MATERIAL CHANGE REPORT

Form 53-901F (formerly Form 27) Under Section 85(1) of the British Columbia Securities Act
Form 27 Under Section 146(1) of the Alberta Securities Act
Form 27 Under Section 75(2) of the Ontario Securities Act
Form 27 Under Section 73 of the Quebec Securities Act
Form 27 Under Section 81(2) of the Nova Scotia Securities Act
Form 26 Under Section 76(2) of the Newfoundland Securities Act
Form 25 Under Section 84(1)(b) of the Saskatchewan Securities Act
National Policy 40 Manitoba/New Brunswick
(Individually, the "Act" and collectively, the "Securities Act")

1. Reporting Issuer

Full name of the Issuer:

CANICO RESOURCE CORP.

The address of the principal office in Canada of the reporting issuer is as follows:

#710 - 777 Hornby Street
Vancouver, B.C.
V6Z 1S4

PHONE: (604) 669-9446

2. Date of Material Change

November 25, 2003

3. Press Release

The date and place(s) of issuance of the press release are as follows:

November 25, 2003

The press release was released to The Toronto Stock Exchange, being the only exchange upon which the shares of the Issuer are listed, and through various other approved public media.

4. Summary of Material Change(s)

A summary of the nature and substance of the material change is as follows:

Canico Resource Corp. ("Canico"), has received a scoping study (the "Study") prepared by Hatch Ltd. ("Hatch"), a company independent of Canico, on the Onça-Puma property located in Pará State, Brazil. The Study, which was prepared in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects, estimates the order of magnitude capital and operating costs of four potential production options for the Onça-Puma nickel laterite deposits (the "Estimates"). The Estimates are based on inferred resources and on early stage plant designs and on indicative historical costs from similar projects. The text of the Study has been filed on the SEDAR website, located at www.sedar.com, **The Study is preliminary in nature as it is based entirely upon inferred resources calculated from the 729 diamond drill holes which Canico completed in its Phase 1 drill program on the deposits. As required under National Instrument 43-101, the reader is cautioned that these resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that any of the scenarios in the Study will be realized.**

The reader is also directed to the cautionary notices in the aforementioned news release and to the disclaimers and discussion in the Study and in Appendix "A" which accompanies this material change report.

5. Full Description of Material Change

Canico received the Study from Hatch, who are independent of Canico, in which the Estimates with respect to four potential production options for the Onça-Puma property were made. The Study was prepared in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects and the text of the Study was filed on the SEDAR website located at www.sedar.com. The complete Study, together with appendices, is available for review at Canico's head office in Vancouver, British Columbia during normal business hours.

The Estimates are based upon inferred resources and on early stage plant designs and indicative historical costs from similar projects, some of which are currently in operation. The capital costs, which are inclusive of project infrastructure, mine, process plant and ancillary facilities, are considered accurate to within +30%/-20%, for the current level of scope definition. The operating costs are considered accurate to +/- 20% and have been based on preliminary unit costs for fuel and electric power, which are the major components of the operating costs. All costs are presented as 2nd quarter 2003, US dollars. The Estimates and related mining schedules for the four options examined (the "Tables") are attached to this material change report as Appendix "A".

For purposes of the Study, Hatch considered a preliminary mining plan for the deposits prepared on the basis of inferred resources and the limited metallurgical work done on the project to date. In this plan, a number of pits were defined and each pit was categorized based on the composition of the laterite in that pit. Mining is scheduled so that material from multiple pits is blended on an ongoing basis to achieve a suitable feed for a pyrometallurgical process plant based on the conventional rotary kiln-electric furnace ("RKEF") technology. Characteristics such as nickel grade, iron content and the ratio of silica to magnesia are balanced in the blending process. The plan adjusts for stripping ratios and was designed so that high grade areas are mined first to maximize nickel production in early years.

Metallurgical work conducted to date on the Onça-Puma laterite material is preliminary in nature and consists of limited small scale laboratory tests on Onça-Puma material and computer simulations which incorporate process plant operating parameters from typical RKEF operations. The Study has been prepared on the assumption, which Hatch considers reasonable (subject to confirmation by ongoing work), that the laterite in the mining schedule is amenable to conventional pyrometallurgical treatment to recover almost 90% of contained nickel. The metallurgical work completed to date has shown that there are no significant limitations to producing marketable ferronickel or nickel matte.

The Study projects a mine life of about 89 years for a single line RKEF plant and 45 years for a two line plant under the preliminary mining schedules. The portions of the inferred resources selected for the preliminary mining schedules total 109,820,800 tonnes grading 1.80% nickel at an overall cutoff grade of 1.08% nickel and a silica to magnesia ratio of 1.84. A considerable quantity of the nickel laterite would remain unprocessed at the end of these schedules and the study did not explore production opportunities for this material.

As noted above, the Study is preliminary in nature as it is based entirely upon inferred resources calculated from the 729 diamond drill holes which Canico completed in its Phase 1 drill program on the deposits. As required under National Instrument 43-101, the reader is cautioned that these resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that any of the scenarios in the scoping study will be realized. **The reader is also directed to the cautionary notices in the aforementioned news release and to the disclaimers and discussion in the Study and in Appendix "A" which accompanies this material change report.**

6. Reliance on Section 85(2)(BC), Section 146(2)(AB), and Section 75(3)(ON) of the Securities Acts

Not Applicable

7. Omitted Information

Not Applicable

8. Senior Officer

The following senior officer of the Issuer is knowledgeable about the material change and may be contacted by the Commission at the following address and telephone number:

J. Michael Kenyon, President and Chief Executive Officer
#710 - 777 Hornby Street
Vancouver, B.C.
V6Z 1S4

PHONE: (604) 669-9446

9. Statement of Senior Officer

The foregoing accurately discloses the material change(s) referred to herein.

DATED at Vancouver, British Columbia, this 25th day of November , 2003.

"Jonathan A. Rubenstein"

Jonathan A. Rubenstein
Vice President & Corporate Secretary

APPENDIX "A"

Table 1-1: Capital Cost Estimate Summary (2nd quarter, 2003)[1]

		Million US $
Single-Line Ferronickel	Direct Costs	294.9
	Indirect Costs	123.7
	Owner's Costs	22.9
	Contingency	81.2
	Provision for Taxes	33.2
	Total Project Cost	**556.0**
Double-Line Ferronickel	Direct Costs	467.0
	Indirect Costs	189.1
	Owner's Costs	26.8
	Contingency	120.3
	Provision for Taxes	51.5
	Total Project Cost	**854.7**
Single-Line Matte	Direct Costs	330.5
	Indirect Costs	138.7
	Owner's Costs	25.6
	Contingency	90.3
	Provision for Taxes	37.2
	Total Project Cost	**622.4**
Double-Line Matte	Direct Costs	524.3
	Indirect Costs	211.3
	Owner's Costs	29.9
	Contingency	133.4
	Provision for Taxes	57.6
	Total Project Cost	**956.6**

[1] Capital costs have an expected accuracy of +30%/-20%.

Table 1-2: Onça-Puma Project Operating Cost Summary – Including Taxes[1]

		Mine/Process Plant Production [2]				Operating Costs (2nd quarter, 2003)		
		Feed - dry tonnes/year	Ni Grade wt %	Ni Product		US $/year	US $/t dry feed	US $/lb Ni
				tonnes / year	Million lb / year			
Single-Line Ferronickel	Average – First 5 years of Operation	1,111,616	2.90	29,563	65.17	75,446,125	67.87	1.16
	Average – First 10 years of Operation	1,166,516	2.71	28,875	63.66	77,515,511	66.45	1.22
	Average – First 20 years of Operation	1,204,788	2.45	26,818	59.12	79,215,370	65.75	1.34
	Life-of-Mine Average-~89 years	1,230,635	1.80	19,583	43.17	79,207,329	64.36	1.83
Double-Line Ferronickel	Average – First 5 years of Operation	2,223,747	2.71	55,228	121.76	141,146,623	63.47	1.16
	Average – First 10 years of Operation	2,333,431	2.46	52,090	114.84	145,621,371	62.41	1.27
	Average – First 20 years of Operation	2,409,991	2.16	46,978	103.57	149,356,338	61.97	1.44
	Life-of-Mine Average~45 years	2,429,170	1.80	38,685	85.29	148,382,513	61.08	1.74
Single-Line Matte	Average – First 5 years of Operation	1,092,616	2.89	27,833	61.36	79,825,648	73.06	1.30
	Average – First 10 years of Operation	1,147,961	2.71	27,285	60.15	82,012,492	71.44	1.36
	Average – First 20 years of Operation	1,187,481	2.45	25,389	55.97	83,766,433	70.54	1.50
	Life-of-Mine Average~89 years	1,216,921	1.80	18,647	41.11	83,784,384	68.85	2.04
Double-Line Matte	Average – First 5 years of Operation	2,196,191	2.72	52,224	115.13	149,325,498	67.99	1.30
	Average – First 10 years of Operation	2,307,274	2.46	49,423	108.96	153,992,223	66.74	1.41
	Average – First 20 years of Operation	2,386,324	2.17	44,613	98.35	157,952,426	66.19	1.61
	Life-of-Mine Average~45 years	2,429,571	1.80	37,138	81.88	158,358,220	65.18	1.93

[1] Operating costs are based on preliminary unit costs for fuel and electric power. Operating costs shown have an expected accuracy of +/- 20% and exclude the selling costs, ocean freight and 2% government royalty associated with the product. Ferronickel is a final product; matte would incur further charges for additional smelting and refining.

[2] Assumes 2 years to reach full production and 3 to 4 months down time every ten years for major maintenance.

Disclaimers and Discussion

The scoping study is preliminary in nature as it is based entirely upon inferred resources. As required under National Instrument 43-101, the reader is cautioned that these resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that any of the results predicted in the scoping study will be realized. *The inferred resources considered in the scoping study were estimated by Canico's qualified technical staff according to the requirements of National Instrument 43-101 under the supervision of Hatch Ltd., ("Hatch") who are independent of Canico. Details of these estimates, a description of the calculation method employed, a site map for the drill holes from which they were estimated and a description of Canico's assaying and analytical techniques and methodology are set out in the text of the scoping study, which may be found in Canico's filings at www.sedar.com. The estimates are based on the assumptions and methods, and are subject to the limitations and qualifications, described in the scoping study. A complete tabulation of the composited nickel assays from Canico's Phase 1 drilling program and other related information may be found on Canico's website at www.canico.com.*

The standards employed in estimating the inferred resources differ significantly from the requirements of the United States Securities and Exchange Commission and the resource information reported may not be comparable to similar information reported by United States companies. The term "resources" does not equate to "reserves" and normally may not be included in documents filed with the United States Securities and Exchange Commission. "Resources" are sometimes referred to as "mineralization" or "mineral deposits."

The scoping study is intended to be read as a whole and sections should not be read or relied upon out of context. The scoping study contains the expression of the professional opinions of Hatch, based upon information available at the time of preparation. The quality of the information, conclusions and estimates contained in the scoping study are consistent with the intentions of the scoping study, as well as the circumstances and constraints under which the scoping study was prepared which are also set out therein.

The scoping study was prepared for Canico by Hatch; the geology, resource, and mining sections of the study were prepared by Canico's qualified technical staff under the supervision of Hatch. The scoping study is based, in part, upon information believed to be reliable from data supplied by Canico, and other consultants engaged by Canico, which Hatch has not verified as to accuracy and completeness. Hatch has not made an analysis, verified or rendered an independent judgment as to the validity of the information provided by such other consultants. While it is believed that the information contained in the scoping study is reliable under the conditions and subject to the limitations set forth therein, Hatch cannot guarantee accuracy thereof. Any reliance on the scoping study by any third party shall be entirely at their own risk. Hatch takes no responsibility and accepts no liability whatsoever for any loss arising from any use of or reliance on the scoping study by parties other than Canico.

To the full extent permitted by law, Hatch disclaims responsibility for any indirect or consequential loss arising from any use of the scoping study or the information contained in the scoping study. Readers are cautioned that the study is a scoping study only and that all estimates and projections contained therein are based on limited and incomplete data. While the work, results, estimates and projections in the scoping study may be considered to be generally indicative of the nature and quality of the Onça-Puma work, they are not definitive. No representations or predictions are intended as to the results of future work, nor can there be any promises that the estimates and projections in the scoping study will be sustained in future work.

The scoping study includes certain forward-looking statements within the meaning of the US Private Securities Legislation Reform Act of 1995. Other than statements of historical fact, all statements in the scoping study, including without limitation, statements regarding potential mineralization and resources and estimated or potential future production potential, are forward-looking statements that involve various known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove to be accurate. Results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of the scoping study.