Company purchased 50,000 Debentures (\$50,000) through his company, Gestion Marengo Management Inc., and Kenneth West, a director of the Company, purchased 50,000 Debentures (\$50,000). As a result, the Private Placement is a related party transaction (as defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”)). The Company relied upon the “*Issuer Not Listed on Specified Markets*” exemption from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101.

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

Not applicable.

Item 7: Omitted Information

None.

Item 8: Executive Officer

Pierre Gauthier
CEO, Auxico Resources Canada Inc.
pg@auxicoresources.com
Cell: +1 514 299 0881

Mark Billing
President, Auxico Resources Canada Inc.
mb@auxicoresources.com
Cell: +1 514 296 1641

Item 9: Date of Report

June 26, 2020.