

Auxico Signs Off-Take Agreement with the Lasell Company for Tantalum Ore

June 22, 2022 (Source) – **Auxico Resources Canada Inc.** (CSE: AUAG) (“Auxico” or the “Company”) is pleased to announce the signing of an off-take agreement with the Lasell Company Ltd. (“Lasell”) for a supply of up to 1,000 tonnes per month of tantalum ore (“Ta”) with a targeted purity of 30% Ta₂O₅ content. Lasell will have a right of first refusal on production exceeding 1,000 tonnes per month. Initial trial shipments of 25 tonnes per month are expected to begin in Q4 2022, with plans to expand into commercial production over the course of 2023.

The tantalum ore for this off-take will be sourced and executed by the Company’s joint venture partner, Kibara Minerals, of which Auxico holds a 70% stake under a profit-share agreement. Kibara Minerals has access to high-grade tantalite mineral deposits in the Democratic Republic of the Congo (“DRC”) and an exclusive supply agreement with a cooperative for the purchase of tantalite ore from the Bafwasende Tantalum deposit, located 200 km from the city of Kisangani in the north-central part of the DRC. A full exploration permit covering an area of approximately 45.87 km² has been issued by the Ministry of Mines of the DRC.

Tantalite ore from the Bafwasende deposit, a traceable non-conflict artisanal site, has been tested by two independent groups. Impact Global Solutions, based in Delson, Quebec, performed laboratory tests on samples from the Bafwasende deposit, which produced the following grades: 46% Ta₂O₅ (tantalum pentoxide) and 22% Nb₂O₅ (niobium pentoxide). In 2020, one of the Company’s potential buyers of this tantalite

ore also performed its respective tests, which resulted in 42.04% Ta₂O₅ and 22.93% Nb₂O₅, which identified the Bafwasende Tantalum deposit as a high-grade columbite mineral source. Both tantalum and niobium are on the Government of Canada's published 2021 Critical Minerals List as well as the United States Geological Survey 2022 new list of 50 mineral commodities critical to the U.S. economy and national security after an extensive multi-agency assessment.

In 2020, initial geological surveys were carried out at the Bafwasende Tantalum deposit on foot, focusing on a known source of Ta₂O₅ in an area of 400-metres in length by 200-metres in width. A total of seven exploration pits were dug over the identified mineralization zone and columbite concentrates recovered from the site have shown an average grade of tantalum pentoxide (Ta₂O₅) in excess of 30%. An aerial study of the permit and the surrounding areas was conducted by JAPOSAT in March 2021 which reconfirmed the initial mineralization and has identified three additional areas of interest within the same basin.

Terms of the Agreement

The pricing will be based on the Asian Metal Index or a similar industry benchmark, with delivery on CIF terms. The initial term of the agreement will be 10 years, automatically renewing for a second term of 10 years subject to mutual agreement.

Recently, the market price of tantalum concentrates at 30% Ta₂O₅ was approximately US\$107,000 per metric tonne (data sourced from ISE).

Lasell Company Ltd.

Lasell Company Ltd. is a globally diversified investor-operator founded in Thailand in 2007. Lasell specializes in the natural resources industry and has recently diversified into commercial real estate. In 2007, Lasell started to trade minerals by collecting and recycling a range of rare metals

such as tungsten, nickel, cobalt, titanium, and some rare-earth elements. Since 2007, Lasell has grown from just trading minerals and now operates two processing plants in Thailand. With the upcoming off-take agreement for Ta₂O₅ from the DRC, Lasell intends to dedicate one plant entirely to tantalum processing, using their engineering expertise to produce high-grade tantalum concentrates.

About Auxico Resources Canada Inc.

Auxico Resources Canada Inc. (“Auxico” or the “Company”) 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.”

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 (“QP”), as defined by National Instrument 43-101. Although the results of the samples were tested by two independent laboratories and returned high grade values in tantalum and niobium, the QP cautions the reader to be aware that there is no chain of custody on the samples since they were not selected by the QP, nor has the QP visited the site.

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.

Cautionary Note Regarding Forward-Looking Statements

The CSE has neither approved nor disapproved the contents of this press release. Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this press release.

This press release contains statements that constitute "forward-statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements.

Although the Company believes, in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the planned studies, drill program and the development of the Massangana Project, its

sampling program, indications and other mining projects and prospects thereof, related to the Company's operations in Brazil, Colombia, Bolivia and/or Democratic Republic of Congo. Such statements and information reflect the current view of the Company. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

The Company cautions investors that any forward-looking information provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in forward-looking information as a result of various risk factors. These factors include, among others, uncertainties arising from the COVID-19 pandemic, and general economic conditions or conditions in the financial markets. The reader is referred to the Company's public filings for a more complete discussion of such risk factors, and their potential effects, which may be accessed through the Company's profile on SEDAR at www.sedar.com. Except as required by securities law, the Company does not intend, and does not assume any obligation, to update or revise any

forward-looking information, whether as a result of new information, events or otherwise.

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