

Form 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company

Reco International Group Inc.
#100 - 2051 Viceroy Place
Richmond, British Columbia V6V 1Y9

ITEM 2 Date of Material Change

June 2, 2022

ITEM 3 News Release

News Release dated June 2, 2022 was issued and disseminated on June 2, 2022 through the services of Canada Stockwatch and Market News (Baystreet) and filed that same date on SEDAR.

ITEM 4 Summary of Material Change

Reco International Group Inc. (the "Company") announced receipt of final acceptance from the TSX Venture Exchange and completion of a 24,000,000 common shares private placement for gross proceeds of \$1,200,000.

ITEM 5 Full Description of Material Change

The Company announced receipt of final acceptance from the TSX Venture Exchange of the private placement previously announced on April 11, 2022 ("Private Placement") and closed the final tranche of the Private Placement of 10,500,000 common shares ("Shares") at a price of \$0.05 per Share for gross proceeds of \$525,000. As announced on May 10, 2022, the Corporation closed on the initial tranche of subscriptions of 13,500,000 Shares for gross proceeds of \$675,000, resulting in a total of 24,000,000 Shares for gross proceeds of \$1,200,000.

The Corporation intends to use the proceeds from the Private Placement for general working capital.

The Shares issued under the Private Placement are subject to a four-month hold period expiring on October 3, 2022.

The issuance of Shares to insiders pursuant to the Private Placement constituted a "related party transaction" as defined under Multilateral Instrument 61-101, *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The offering was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101. The Company determined that the exemptions set out in paragraphs (a) and (b) in section 5.5 of MI 61-101 were applicable since the aggregate consideration to be paid by the related parties did not exceed 25% of the market capitalization of the Company and the Company is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange. In addition, regarding the minority shareholder approval exemptions, the Company determined that the exemptions set out in paragraphs (1)(a) and (b) in section 5.7 of MI 61-101 were applicable in that the aggregate consideration to be paid by the related parties did not exceed 25% of the market capitalization of the Company, the

distribution of the securities to the related parties had a fair market value of not more than \$2,500,000 and the Company is not listed on the Toronto Stock Exchange, but only on the TSX Venture Exchange.

ITEM 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

None

ITEM 7 Omitted Information

Not Applicable

ITEM 8 Executive Officer

Hugh Zhen
Chief Executive Officer
Telephone: 604-273-2932

ITEM 9 Date of Report

June 3, 2022