

AUXICO RESOURCES CANADA INC.

NEWS RELEASE

AUXICO SIGNS AN MOU FOR THE EXPLOITATION AND TRADING OF RARE EARTHS FROM TIN TAILINGS IN BRAZIL

Montreal, Quebec / January 6, 2022 – Auxico Resources Canada Inc. (CSE: AUAG) is pleased to announce that it has entered into a Memorandum Of Understanding (“MOU”) with the Brazilian mining cooperative Cooperativa Estanífera de Mineradores da Amazônia Legal Ltda (“CEMAL”), with regard to the exploitation and commercialization of rare earths from the tin tailings originating from deposits located over an estimated area of 18,000 hectares in Masangana, counties of Ariquemes and Monte Negro, in the state of Rondonia, Brazil. The properties are estimated to contain 30,000,000 tonnes of tin tailings, however the data for this estimate has not yet been reviewed nor verified on the ground by Auxico’s Qualified Person. The deposits are located within the Rondonia Tin Province, which hosts one of the world’s largest cassiterite (tin ore) reserves.

Samples of the concentrates taken by the property owners from the property were recently analyzed by Coalia Research Institute in Thetford Mines, Quebec. The results of selected concentrate samples are presented in the table below, indicating a total rare earth oxide content of 63.49%.

Element	Symbol	Grade (%)	UAEx Recovery (%)
Cerium	CeO ₂	35.90	94.43
Dysprosium	Dy ₂ O ₃	0.28	83.54
Gadolinium	Gd ₂ O ₃	0.17	100.00
Lanthanum	La ₂ O ₃	15.17	94.24
Neodymium	Nd ₂ O ₃	9.04	92.51
Praseodymium	Pr ₆ O ₁₁	0.89	100.00
Samarium	Sm ₂ O ₃	0.90	93.28
Yttrium	Y ₂ O ₃	1.14	80.80
Total REO (%)		63.49	

The above sample results were provided with the use of XRF (X-ray fluorescence) by Coalia.

As previously announced in the news released published on [November 29, 2021](#), the Company completed a series of metallurgical tests on samples from various deposits using the ultrasound assisted extraction process (“UAEx”) for mineral extraction. The results achieved with UAEx on the samples from Brazil are presented in the table above, showing 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.

Under the terms of the MOU, Auxico has an exclusive 180-day period to conduct due diligence, for which the Company will pay a one-time fee of US\$100,000 to CEMAL. After the due diligence is completed and to Auxico’s satisfaction, the parties will then sign a definitive contract and enter

into a joint venture (“JV”) for the development of the properties in Brazil, whereby Auxico will have a minimum of 51% of the net profits of the JV. Auxico will be committing 100% of the capital required for the technical operations, exploration, exploitation, concentration, transport and commercialization of rare earths from the tin tailings from the properties in Brazil. Auxico will have the option to purchase or lease the properties, at a price to be agreed upon with CEMAL.

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.

***Disclaimer:** The samples described above were selected by the property owners. These samples were shipped to Coalia, a laboratory at Thetford Mines, Quebec. 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.*

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, Bolivia 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.”

ON BEHALF OF THE BOARD OF DIRECTORS

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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.