

AUXICO RESOURCES CANADA INC.

NEWS RELEASE

AUXICO ANNOUNCES MOU WITH THE DEPARTMENT OF GUAINIA, COLOMBIA

- Auxico also has 3 agreements with private property owners in Guainia

Montreal, Quebec, September 17, 2018 – Auxico Resources Canada Inc. (CSE: AUAG) is pleased to announce that it has signed a Memorandum of Understanding (“MOU”) with the government of the Department of Guainia in eastern Colombia to produce gold and other minerals.

Under the terms of the MOU, both parties agree to work together to set up operations for the production of gold and other minerals in Guainia, which will be managed by Auxico. These other minerals include, but are not limited to, coltan, which is a combination of tantalite and niobium. According to a report from the Servicio Geológico de Colombia (the Geological Service of Colombia, a governmental agency), there is potentially 1 billion metric tonnes of coltan reserves in Colombia, with most of this concentrated in three departments: Guainia, Vichada and Vaupes.¹

For its part, the Guainia government agrees to contribute the following:

- Property on which the mineral production will take place;
- Physical security of the mineral production operations;
- Liaison with local miners who will supply ore to the Auxico mineral production operations.

For its part, Auxico agrees to contribute the following:

- Environmentally friendly technology that will not rely upon mercury or cyanide for gold production;
- Financing and construction of mineral producing operations in Guainia; and
- Management of the export and sale of gold and other minerals.

In Colombia, much of the current mineral production is unlicensed and outside of any regulatory framework. Auxico intends to work in partnership with local miners and the government to produce gold and other minerals in a legal and regulated framework.

In addition, current unlicensed mineral production (specifically gold) is often occurring with the use of mercury, which is having a significant negative impact on the environment. Auxico’s operations will not use mercury, in compliance with the 2013 United Nations Minamata Convention on Mercury, thereby having a positive environmental impact in Guainia.

Auxico and the Government of Guainia agree to work together in partnership in this regard and to share the profits of Auxico’s mineral production operations in Guainia, with 75% of net profits going to Auxico and 25% going to the Government of Guainia. Both parties agree to negotiate and conclude definitive agreements as quickly as possible.

¹ Please note that these estimates are not in compliance with National Instrument 43-101. They are presented for information purposes only.

Agreements with Private Property Owners in Guainia

Auxico would also like to inform shareholders that the Company has signed three agreements with private property owners in the Department of Guainia, covering a total of 25 concessions in this department. These agreements are separate from that signed with the Government of Guainia mentioned above.

Under the terms of the agreements, Auxico has 120 days to conduct due diligence on the properties. If the due diligence is successful, the parties agree to enter into a formal joint venture in which net profits will be split on a 70%-30% basis, in favour of Auxico.

Auxico will be required to provide 100% of the capital required for any mineral production on these properties. Auxico will also have the ability to purchase 50% of the private property owners' interest (15% of the 30% interest), the details of which will be formalized in the joint venture agreement.

Auxico presently has geologists in the Department of Guainia on one of these properties, gathering samples and conducting technical due diligence.

Coltan Sampling Results from Colombia (as announced in Auxico's news release of July 10, 2018)

The following are selected results from samples that were sent to Auxico from property owners in Colombia, as outlined in the Company's news release of July 10, 2018.

Sample	% Ta	% Nb
C - M-8355_2	1.03	3.78
C - M-8355_12	35.66	7.57
C - M-8246_7	35.15	39.63
C - M-8246_8	31.14	36.99

***Disclaimer:** The samples described above were all selected by the Property owner. These samples were shipped to a laboratory in Quebec selected by Auxico. It is the opinion of the Qualified Person that an independent grid sampling program be established with proper control and chain of custody, and therefore the values presented above are not in compliance with NI 43-101. Because the chain of custody cannot be independently established from the above sample the Company cautions the reader as to the reliability of the samples and the results thereof. The Company and the QP do not take any responsibility for the values presented in this press release and are being referred to for general information purposes only, and to demonstrate the potential that these properties hold.*

Qualified Person

This news release was reviewed and approved by Joel Scodnick, P.Geo., an independent consultant to Auxico, in his capacity as a Qualified Person, as defined by National Instrument 43-101.

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 and Mexico.

ON BEHALF OF THE BOARD OF DIRECTORS

« signed »

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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.