

AUXICO RESOURCES CANADA INC.

NEWS RELEASE

AUXICO LICENSES ULTRASOUND TECHNOLOGY

Montreal, Quebec / July 30, 2021 – Auxico Resources Canada Inc. (CSE: AUAG) is pleased to announce that the Company has signed a technology license agreement (the “Agreement”) with Central America Nickel (“CAN”) for the use of CAN’s patent-pending ultrasound assisted extraction process (“UAEx”) for mineral extraction.

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 finer particles in a much quicker time than conventional methods. This reduces the cycle times significantly for the leaching of ores, leading to lower operating and capital costs.

As per the Agreement, Auxico has a non-exclusive right to use the UAEx process on ore from any property owned or controlled by Auxico. The term of the agreement is 10 years and can be renewed by both parties. Auxico agrees to pay to CAN a 2% royalty on all revenues derived from any of Auxico’s projects that will use the UAEx process. In addition, as part of the agreement, Auxico has agreed to pay to CAN upon signature of the Agreement an advance royalty payment of \$500,000.

This Agreement follows results on the efficiency of the UAEx process on high-value rare earth samples from Colombia that the Company announced in a previous news release dated May 28, 2021. The recent results provided by CAN show 80%+ recoveries of selected rare earth elements during a 2-hour long leaching time, as presented in the chart below.

Element	Symbol	Grade	Recovery
		(%)	(%)
Cerium	CeO ₂	31.09	82.92
Neodymium	Nd ₂ O ₃	9.49	83.27
Lanthanum	La ₂ O ₃	9.40	82.97
Praseodymium	Pr ₆ O ₁₁	2.44	82.98
Samarium	Sm ₂ O ₃	1.81	83.26
Gadolinium	Gd ₂ O ₃	0.75	83.09
Dysprosium	Dy ₂ O ₃	0.72	80.79
Yttrium	Y ₂ O ₃	0.50	71.57
Ytterbium	Yb ₂ O ₃	0.40	66.64
Erbium	Er ₂ O ₃	0.21	73.16

By using the UAEx process, the level of radioactivity of 994 nanoSieverts per hour (nSv/h) recorded before the 2-hour leach was reduced to a dose rate of 3 nSv/h.

As per the Company’s recent announcements, Auxico has access to ore from Colombia, Bolivia, Ivory Coast and other jurisdictions that demonstrate high grades of tantalum, niobium, iridium and rare-earth

elements. It is Auxico's intention to use the UAEx process on the ore from these deposits in order to separate more efficiently these and other critical minerals from the ore.

Pierre Gauthier, Chairman and CEO of Auxico, commented, "We are most pleased to have access to a highly-efficient rare earth extraction process, that has achieved remarkable results within a 2-hour leach time. The Company's objective is to complete the feasibility study on the technology and build a rare earth extraction plant."

CAN and Auxico are related companies as Pierre Gauthier and Mark Billings are directors of both corporations. Mssrs. Gauthier and Billings abstained from voting on this Agreement, which has been approved by the independent directors of both corporations.

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."

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. The QP advises the reader to pay particular attention to the disclaimer shown below. Due to Covid-19 travel restrictions it has been impractical for the QP to visit Auxico's international projects during the pandemic.

***Disclaimer:** The results described above were not selected under the supervision of the Qualified Person, and therefore do not comply with National Instrument 43-101. These samples were shipped to a laboratory at Thetford Mines, Quebec, selected by Auxico. It is the opinion of the Qualified Person that an independent site visit and 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 this property holds, which can only be established following due diligence by Auxico's QP. Auxico is planning for the QP to conduct a site visit in the coming weeks to supervise a grid sampling program in Colombia.*

ON BEHALF OF THE BOARD OF DIRECTORS

« signed »

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« 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.