

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 : Name and Address of Company

Auxico Resources Canada Inc. (the “Company”)

201 Notre Dame Street W. Suite 500

Montreal, Quebec H2Y 1T4

Item 2 : Date of Material Change State

June 29, 2022

Item 3: News Release

A news release was issued and disseminated on July 8, 2022 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Change

For family financial planning purposes, a debenture holder transferred a convertible participating debenture (“Assigned Debenture”) to another debenture holder who is a family member so that she now owns \$2,000,000 principal amount of debentures. On a partially diluted basis, the transferee would have 21.94% of the Common Shares of the Company. See Item 5 for details.

Item 5 : Full Description of Material Change

The company announced that a current debenture holder, Caroline Freymond, has, pursuant to an assignment agreement dated June 29, 2022, acquired a convertible participating debenture in an aggregate principal amount of \$1,000,000.00 (the “Assigned Debenture”) from another debenture holder of the Company, Éric Freymond, who is a family member of hers. She now owns \$2,000,000 principal amount of debentures (“Convertible Debentures”). These Convertible Debentures were issued on October 23, 2020 and convert into units (“Units”) at a price of \$0.20 per Unit at any time during the period of three years from the date of issuance of the Convertible Debentures. Each Unit is comprised of one common share (“Common Share”) in the capital of the Company and one common share purchase warrant (“Warrant”). Each Warrant is exercisable into one Common Share at a price of \$0.25 per Common Share for a period of three years from issuance. The \$2,000,000 principal amount of the Convertible Debentures also carry a 10% profit interest in the operations of the Company.

This \$2,000,000 principal amount of Convertible Debentures would convert into 10,000,000 Common Shares and 10,000,000 Warrants. Auxico currently has 71,162,295 Common Shares issued and outstanding. On a partially

diluted basis, Ms. Freymond would hold 21.94% of the Common Shares of the Company.

As a result, Auxico has agreed with Ms. Freymond the following:

- This assignment of the Assigned Debenture on her part does not constitute a change in control of Auxico, nor would she seek a change in control. Ms. Freymond has acquired this Assigned Debenture strictly for investment purposes. The acquisition of this Assigned Debenture from another family member was done for family financial planning purposes only.
- Ms. Freymond has agreed that she will not convert the Convertible Debentures into Units and/or exercise Warrants into Common Shares if that would put her into a position where she would own 20% or more of the Common Shares of the Company

Auxico does not foresee a significant and probable impact from such transaction.

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

Not applicable

Item 7 : Omitted Information

None

Item 8 : Executive Officer

Pierre Gauthier

Mark Billing

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President, Auxico Resources Canada

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Item 9: Date of Report

July 8, 2022