

**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**

October 23, 2020.

**Item 3: News Release**

A news release was issued and disseminated on October 26, 2020 and filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Item 4: Summary of Material Changes**

The Company announced that it has closed a non-brokered private placement (the “**Private Placement**”) of convertible debentures (the “**Debentures**”). See Item 5 for details.

**Item 5: Full Description of Material Change**

The Company announced that it has completed the Private Placement, raising aggregate gross proceeds of \$2,788,000 in participating Debentures.

Each Debenture consists of \$1 principal amount of participating, secured, non-redeemable convertible debenture maturing on October 23, 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 \$0.20 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 \$0.25 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 that such holder would receive if the holder held the Debenture from the date of conversion until the Maturity Date.

In addition, Debenture holders will receive a total of 13.94% of the net profits generated by Auxico, to be paid quarterly in arrears; this represents 1% of the profits for every \$200,000 principal amount of Debentures (“**Participating Feature**”). The Participating Feature will apply to any profits generated for Auxico from the sale of tantalum, niobium and other minerals from Brazil, Colombia, the Democratic Republic of the Congo and other jurisdictions. 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 \$266,800 in cash in connection with the private placement and issued a total of 500,000 finders’ warrants (“**Finders’ Warrants**”). Each Finder’s Warrant is exercisable into one Share at a strike price of \$0.20 for a period of three years from closing. 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, Brazil and Colombia, as well as for general working capital purposes.

**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**

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**Item 9: Date of Report**

October 27, 2020.