

AUXICO RESOURCES CANADA INC.

NEWS RELEASE

AUXICO SIGNS JOINT VENTURE AGREEMENT TO SELL TANTALITE ORE

Montreal, Quebec, June 3, 2020 – Auxico Resources Canada Inc. (CSE: AUAG, “Auxico” or the “Company”) is pleased to announce that it has signed a joint venture agreement with Kibara Minerals (“Kibara”) for the concentration and export of tantalum and niobium ores from the Democratic Republic of the Congo (“DRC”).

Kibara has access to high-grade tantalite mineral deposits in the DRC. More specifically, Kibara has an exclusive supply agreement with a cooperative for the purchase of tantalite ore from the Bafwasende artisanal deposit located 200 km from the city of Kisangani in the north-central part of the DRC.

Tantalite ore from the Bafwasende deposit has been tested by two groups. Impact Global Solutions, based in Delson, Quebec, performed laboratory tests on samples from the Bafwasende deposit, which produced the following grades: 46% Ta₂O₅ (tantalum pentoxide) and 22% Nb₂O₅ (niobium pentoxide). One of the Company’s potential buyers of this tantalite ore performed its own tests, which resulted in 42.04% Ta₂O₅ and 22.93% Nb₂O₅. Auxico is finalizing a long-term supply agreement with this party for the sale of specific quantities of tantalite ore per year.

Given this opportunity, both Auxico and Kibara wish to work together to launch the trading operation of tantalum and niobium-bearing ores from the Bafwasende deposit. Kibara has the local connections and expertise in the DRC. Auxico and its partner Covemin, which is a commodities trading firm in Europe with an expertise in tantalum and niobium, have established relationships with the buyers of tantalite ore worldwide. As both parties complement each other, it seems logical to form a joint venture.

Under the terms of the joint venture, Auxico will provide the working capital to concentrate and export the tantalite ore from the DRC. This will include the purchase of the ore from the cooperative, transportation of the tantalite ore from Kisangani to the port of Matadi, warehousing, sampling and shipping. In return, Auxico will receive 70% of the profits from the sale of the ore, while Kibara will retain 30%.

The DRC has the largest known reserves of tantalite ore in the world. The ore from the Bafwasende deposit is extracted from a traceable non-conflict artisanal site. Both tantalum and niobium are on the list of critical minerals of the United States government. Tantalum is used specifically in electrolytic capacitors for the electronics industry. Niobium is used in steel superalloys. Recently, the price of tantalum was US\$165,000 per metric tonne and the price of niobium was US\$40,000 per MT.

ON BEHALF OF THE BOARD OF DIRECTORS

« signed »

« signed »

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About Auxico Resources Canada Inc.

Auxico Resources Canada Inc. (“Auxico”) is a Canadian company that was founded in 2014 and based in Montreal. Auxico is engaged in the acquisition, exploration and development of mineral properties in Colombia, Brazil, Mexico and the Democratic Republic of the Congo.

Additional information on Auxico can be found on the Company’s website (www.auxicoresources.com) or on SEDAR (www.sedar.com) under “Auxico Resources Canada Inc.”

The Canadian Securities Exchange (CSE) has not reviewed and does not accept responsibility for the adequacy or the accuracy of the contents of this release.