

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Reporting Issuer

IPICO Inc. (the “Company”)
4480 Harvester Road,
Burlington, Ontario
N2V 2C4

Item 2. Date of Material Change

November 28, 2006

Item 3. Press Release

Date of Issuance: November 29, 2006
Place of Issuance: Burlington, Ontario
Disseminated through: Canadian News Network

Item 4. Summary of Material Change

The Company is announcing its intention to issue on a non-brokered private placement basis convertible secured debentures (the “Debentures”) for \$1,000 per Debenture for gross proceeds of \$5,500,000 together with 1,650,000 common share purchase warrants.

Item 5. Full Description of Material Change

The Company is intending to issue on a non-brokered private placement basis convertible secured debentures (the “Debentures”) for \$1,000 per Debenture for gross proceeds of \$5,500,000. Each purchaser of Debentures will receive on closing a commitment fee of \$75 together with three hundred (300) common share warrants for each Debenture purchased. Each warrant will entitle the holder to purchase one common share of IPICO for a period of 24 months from closing at a price of \$1.00 per share.

The Debentures will be convertible into common shares of IPICO automatically upon the occurrence of certain events, and otherwise at the option of the holder, at a conversion price generally equivalent to 75% of the twenty day weighted average market price per share at the time of conversion, subject to a minimum price of \$0.62 per share and a maximum price of \$1.50 per share.

The Debentures will bear interest at a rate of 12% per annum, payable quarterly in arrears on the last business day of each calendar quarter commencing on March 30, 2007. The Debentures will be secured by a general security interest over all of the assets and undertaking of IPICO and its subsidiaries. The Debentures will mature on the 24th month anniversary of closing.

Brookfield Technology Fund (“BTF”) has entered into a letter of intent providing for the purchase of Debentures totaling \$2,500,000, subject to certain conditions. IPICO has also received the commitment of Midland Resources Holding Limited to purchase Debentures totaling \$1,250,000 and the commitments of five of the directors of IPICO to purchase Debentures totaling \$550,000 upon the same terms and conditions.

BTF holds at present Class A Preferred shares convertible into approximately 17% of the issued common shares of IPICO. Assuming the purchase by BTF of Debentures totaling \$2,500,000, the conversion of all Class A Preferred shares held by BTF upon the terms thereof and the conversion of all \$5,500,000 of Debentures issued at the minimum conversion price, BTF would hold approximately 23% of the issued common shares of IPICO. As related party transactions, the participation of BTF and the five directors in this Debenture offering has been approved by a special committee of the board of directors of IPICO constituted for this purpose. BTF’s purchase of Debentures is also subject to the prior approval of IPICO shareholders. IPICO intends to obtain that approval by soliciting the written consents of the holders of a majority of its issued and outstanding common shares in accordance with the policies of the TSX Venture Exchange. These related party transactions are exempt from the formal valuation and minority shareholder approval requirements of OSC Rule 61-501 for the reason that the total fair market value of the offering to be purchased by the related parties does not exceed 25% of the market capitalization of IPICO.

IPICO is targeting closing on or about December 15, 2006, subject to satisfaction of customary conditions including execution of subscription agreements and other documentation, and receipt of all necessary regulatory approvals. This material change report is being filed less than 21 days before the expected date of closing of the transactions for the reason that the materials terms of the offering were only approved by the special committee of the board of directors of IPICO on November 28, 2006 and all parties to the intended transaction wish to complete the transaction in advance of the last two weeks of December in order to avoid the interference of the holiday season.

The net proceeds of the offering will be used for general corporate purposes.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Stephanie Ratza
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Item 9. Date of Report

November 29, 2006