

AUXICO RESOURCES CANADA INC.

NEWS RELEASE

AUXICO PLANS TO BUILD RARE EARTH REFINERY IN THE SANTA MARTA FREE-TRADE ZONE IN COLOMBIA

Montreal, Quebec / November 29, 2021 – Auxico Resources Canada Inc. (CSE: AUAG) is pleased to announce that the Company plans to build a 10,000 square metre rare earth refining facility in the free-trade zone in the city of Santa Marta, Colombia, capable of processing 36,000 tonnes of ore per year. The Company signed a lease agreement with an option to purchase four lots of land within the [Zona Franca Tayrona](#) industrial park. The estimated Capex for the refinery is US\$116.2 million. The rare earth refinery, the first of its kind in the western hemisphere, will incorporate standard metallurgical processes with innovative extraction technologies, resulting in lower energy consumption, significantly shorter and cost-effective processing cycles, and an overall lower environmental impact. The concentrates of rare earths will be sourced from the properties the Company is currently developing in Colombia and the Democratic Republic of the Congo. Additional concentrates will be sourced from properties in Brazil and Bolivia, for which the Company is finalizing supply agreements.

Over the last 12 months, Auxico has completed a series of metallurgical tests using the ultrasound assisted extraction process ("UAEx") for mineral extraction, for which the Company signed a technology license agreement earlier this year. The tests showed that the UAEx process is very efficient on high-value rare earth samples, achieving 80%+ recoveries of selected rare earth elements over a two-hour long leaching time.

Element	Symbol	Brazil Grade (%)	DR Congo Grade (%)	Colombia Grade (%)	Bolivia Grade (%)	Average Recovery (%)
Cerium	CeO2	35.90	31.61	31.09	20.86	85.72
Dysprosium	Dy2O3	0.28	0.09	0.72	0.49	86.63
Gadolinium	Gd2O3	0.17	0.73	0.75	4.68	87.47
Lanthanum	La2O3	15.17	9.41	9.40	5.49	85.41
Neodymium	Nd2O3	9.04	12.34	9.49	10.77	84.74
Praseodymium	Pr6O11	0.89	2.58	2.44	1.57	85.94
Samarium	Sm2O3	0.90	1.99	1.81	8.66	86.02
Yttrium	Y2O3	1.14	0.49	0.50	1.63	76.26
Total RE (%)		63.49	59.24	56.20	54.15	

The UAEx process is a sustainable metallurgical process for the refining of critical minerals using ultrasound technology. The laboratory results demonstrate that, when combined with certain acids and used at various frequencies, this ultrasound process breaks up the ore into fine particles in a more accelerated time over conventional methods. This reduces the cycle times significantly for the leaching of ores, leading to lower operating and capital costs. For more details on the UAEx, please reference the news release published by the Company on [July 30, 2021](#).

Auxico previously acquired mineral rights and surface rights to the Minastyc Property located in the municipality of Puerto Carreño, department of Vichada, Colombia. The Company made a discovery of high-value rare earth ore on the property, with a total rare earth content of 56.87% in concentrates,

as well as an additional discovery at a distance of 1.6 kilometres from the initial discovery (total rare earth content of 55.03% in concentrates), confirming the presence of a host of rare earth minerals along this mineralized zone. For more details, please reference the news release published by the Company on [May 28, 2021](#) and [August 25, 2021](#).

Free-trade zones in Colombia

Colombia's competitive free-trade regime was established to promote industrial processing of goods and services primarily for export, and is regulated under a special customs, exchange, and fiscal regime offering various benefits to businesses. The Santa Marta free-trade zone, one of 12 free-trade zones in the country, is located near the port of Santa Marta on the Caribbean Sea, in the northern Colombian department of Magdalena. The port transports the third highest bulk volume in Colombia. The Zona Franca Tayrona industrial park is located within the free-trade zone and 12 kilometres from the port, and has excellent access to roads, including a railway line that connects the port to the interior of Colombia.

Grant of Stock Options

Auxico announces that it granted 450,000 stock options to consultants to the Company. These options have a strike price of \$1.39, no vesting period and an expiry date of November 24, 2026.

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, the Democratic Republic of the Congo, and Bolivia.

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."

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.

***Disclaimer:** The samples from Colombia provided in this press release were selected under the supervision of the Qualified Person, and therefore comply with National Instrument 43-101, however the samples presented in this press release from Bolivia, Democratic Republic of Congo, and Brazil were not under the supervision of the Qualified Person and therefore do not conform to National Instrument 43-101. The Qualified Person is travelling to Bolivia this week to conduct site visits and sample verifications.*

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.