Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

CANICO RESOURCE CORP. (the "Company")
2184 Four Bentall Centre
1055 Dunsmuir Street, PO Box 49067
Vancouver, BC V7X 1C4

Item 2 Date of Material Change

State the date of the material change.

February 28, 2005

Item 3 News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.

February 28, 2005

The Press Release was released to the Toronto Stock Exchange and through various other approved public media and filed on the SEDAR with the securities commissions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island.

Item 4 Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

The Company has received an update on its mineral resource estimates for its Onça-Puma nickel laterite project in the Pará State, Brazil (the "Onça-Puma Project").

Item 5 Full Description of Material Change

The Company received the following update on its mineral resource estimates for its Onça-Puma Project (these mineral resource estimates should be read in conjunction with the "Key Assumptions, Parameters, Estimate Methods and Other Discussion" following the estimates):

CANICO RESOURCE CORP.
Mineral Resource Estimate
February, 2005

Onça - Measured Mineral Resource

Cut-Off Ni (%)	Tonnes (x1000)	Tonnes ($x10^6$)	Ni (%)	Fe (%)	SiO_2 (%)	MgO (%)	Density (g/cc)	SiO_2/ MgO	Fe/ Ni
1.00	16,452	16.5	1.94	13.1	37.2	25.4	1.2	1.47	6.8
1.25	14,924	14.9	2.02	13.1	37.2	25.4	1.2	1.46	6.5
1.50	12,904	12.9	2.12	13.0	37.1	25.6	1.2	1.45	6.1
1.75	10,435	10.4	2.24	13.0	37.0	25.6	1.2	1.44	5.8
2.00	7,466	7.5	2.39	13.0	36.9	25.7	1.2	1.43	5.4
2.25	4,392	4.4	2.57	12.7	36.8	25.8	1.2	1.43	5.0
2.50	2,119	2.1	2.79	12.3	37.0	25.9	1.2	1.43	4.4
2.75	951	1.0	3.02	12.2	37.2	25.6	1.2	1.46	4.0

Onça - Indicated Mineral Resource

Cut-Off Ni (%)	Tonnes (x1000)	Tonnes ($x10^6$)	Ni (%)	Fe (%)	SiO_2 (%)	MgO (%)	Density (g/cc)	SiO_2/ MgO	Fe/ Ni
1.00	19,588	19.6	1.64	16.4	37.3	20.8	1.2	1.79	10.0
1.25	14,935	14.9	1.80	16.6	36.5	21.0	1.2	1.74	9.2
1.50	11,043	11.0	1.95	15.9	36.3	22.1	1.2	1.64	8.1
1.75	7,466	7.5	2.11	15.2	36.3	22.9	1.2	1.59	7.2
2.00	4,335	4.3	2.28	15.2	35.9	23.3	1.2	1.54	6.7
2.25	1,981	2.0	2.46	15.4	35.7	23.1	1.2	1.55	6.3
2.50	583	0.6	2.73	15.4	36.7	21.9	1.2	1.68	5.6
2.75	188	0.2	2.99	17.3	37.7	19.9	1.2	1.89	5.8

Onça - Measured + Indicated Mineral Resource

Cut-Off Ni (%)	Tonnes (x1000)	Tonnes ($x10^6$)	Ni (%)	Fe (%)	SiO2 (%)	MgO (%)	Density (g/cc)	SiO2/ MgO	Fe/ Ni
1.00	36,040	36.0	1.78	14.9	37.3	22.9	1.2	1.63	8.4
1.25	29,859	29.9	1.91	14.8	36.8	23.2	1.2	1.59	7.8
1.50	23,947	23.9	2.04	14.3	36.7	24.0	1.2	1.53	7.0
1.75	17,901	17.9	2.19	13.9	36.7	24.5	1.2	1.50	6.4
2.00	11,801	11.8	2.35	13.8	36.5	24.8	1.2	1.47	5.9
2.25	6,373	6.4	2.54	13.6	36.5	25.0	1.2	1.46	5.3
2.50	2,702	2.7	2.78	13.0	36.9	25.0	1.2	1.47	4.7
2.75	1,139	1.1	3.02	13.0	37.3	24.6	1.2	1.51	4.3

Onça - Inferred Mineral Resource

Cut-Off Ni (%)	Tonnes (x1000)	Tonnes ($x10^6$)	Ni (%)	Fe (%)	SiO_2 (%)	MgO (%)	Density (g/cc)	SiO_2/ MgO	Fe/ Ni
1.00	132,384	132.4	1.49	23.9	32.1	14.8	1.2	2.17	16.0
1.25	89,099	89.1	1.67	22.2	32.7	16.7	1.2	1.96	13.3
1.50	55,019	55.0	1.86	20.0	34.3	18.5	1.2	1.85	10.7
1.75	29,272	29.3	2.07	18.5	35.4	19.6	1.2	1.81	8.9
2.00	14,083	14.1	2.30	17.6	36.2	20.1	1.2	1.80	7.6
2.25	6,382	6.4	2.53	17.3	36.3	20.2	1.2	1.80	6.8
2.50	2,702	2.7	2.76	17.4	36.0	19.9	1.1	1.81	6.3
2.75	1,017	1.0	3.02	17.7	36.3	18.9	1.1	1.92	5.9

CANICO RESOURCE CORP.
Mineral Resource Estimate
February, 2005

Total Onça-Puma Measured Mineral Resources

Cut-Off Ni (%)	Tonnes ($x10^6$)	Ni (%)	Fe (%)	SiO_2/ MgO	Fe/ Ni
1.00	47.5	1.90	16.3	1.73	8.6
1.25	42.2	2.00	16.0	1.68	8.0
1.50	35.6	2.11	15.5	1.64	7.3
1.75	28.1	2.25	15.1	1.61	6.7
2.00	19.8	2.40	14.8	1.58	6.2
2.25	11.8	2.60	14.5	1.56	5.6
2.50	6.0	2.81	14.3	1.55	5.1
2.75	2.8	3.05	14.1	1.54	4.6

Total Onça-Puma Indicated Mineral Resources

Cut-Off Ni (%)	Tonnes ($x10^6$)	Ni (%)	Fe (%)	SiO_2/ MgO	Fe/ Ni
1.00	51.1	1.51	19.5	1.84	12.9
1.25	35.5	1.68	19.0	1.79	11.3
1.50	22.4	1.86	18.1	1.70	9.7
1.75	12.2	2.07	16.9	1.64	8.2
2.00	6.2	2.26	16.2	1.58	7.1
2.25	2.6	2.46	15.7	1.57	6.4
2.50	0.7	2.73	15.2	1.63	5.6
2.75	0.2	3.01	16.5	1.77	5.5

Total Onça-Puma Measured + Indicated Mineral Resources

Cut-Off Ni (%)	Tonnes ($x10^6$)	Ni (%)	Fe (%)	SiO_2/ MgO	Fe/ Ni
1.00	98.6	1.70	18.0	1.79	10.6
1.25	77.7	1.86	17.4	1.73	9.4
1.50	58.0	2.02	16.5	1.66	8.2
1.75	40.3	2.19	15.6	1.62	7.1
2.00	26.0	2.37	15.1	1.58	6.4
2.25	14.3	2.57	14.7	1.56	5.7
2.50	6.8	2.80	14.4	1.55	5.1
2.75	3.0	3.04	14.3	1.56	4.7

Total Onça-Puma Inferred Mineral Resources

Cut-Off Ni (%)	Tonnes ($x10^6$)	Ni (%)	Fe (%)	SiO2/ MgO	Fe/ Ni
1.00	137.2	1.48	23.7	2.14	16.0
1.25	91.2	1.67	22.1	1.95	13.3
1.50	55.7	1.86	20.0	1.85	10.7
1.75	29.4	2.07	18.5	1.81	9.0
2.00	14.1	2.30	17.6	1.80	7.6
2.25	6.4	2.53	17.3	1.80	6.8
2.50	2.7	2.76	17.4	1.81	6.3
2.75	1.0	3.02	17.7	1.92	5.9

Key Assumptions, Parameters, Estimate Methods and Other Discussion

1. The Onça estimate was completed by Hatch using 2,435 HQ diamond drill holes, totaling 51,452m, completed by Canico between August 20, 2002 and December 1, 2004. All holes were assayed as set out in Canico's news release dated October 17, 2002, and the results were verified by Hatch.

2. The Onça mineral resource was estimated using the geological model provided by Canico. The Hatch Qualified Person (QP) has visited the Onça site and has reviewed and accepted the geological interpretation methodology and procedures applied by Canico.

3. The Onça mineral resource was estimated by Hatch using ordinary kriging techniques. The drillhole spacing was close enough to obtain meaningful variography to determine orientation of mineralization, and validation of the model with exploration data verified the modeling process.

4. Classification of the Onça mineral resource into Measured, Indicated and Inferred categories was based on a combination of drillhole spacing, continuity of mineralization, kriging variance, search distances and the robustness of variography.

5. Manager of Geology and Mining, Callum Grant, a full time employee of Hatch, is the Qualified Person as defined under NI 43-101 for the Onça mineral resource estimate as well as the Onça and Puma drillhole databases.

6. The Puma West estimate was completed by GRD Minproc using a data base compiled from 2,132 diamond drill holes, totaling 47,852m, completed by Canico between August 20, 2002 and December 1, 2004. All holes were assayed as set out in Canico's news release dated October 17, 2002, and the results were verified by Hatch. GRD Minproc has carried out a procedural review of the Hatch validation process and confirmed that it meets normal industry standards. GRD Minproc has not performed any independent quality control investigations on the data supplied.

7. The Puma West mineral resource was estimated by GRD Minproc using the geological model provided by Canico. The GRD Minproc Qualified Person (QP) has visited the Puma site and has reviewed and accepted the geological interpretation methodology and procedures applied by Canico.

8. The Puma West mineral resource was estimated by GRD Minproc using ordinary kriging techniques. The drillhole spacing was close enough to obtain meaningful variography to determine orientation of mineralization, and validation of the model with exploration data verified the modeling process.

9. Classification of the Puma West mineral resource by GRD Minproc into Measured, Indicated and Inferred categories was based on a combination of drillhole spacing, continuity of mineralization, kriging variance, search distances and the robustness of variography.

10. Principal Resource Analyst, Annick Manfrino, a full time employee of GRD Minproc, is the Qualified Person as defined under NI 43-101 for the Puma West resource estimate.

The Puma deposit has been drilled at close spacing, with the result that almost all of the Inferred mineral resources previously announced for Puma have been converted to Measured and Indicated mineral resources at similar grades and tonnages. While there are now substantial Measured and Indicated mineral resources estimated for the Onça deposit, drilling at Onça is less advanced, and accordingly a significant portion of the mineral resources are still in the Inferred category. Reclassification of a large proportion of these Inferred mineral resources to the Measured and Indicated categories is expected to continue with the incorporation of the results of some 1,700 additional drill holes already completed (for which assay data is awaited) and as the ongoing in-fill drilling proceeds over the coming months.

The new mineral resource estimates continue to support the presence of a substantial tonnage of laterite above a cut-off grade of 2.5% nickel. This material will be targeted for initial mine production to maximize project cash flows during early years of operation. There are also substantial tonnages at a 1.0% nickel cut-off grade with a silica to magnesia ratio below 2.0. This creates opportunities for a much longer mine life than was estimated in the November, 2003, Scoping Study, (posted on www.sedar.com and on the Canico website at www.canico.com).

Diamond drilling continues at Onça to better define the higher grade areas and to upgrade the Inferred mineral resources to the Measured and Indicated categories. A feasibility study is underway to assess the construction of a large scale ferronickel production facility at Onça-Puma. The study is scheduled to be completed early in the second quarter of 2005.

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

If this report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.

Not applicable

Item 7 Omitted Information

State whether any information has been omitted on the basis that it is confidential information.

Not applicable

Item 8 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Jonathan Rubenstein, Vice President & Corporate Secretary
2184 – 1055 Dunsmuir Street
Vancouver, BC V7X 1C4
Phone: 604-669-9446

Item 9 Date of Report

Dated this 4th day of March, 2005