AUXICO RESOURCES CANADA INC.

NEWS RELEASE

AUXICO ANNOUNCES MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF BOLIVAR, COLOMBIA, TO PRODUCE GOLD

Montreal, Quebec, May 8, 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 Bolivar to produce gold in this area of Colombia.

Under the terms of the MOU, both parties agree to work together to set up gold production operations in Bolivar, which will be managed by Auxico. For its part, the Bolivar government agrees to contribute the following:

- Property on which the gold production will take place;
- Physical security of the gold production operations;
- Help with the permitting process, including specifically any required environmental permits; and
- Liaison with local miners who will supply ore to the Auxico gold 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 gold producing operations in Bolivar; and
- Management of the export and sale of gold and/or gold concentrates.

At present, there are two issues of importance to the Government of Bolivar that Auxico will address in this partnership. First, much of the current gold production is unlicensed and outside of any regulatory framework. Auxico does not intend to mine gold in Bolivar. Rather, it intends to form partnerships with local gold miners who will bring their ore to Auxico's facilities to be processed. In this way, the Government of Bolivar, through the operations of Auxico, will set up a legal and regulated framework for gold production in this Department of Colombia.

Second, the current unlicensed gold production in Bolivar is often occurring with the use of mercury, which is having a significant negative impact on the environment. By professionalizing the production of gold, and by eliminating the use of mercury in gold production, as outlined in the 2013 United Nations Minamata Convention on Mercury, Auxico will be conducting its operations in an environmentally responsible manner.

Auxico and the Government of Bolivar agree to work together in partnership in this regard and to share the profits of Auxico's gold production operations in Bolivar, with 75% of net profits going to Auxico and 25% going to the Government of Bolivar.

Both parties agree to negotiate and conclude definitive agreements as quickly as possible.

Mark Billings, President of Auxico commented, "Auxico is pleased to move forward with the Government of Bolivar to produce gold in this area of Colombia. Our team recently met with the Governor of Bolivar, Dumek Turbay, and other government officials in Cartagena, the capital of the

Department of Bolivar. We were pleased with the amount of support this concept has. The board and management of Auxico are eager to work with our colleagues in Bolivar to set up gold operations that will have a positive impact on the environment and that will provide benefits to our stakeholders."

About the Department of Bolivar, Colombia

The Department of Bolivar is located in the northwestern part of Colombia and resembles a tongue that extends from the Caribbean Sea in the northeast section, to the jungles of Carare on the dividing line with the Department of Antioquia. The capital of the department is Cartagena, which is the first city in the Americas to be colonized by the Spanish.

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.