

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 : **Name and Address of Company**

Auxico Resources Canada Inc. (the “Company” or “Auxico”)
201 Notre Dame Street W. Suite 500
Montreal, Quebec H2Y 1T4

Item 2 : **Date of Material Change State**

July 14, 2023

Item 3: **News Release**

A news release was issued and disseminated on July 18, 2023, and filed on SEDAR (www.sedar.com).

Item 4: **Summary of Material Change**

Central America Nickel Inc. (“CAN”) acquired of 7 million common shares and 3 million warrants in the capital of Auxico.

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

Central America Nickel Inc. (“CAN”) acquired of 7 million common shares and 3 million warrants in the capital of Auxico. The warrants have a strike price of CAD \$0.15 for a period of 3 years. CAN is a Canadian-based mining and technology firm with common directors and management as Auxico. Inclusive of this transaction, CAN now holds 7,550,000 shares and 4,275,000 warrants in Auxico. With the recent acquisition of shares. As there are 92,390,191 Common Shares outstanding, CAN now owns 8.17% of the issued and outstanding Common Shares of Auxico. If all the warrants of CAN are exercised, CAN will own 12.23% of the issued and outstanding common shares of Auxico, on a partially diluted basis.

The transaction was discussed and approved, in unanimity, by the Board of Directors of Auxico (“BOD”).

Auxico has acquired these shares as a long-term investor due to the strategic importance and substantial quantity of rare earth and other critical minerals contained in both of Auxico’s highly prospective Colombian and Brazilian projects.

A meaningful stake with over 5 million shares of the Company, validate that management is very much aligned with shareholders.

This conversion constitutes a related party transaction pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”) as Mr. Pierre Gauthier is an officer and director of Auxico and CAN. However, Auxico expects such participation would be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the acquisition, nor the consideration,

would exceed 25% of Auxico's market capitalization. Auxico did not file a material change report in respect of the related party transaction at least 21 days before the acquisition, which the Company deems reasonable in the circumstances to complete the execution of the acquisition in an expeditious manner.

The acquisition was made for investment purposes.

Item 6: Reliance on subsection 7.1(2) 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

July 19, 2023