

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. ("Canico")
Suite 2184, Four Bentall Centre
1055 Dunsmuir Street, P.O. Box 49067
Vancouver, BC V7X 1C4
Tel: (604) 669-9446

Item 2: Date of Material Change

State the date of the material change.

September 16, 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.

The News Release was disseminated on September 20, 2005, to the Toronto Stock Exchange as well as through various other approved public media and was SEDAR filed with the British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island Securities Commissions.

Item 4: Summary of Material Change(s)

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

Canico's Brazilian subsidiary, Mineração Onça Puma Ltda. has received the Installation Licence, (LI), for its Onça Puma project in Pará State, Brazil. This licence authorizes Mineração Onça Puma Ltda. to proceed with construction of a mine and related facilities at the project.

Item 5: Full Description of Material Change

Canico's Brazilian subsidiary, Mineração Onça Puma Ltda. has received the Installation Licence, (LI), for its Onça Puma project in Pará State, Brazil. This licence authorizes Mineração Onça Puma Ltda. to proceed with construction of a mine and related facilities at the project. The LI was issued by the Pará State environmental agency, (SECTAM) further to the Preliminary Environmental Licence (PEL) issued by SECTAM last year which determined that the project is feasible from an environmental standpoint. The issue of the licence involved a detailed review of Canico's development plan and the satisfaction of all of the conditions to the LI which were contained within the PEL.

The final outstanding environmental licence which will be required in connection with the project is an Operating Licence, and this will be issued if and when construction is completed in accordance with the LI and all operating protocols, such as mine safety standards, environmental protection policies and other similar operating standards have been established in compliance with the law and the PEL and the LI.

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.

No information has been intentionally omitted from this form.

Item 8: Senior Officers

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.

J. Michael Kenyon, President & CEO
Suite 2184, 1055 Dunsmuir Street
Vancouver, BC V7X 1C4

Telephone: (604) 669-9446

Item 9: Date of Report

DATED at Vancouver, British Columbia, this 5th day of October, 2005.