FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Auxico Resources Canada Inc. (the "Issuer").

Trading Symbol: AUAG

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Auxico's financial statements for the quarter ended June 30, 2018 are attached to the end of this form.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

Related Party Transactions

During the quarter ended June 30, 2018, an amount of $30,000 was paid to a company controlled by the Chairman & CEO of Auxico for management and professional services, and an equivalent amount of $30,000 was paid to a company controlled by the President of Auxico for management and professional services for the quarter. An amount of $9,000 was paid in rent during the quarter to a company controlled by the Chairman and CEO of Auxico.

Related Party Balances

As at June 30, 2018, no amounts were owed to the Issuer by any related parties.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

There were no securities issued during the quarter ended June 30, 2018.

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

There were no options granted during the quarter ended June 30, 2018.

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

The following summarizes the securities issued and outstanding of Auxico Resources Canada Inc., as at June 30, 2018:

Authorized share capital	An unlimited number of common shares without par value and an unlimited number of preferred shares without par value.
Number of common shares outstanding	35,810,000
Number of preferred shares outstanding	Nil
Record value of common shares outstanding	$3,578,059
Total options outstanding	3,075,000
Including:	2,325,000
Exercise price	$0.25
Expiry date	9-Feb-22
Recorded value (Black-Scholes)	$450,570
Including:	750,000
Exercise price	$0.40
Expiry date	22-Oct-22
Recorded value (Black-Scholes)	$342,980
Total warrants outstanding	16,600
Exercise price	$0.25
Expiry date	28-Aug-22
Recorded value (Black-Scholes)	$3,235
Number of common shares in escrow	2,529,000

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

The following is a list of the directors and officers of Auxico Resources Canada Inc., as at June 30, 2018:

Name	Position
Pierre Gauthier	Chairman & CEO
Mark Billings	President & Director
Salvador Brouwer	Director
Marc Filion	Director
Jun He	Director
Rick Whittaker	Director
Jacques Arsenault	CFO
Michel Lebeuf	Corporate Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Auxico's MDA for the quarter ended June 30, 2018 is attached to the end of this form.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

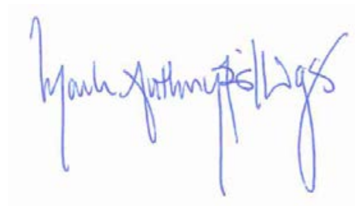
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 29, 2018.

Mark Billings
Name of Director or Senior Officer



Signature

President & Director
Official Capacity

Issuer Details Name of Issuer Auxico Resources Canada Inc.	For Quarter Ended 30-Jun-18	Date of Report YY/MM/D 18/08/29
Issuer Address 230 Notre-Dame Street West		
City/Province/Postal Code Montreal, Quebec, H2Y 1T3	Issuer Fax No. ( ) N.A.	Issuer Telephone No. (514) 296-1641
Contact Name Mark Billings	Contact Position President	Contact Telephone No. (514) 296-1641
Contact Email Address mb@auxicoresources.com	Web Site Address www.auxicoresources.com	

AUXICO RESOURCES CANADA INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE-MONTH PERIOD ENDED JUNE 30, 2018 AND 2017

UNAUDITED, EXPRESSED IN CANADIAN DOLLARS

AUXICO RESOURCES CANADA INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE-MONTH PERIOD ENDED JUNE 30, 2018 AND 2017

UNAUDITED, EXPRESSED IN CANADIAN DOLLARS

Contents

Notice of Disclosure of Non-auditor review of the Condensed Interim Financial Statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company for the interim periods ended June 30, 2018 and 2017 have been prepared in accordance with international accounting standards for interim financial reporting under IAS 34. The accompanying unaudited condensed interim consolidated financial statements are the responsibility of the Company's management.

The Company's independent auditors, Guimond Lavallée, CPA, have not performed a review of these interim financial statements in accordance with the standards established for a review of condensed interim financial statements by an entity's auditor.

August 29, 2018

/s/ Mark Billings
President

Auxico Resources Canada Inc.
Condensed Interim Consolidated Statements of Financial Position
June 30, 2018 and September 30, 2017 (audited)
(Unaudited, expressed in Canadian Dollars)

As at,	**June 30, 2018 (unaudited) $**	September 30, 2017 (audited) $
ASSETS		
Current assets		
Cash & cash equivalents	**105 350**	1 165 415
Sales tax receivable	**53 230**	43 737
Prepaid expenses	**72 185**	67 381
Consulting and advisory services to received	**-**	179 900
Advance to a director (note 13)	**-**	20 562
Advance to a company controlled by a director (note 13)	**-**	27 246
	230 765	1 504 241
Non-current assets		
Mining property acquisition costs (note 5)	**181 400**	181 400
Exploration and evaluation expenses (note 5)	**984 873**	651 622
TOTAL ASSETS	**1 397 038**	2 337 263
LIABILITIES		
Current liabilities		
Accounts payable and accruals	**90 570**	124 963
Provision (note 6)	**156 600**	156 600
Income taxes payable	**2 186**	2 186
	249 356	283 749
Non-current liabilities		
Deferred income tax liabilities	**31 025**	31 025
Total Liabilities	**280 381**	314 774
SHAREHOLDERS' EQUITY		
Share capital (note 7)	**3 578 059**	3 578 059
Contributed surplus (note 7)	**793 550**	450 570
Warrants (note 7)	**3 235**	3 235
Deficit	**(3 258 187)**	(2 009 375)
Total shareholders' equity	**1 116 657**	2 022 489
TOTAL LIABILITIES & SHARELOLDERS' EQUITY	**1 397 038**	2 337 263

Going Concern (note 2), Commitments and Contingencies (note 14) and Subsequent Events (note 16)

Approved on behalf of the Board:

Signed "Pierre Gauthier", Director

Signed "Mark Billings", Director

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

Auxico Resources Canada Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the six- month period ended June 30, 2018
(Unaudited, expressed in Canadian Dollars)

	Three months ended		Nine months ended	
For the period ended,	**June 30, 2018 (unaudited) $**	June 30, 2017 (unaudited) $	**June 30, 2018 (unaudited) $**	June 30, 2017 (unaudited) $
Revenues	**-**	-	**-**	-
Expenses				
Professional fees	**86 621**	80 943	**435 933**	133 558
Management fees	**60 000**	45 000	**180 000**	135 000
Legal fees	**10 623**	44 381	**68 561**	82 928
Travel expenses	**29 620**	9 923	**86 503**	62 766
Office expenses	**1 474**	1 731	**6 343**	6 192
Taxes and permits	**5 178**	-	**12 107**	-
Rent	**9 000**	10 175	**27 000**	30 525
Research and development	**-**	-	**-**	5 085
Other expenses	**-**	-	**20 170**	10 470
Interest and bank fees	**1 683**	1 535	**5 099**	5 238
Loss on settlement	**-**	-	**-**	100 000
Exploration expenses (note 5)	**-**	-	**55 869**	-
Stock-based compensation (note 7)	**-**	-	**342 980**	450 570
Losses (gains) on foreign exchange	**(23 484)**	343	**8 247**	(600)
	180 715	194 031	**1 248 812**	1 021 732
Loss before income taxes	**(180 715)**	(194 031)	**(1 248 812)**	(1 021 732)
Income taxes	**-**	-	**-**	-
Net loss and comprehensive loss	**(180 715)**	(194 031)	**(1 248 812)**	(1 021 732)
Loss per share - basic & diluted (note 8)	**(0.005)**	(0.006)	**(0.035)**	(0.037)
Weighted average number of shares outstanding	**35 810 000**	31 104 505	**35 810 000**	27 640 696

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

Auxico Resources Canada Inc.
Condensed Interim Consolidated Statements of Changes in Equity
For the nine-month period ended June 30, 2018
(Unaudited, expressed in Canadian Dollars)

	SHARE CAPITAL		RETAINED EARNINGS (DEFICIT)	WARRANTS	CONTRIBUTED SURPLUS	TOTAL EQUITY
	#	$	$	$	$	$
Balance, as at October 1, 2015	**21 500 000**	**234 087**	**67 822**	**-**	**-**	**301 909**
Shares issued in private placement	2 400 000	600 000	-	-	-	600 000
Issuance costs	-	(40 000)	-	-	-	(40 000)
Net loss and comprehensive for the year	-	-	(318 276)	-	-	(318 276)
Balance, as at September 30, 2016	**23 900 000**	**794 087**	**(250 454)**	**-**	**-**	**543 633**
Shares issued in private placement	9 782 300	2 445 575	-	-	-	2 445 575
Shares issued for consulting and advertising services	2 000 000	500 000	-	-	-	500 000
Shares issued in private placement crowdfunding agreement	127 700	31 925	-	-	-	31 925
Issuance costs	-	(193 528)	-	-	-	(193 528)
Share-based compensation	-	-	-	-	450 570	450 570
Warrants	-	-	-	3 235	-	3 235
Net loss and comprehensive for the year	-	-	(1 758 921)	-	-	(1 758 921)
Balance, as at September 30, 2017	**35 810 000**	**3 578 059**	**(2 009 375)**	**3 235**	**450 570**	**2 022 489**
Share-based compensation	-	-	-	-	342 980	342 980
Net loss and comprehensive for the period	-	-	(682 107)	-	-	(682 107)
Balance, as at December 31, 2017	**35 810 000**	**3 578 059**	**(2 691 482)**	**3 235**	**793 550**	**1 683 362**
Net loss and comprehensive for the period	-	-	(385 990)	-	-	(385 990)
Balance, as at March 31, 2018	**35 810 000**	**3 578 059**	**(3 077 472)**	**3 235**	**793 550**	**1 297 372**
Net loss and comprehensive for the period	-	-	(180 715)	-	-	(180 715)
Balance, as at June 30, 2018	**35 810 000**	**3 578 059**	**(3 258 187)**	**3 235**	**793 550**	**1 116 657**

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

(Unaudited, expressed in Canadian Dollars)

For the period ended,	**Nine months ended**	
	June 30, 2018 (unaudited) $	June 30, 2017 (unaudited) $
Operating activities		
Net loss	**(1 248 812)**	(1 021 732)
Adjustment for:		
Deferred income tax expense	**-**	-
Share-based compensation	**342 980**	450 570
Changes in non-cash working capital items:		
Sales tax receivable	**(9 493)**	(6 788)
Prepaid expenses	**(4 804)**	(62 617)
Consulting and advisory services to be received	**179 900**	-
Accounts payable and accruals	**(34 393)**	(47 948)
Provision	**-**	100 000
Income taxes payable	**-**	(1 004)
	(774 622)	(589 519)
Investing activities		
Exploration and evaluation expenses	**(333 251)**	(193 767)
	(333 251)	(193 767)
Financing activities		
Advance to a shareholder	**20 562**	-
Advance to an entity with significant influence	**27 246**	(27 246)
Due to a company owned by a Director	**-**	(42 215)
Proceeds from the issue of equity	**-**	1 327 500
Proceeds from shares to be issued	**-**	500 000
Share issuance cost paid	**-**	(109 247)
	47 808	1 648 792
Increase (decrease) in cash and cash equivalents	**(1 060 065)**	865 506
Cash and cash equivalents, beginning of the period	**1 165 415**	7 542
Cash and cash equivalents, end of the period	**105 350**	873 048
Supplemental information		
Interest paid	**5 099**	5 238

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

1. GENERAL INFORMATION AND NATURE OF OPERATIONS

Auxico Resources Canada Inc. ("Auxico" or the "Company") was incorporated under the Canada Business Corporations Act on April 16, 2014. Auxico has a wholly-owned subsidiary, Auxico Resources S.A. de C.V., which was incorporated under the laws of Mexico on June 16, 2011. Auxico is a mineral exploration company with silver-gold properties in the state of Sinaloa, Mexico and scandium-gold in Colombia.

Since October 17, 2017, the Company's shares are listed under the symbol AUAG on the Canadian Securities Exchange (CSE). The Company's head office and primary place of business is located at 230 Notre-Dame Street West, Montréal, Québec, H2Y 1T3, Canada.

2. GOING CONCERN DISCLOSURE

The business of mining exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Although the Company has taken steps to verify the title to the properties on which it is conducting exploration and has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims and non-compliance with regulatory requirements.

Several adverse conditions and events cast substantial doubt upon the validity of this assumption. Auxico is not currently generating any revenue from its operations and for the nine-month period ended June 30, 2018, the Company recorded a net loss and comprehensive loss of $1,248,812 (June 30, 2017 - $1,021,732) and deficit of $3,258,187 (deficit of $2,009,375 as at September 30, 2017). Its ability to continue as a going concern is uncertain and is dependent upon its ability to fund its working capital, complete the development of its explorations, and eventually to generate positive cash flows from operations. Management plans to explore all alternatives possible, including joint ventures, debt and equity financings, and merger opportunities.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. BASIS OF PREPARATION

Statement of compliance

These interim consolidated financial statements of the Company were prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, of the International Financial Reporting Standards (IFRS, as published by the International Accounting Standards Board (IASB)), considering the accounting policies adopted by the Company for its consolidated financial statements for the year ended September 30, 2017. The accounting policies have been applied consistently for all the periods presented. They do not include all the information required by the IFRS for annual financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended September 30, 2017.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these condensed interim consolidated financial statements. Operating results for the nine-month period ended June 30, 2018 may not be indicative of the results that may be expected for the year ending September 30, 2018. These condensed interim consolidated financial statements were approved and authorized for issuance by the Company's Board of Directors on August 29, 2018.

Basis of measurement
The condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified for specific financial instruments carried at fair value where applicable.

Basis of consolidation
These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Auxico Resources S.A. de C.V. ("Auxico Mexico"). Auxico Mexico was incorporated under the laws of Mexico. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Functional and presentation currency
These condensed interim consolidated financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

4. CHANGES IN ACCOUNTING POLICIES

Future accounting changes

IFRS 2 Share based payments
In June 2016, the IASB issued an amendment to IFRS 2 to clarify the measurement for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The mandatory effective date of the amendment to IFRS 2 is for annual periods beginning on or after January 1, 2018. The Company has not yet determined the effect of the adoption of this standard on its consolidated financial statements.

IFRS 9 Financial Instruments
In July 2014, the IASB published IFRS 9 to replace IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). The improvements introduced by IFRS 9 include a logical model for financial asset classification and measurement, a single, forward-looking 'expected loss' impairment model based on expected credit losses, and a substantially-reformed approach to hedge accounting. This standard applies to fiscal years beginning on or after January 1, 2018; early adoption is permitted. The Company has not yet determined the effect of the adoption of this standard on its annual consolidated financial statements.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures
The amendments to IFRS 10 "Consolidated Financial Statements" (IFRS 10) and IAS 28 "Investments in associates and joint ventures" (IAS 28) deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. The amendments are effective for annual periods beginning on or after January 1, 2017. The Company has not yet determined the effect of the adoption of this standard on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers
In May 2014, the IASB published IFRS 15 Revenue from Contracts with Customers, which replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue. IFRS 15 is effective for reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Company has not yet determined the effect of the adoption of this standard on its annual consolidated financial statements.

IAS 7 Statement of cash flows
On January 29, 2016, the IASB published an amendment to IAS-7 "Statement of Cash Flows". The amendment "Disclosure Initiative" clarifies that changes in liabilities arising from financing activities, including cash and non-cash changes, shall be disclosed in the Statement of Cash Flows. The provisions of this amendment will apply to financial statements beginning on or after January 1, 2017. Early adoption is permitted. The Company has not yet determined the effect of the adoption of this standard on its annual consolidated financial statements.

(Unaudited, expressed in Canadian Dollars)

IAS 12 Income taxes

On January 19, 2016, the IASB issued amendments to IAS 12 Income Taxes. The amendments, Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12), clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. The Company has not yet determined the effect of the adoption of this standard on its consolidated financial statements.

5. MINING PROPERTY AND EXPLORATION AND EVALUATION EXPENSES

Zamora Property

Auxico, through its wholly-owned Mexican subsidiary, Auxico Resources S.A. de C.V., has a 100% interest in the Zamora Silver-Gold Property ("Zamora Property"), which is located 85 km southeast of the city of Culiacan in the state of Sinaloa, Mexico. The Zamora Property is comprised of five individual lots measuring a total of 3,376 hectares; these lots are labelled Zamora, Campanillas, San Felipe, Chio and Gaby. According to historical records, the Zamora Property is characterized by 15 historical mines / prospects. Historically, the ore was shipped directly to a processing plant at La Minita, approximately 25 km from Zamora. There has been little historical exploration work conducted on the Zamora Property. Capitalized exploration and evaluation assets can be detailed as follows:

	Mining property acquisition costs $	Exploration and evaluation expenses $	Total $
Balance - October 1, 2015	**181 400**	**296 338**	**477 738**
Additions	-	124 515	124 515
Balance - September 30, 2016	**181 400**	**420 853**	**602 253**
Additions	-	230 769	230 769
Balance - September 30, 2017	**181 400**	**651 622**	**833 022**
Additions	-	177 616	177 616
Balance - December 31, 2017	181 400	829 238	1 010 638
Additions	-	132 522	132 522
Balance - March 31, 2018	181 400	961 760	1 143 160
Additions	-	23 113	23 113
Balance - June 30, 2018	**181 400**	**984 873**	**1 166 273**

(Unaudited, expressed in Canadian Dollars)

Exploration and evaluation expenses by nature can be detailed as follows:

	June 30, 2018 (unaudited) $	**September 30, 2017 (audited) $**
Mineral rights maintenance	**-**	69 874
Geological	**333 251**	150 618
Labs expenses	**-**	10 277
	333 251	230 769
Balance, beginning of the period	**651 622**	420 853
Balance, end of the period	**984 873**	651 622

6. PROVISION

	June 30, 2018 (unaudited) $	**September 30, 2017 (audited) $**
Balance, beginning of the year	**156 600**	**-**
Additions	-	156 600
Balance, end of the period	**156 600**	**156 600**

The Company was served on March 8, 2017 with a legal proceeding from Telferscot Resources Inc. filed in the Superior Court of Quebec alleging that based on the Amendment to the Amalgamation Agreement signed June 30, 2016 and terminated January 5, 2017, a number of conditions would have not been met, and thus, the break-up fee is due and owing by the Company. The parties have agreed on and filed a case protocol. The exposure consists in the amount claimed in capital, interest and legal costs, which are limited to courts cost and fees and various disbursements but do not include counsel legal fees. The parties will also explore the possibility of an out of court settlement, as provided by the Quebec Code of civil procedure.

7. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. On June 30, 2018, there were 35,810,000 issued and fully paid common shares.

Shares issued

1) On May 31, 2016, the Company completed a non-brokered private placement, raising gross proceeds of $600,000 by issuing 2,400,000 common shares of the Company's capital at a price of $0.25 per common share. Issuance costs of $40,000 were incurred for private placement closed in the year ended September 30, 2016.

2) On December 31, 2016, the Company completed a first tranche of a non-brokered private placement, raising gross proceeds of $627,500 by issuing 2,510,000 common shares of the Company's capital at a price of $0.25 per common share.

3) On February 17, 2017, the Company completed a second tranche of a non-brokered private placement, raising gross proceeds of $825,000 by issuing 3,300,000 common shares of the Company's capital at a price of $0.25 per common share.

4) On March 30, 2017, the Company completed a non-brokered private placement, raising net proceeds of $275,000 by issuing 1,100,000 common shares of the Company's capital at a price of $0.25 per common share.

(Unaudited, expressed in Canadian Dollars)

5) On April 24, 2017, the Company completed a non-brokered private placement, raising net proceeds of $100,000 by issuing 400,000 common shares of the Company's capital at a price of $0.25 per common share.

6) In August 2017, the Company completed several non-brokered private placements, raising gross proceeds of $1,150,000 by issuing 4,600,000 common shares of the capital of the Company at a price of $0.25 per common share of which 2,000,000 common shares were issued for consulting and advisory services and 127,700 issued through a crowdfunding agreement.

Issuance costs of $193,528 were incurred for these private placements as at June 30, 2018.

Warrants ,

On August 28, 2017, the Company issued 16,600 warrants. The fair value of these warrants was calculated using Black-Scholes pricing model using a share and exercise price of $0.25, risk free rate of 1.567%, volatility of 107.50%, vesting immediately and expected life of 5 years from date of grant resulting in a fair value of $3,235. Each warrant will entitle its holder to subscribe for and purchase one fully paid and non-assessable common share of the Company at a price of $0.25 at any time until the five-year anniversary of the date of their issuance. The Company currently estimates the volatility of the market price of its common shares based on comparable information derived from transactions carried out by public companies in a situation similar to its own. Changes in the number of warrants outstanding are as follows:

	Warrants **#**	**Weighted average exercise price** **$**
Balance - September 30, 2016	**-**	**-**
Issued	16 600	0,25
Balance - September 30, 2017	**16 600**	0,25
No transaction	-	-
Balance - June 30, 2018	**16 600**	0,25

The following table summarizes the information on outstanding warrants as at June 30, 2018:

Exercise price	**Number outstanding and exercisable**	**Weighted average remaining contractual life (years)**	**Expiry**
$0,25	16 600	4,17	August 2022

Stock options

On February 10, 2017, the Board of Directors of the Company adopted an incentive stock option plan (the "Plan"), for the benefit of employees, consultants, officers and directors. The Plan allows the Company to issue stock options up to a maximum of 10% of the issued and outstanding shares of the Company at the date of grant. The exercise price payable for each option is determined by the Board of Directors at the date of grant, and may not be less than the closing market price during the trading day immediately preceding the date of the grant of the options on the Exchange, for a minimum amount of $0.10 per option. The vesting period and expiry date are determined by the Board of Directors for each vesting.

At the same time, the Board of Directors issued 2,475,000 stock options to consultants, officers and directors of the Company. These stock options have a strike price of $0.25, no vesting period and expire in 5 years. The fair value of the options was estimated at $0.182 per option at the grant date for a total of $450,570 using the Black-Scholes option pricing-model with the following assumptions: risk-free interest rate of 1.12%, expected volatility of 97% and expected option life of five years. The Company currently estimates the volatility of the market price of its common shares based on comparable information derived from transactions carried out by public companies in a situation similar to its own.

(Unaudited, expressed in Canadian Dollars)

On October 23, 2017, the Board of Directors issued 1,100,000 stock options to consultants, officers and directors of the Company. These stock options have a strike price of $0.40, no vesting period and expire in 5 years. The fair value of the options was estimated at $0.3118 per option at the grant date for a total of $342,980 using the Black-Scholes option pricing-model with the following assumptions: risk-free interest rate of 1.5665%, expected volatility of 107.5% and expected option life of five years. The Company currently estimates the volatility of the market price of its common shares based on comparable information derived from transactions carried out by public companies in a situation similar to its own.

Changes in the number of options outstanding are as follows:

	Options #	Weighted average exercise price $
Balance - September 30, 2016	-	-
Issued	2 475 000	0,25
Balance - September 30, 2017	**2 475 000**	0,25
Issued	1 100 000	0,40
Balance - December 31, 2017	**3 575 000**	0,30
Cancelled	(500 000)	-
Balance - June 30, 2018	**3 075 000**	0,29

The following table summarizes the information on outstanding options at June 30, 2018:

Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (years)	Expiry
$0,25	2 325 000	3,67	February 2022
$0,40	750 000	4,33	October 2022

8. EARNINGS PER SHARE (“EPS”)

(a) Basic EPS
Basic EPS is computed by dividing net loss for a period by the weighted average number of common shares outstanding during that period.

(b) Diluted EPS
Diluted EPS is computed by dividing net loss for a period by the diluted number of common shares. Diluted common shares includes the effects of instruments, such as share options, which could cause the number of common shares outstanding to increase.

The Company reported net losses for the nine-month period ended June 30, 2018. The Company has accordingly presented basic and diluted EPS, which are the same, on a single line in the statements of loss and comprehensive loss.

9. SEGMENTATION INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral property interests and in two geographical segments, Canada and Mexico. The total assets and the capital assets identifiable with these geographic areas are as follows:

(Unaudited, expressed in Canadian Dollars)

	For the period ended,		
	June 30, 2018 (unaudited) $	**June 30, 2017 (unaudited) $**	**September 30, 2017 (audited) $**
Canada	**430 377**	1 385 414	1 545 420
Mexico	**966 661**	450 250	791 843
Total assets	**1 397 038**	1 835 664	2 337 263
Canada	**270 755**	143 703	260 284
Mexico	**9 626**	1 237	54 490
Total liabilities	**280 381**	144 940	314 774
Canada	**1 093 062**	1 717 232	2 024 314
Mexico	**23 595**	(26 508)	(1 825)
Net equity	**1 116 657**	1 690 724	2 022 489
Canada	**1 270 145**	1 019 350	1 685 578
Mexico	**8 667**	2 382	73 343
Net loss	**1 248 812**	1 021 732	1 758 921

Metalor Property

In March 2018, the Company announced the acquisition of 13 properties in Colombia (the “Metalor Property”). As at June 30, 2018, the contractual agreements related to the acquisition of the Metalor Property had not been finalized. In addition, samples from the Metalor Property had only been analyzed with a mass spectrometer and not by other, more reliable, assaying methods. Given these two factors, the Company has decided not to capitalize amounts related to the Metalor Property as at June 30, 2018. Rather, for the period ended June 30, 2018, the Company expensed $55,869 in relation to work done on the Metalor Property.

10. CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration and development of mineral property interests. Management has not established a quantitative capital structure. Capital needs are reviewed on a regular basis by management relative to the stage of development of the business entity. The Company currently is dependent on externally provided equity financing to fund its future exploration activities. In order to carry out planned exploration and development and fund administrative costs, the Company will allocate its existing capital and plans to raise additional amounts as needed through equity and related party advances if available.

The Company and its subsidiary are not subject to any capital requirements imposed by a lending institution or regulatory body. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable, given the relative size of the Company, the current state of the markets and exploration industry. There were no changes in the Company's approach to capital management during the years. The Company’s capital items are the following:

	For the period ended,	
	June 30, 2018 (unaudited) $	**September 30, 2017 (audited) $**
Cash & cash equivalents	**105 350**	1 165 415
Advance to a shareholder without interest	**-**	20 562
Due to a company owned by a Director	**-**	27 246
Share capital	**3 578 059**	3 578 059

11. FINANCIAL INSTRUMENTS

As at June 30, 2018, the Company's financial instruments include cash and cash equivalents, restricted cash, advance to a shareholder without interest and repayment terms, accounts payable and accruals, provision and due to a company owned by a Director, for which there are no differences in the carrying values and fair values, due to their short-term nature. The types of risk exposures are detailed in Note 12.

12. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and cash flows and fair value interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not use derivative financial instruments to hedge these risks.

Market risk

Foreign exchange risk: Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A portion of the Company's financial assets is denominated in United States dollars and in Mexican Pesos. Consequently, certain financial assets are exposed to exchange fluctuations. Most of the Company's operations are conducted in Canadian dollars. The Company does not hold derivative financial instruments to manage the fluctuation of exchange rate risk. The financial assets denominated in United States dollars and in Mexican Pesos, translated into Canadian dollars at the closing rate, which expose the Company to exchange risk are:

	For the period ended,	
	June 30, 2018 (unaudited) $	**September 30, 2017 (audited) $**
Cash & cash equivalents in United States dollars (USD)	**23 705**	70 435
Cash & cash equivalents in Mexican Pesos (MXN)	**15 456**	66 567

A 10% change in the exchange rate would not have a significant impact.

Cash flows and fair value interest rate risk: the Company is exposed to fair value interest rate risk arising from assets and liabilities negotiated at a fixed rate such as are cash and cash equivalents, advance to a shareholder without interest, advance to an entity with significant influence and the due to a company owned by a Director.

However, as these financial instruments mature in a short time, the impact is unlikely to be significant.

Commodity price risk: while the value of the Company's core mineral resource is related to the price of precious metals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect of its operational activities. Precious metal prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors. Adverse movements in the prices of precious metals may also negatively impact the Company's ability to raise capital and meet its financial commitments.

(Unaudited, expressed in Canadian Dollars)

Credit risk
Credit risk arises from cash with banks and financial institutions. The Company reduces this risk by dealing with creditworthy financial institutions. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash and cash equivalents.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuance. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. At June 30, 2018, the Company has a working capital deficit of $18,591 (September 30, 2017 - $1,220,492 positive).

The following are the contractual maturities of the financial liabilities amounts:

	Less than 1 year	**1 to 5 years**	**> 5 years**
Accounts payable and accruals	90 570	-	-
Provision	156 600	-	-

13. RELATED PARTY TRANSACTIONS

The Company's related parties include an entity with significant influence, companies owned by a Director as well as key management personnel. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash. All balances of advances receivables and advances payable are measured at fair value and occurred in the normal course of business.

Transactions with related parties for the nine-month period ended June 30, 2018 were as follows:

	Nine months ended	
	June 30, 2018 (unaudited) $	June 30, 2017 (unaudited) $
<u>Management fees</u>		
Companies controlled by a Director	**90 000**	45 000
Key management personnel and Director	**90 000**	90 000
<u>Share-based compensation</u>		
Key management personnel and Director	**342 980**	
<u>Rent</u>		
Company controlled by a Director	**27 000**	-

(Unaudited, expressed in Canadian Dollars)

Transactions with related parties for the three-month period ended June 30, 2018 were as follows:

	Three months ended	
	June 30, 2018 (unaudited) $	June 30, 2017 (unaudited) $
Management fees		
Companies controlled by a Director	**30 000**	15 000
Key management personnel and Director	**30 000**	30 000
Rent		
Company controlled by a Director	**9 000**	-

Amounts payable to related parties included in the non-current liabilities and in the accounts payable and accrued liabilities were as follows:

	Year	**Amounts owned by related parties $**
Key management personnel and director	June 30, 2018	-
	September 30, 2017	20 562
Companies controlled by a director	June 30, 2018	-
	September 30, 2017	27 246

14. COMMITMENTS AND CONTINGENCIES

Net Smelter Return Royalty ("NSRR")

The Company has a 100% undivided interest in the Zamora Property, pursuant to an assignment agreement signed on July 17, 2013 involving two vendors and Auxico Mexico. As per the terms of this agreement, the Zamora Property is subject to a 2% NSRR from proceeds of first-hand sale of products proceed from the mining concessions on commencement of commercial production. Half of this NSRR can be purchased by the Company at any time for US $500,000.

Farm-out Agreement

Pursuant to the Farm-out Agreement signed on June 13, 2013, the consideration received of US $300,000 is repayable on a quarterly basis starting ninety days after the start of the production of gold from the Zamora Property. The quarterly payments shall be equal to 7.5% of the net profits (after taxes) for each tranche of $100,000 lent by the Lender (75% for a consideration of US $1,000,000) until full repayment of the consideration.

After the consideration is fully repaid, the Lender will be entitled to receive, on a quarterly basis, an amount equal to 5% of the net profits (after taxes) for each tranche of $100,000 lent by the Lender (50% for a consideration of US $1,000,000) until an amount equal to three times the amount of the consideration is received by the Lender. After, the Lender will be entitled to receive, on a quarterly basis, an amount equal to 2.5% of the net profits (after taxes) for each tranche of $100,000 lent (25% for a consideration of US $1,000,000) thereafter for the life of the mine

On October 17, 2016, the Company signed a Memorandum of Understanding ("MOU") with the Lender involved in the Farm-out Agreement mentioned above. Under the terms of the MOU, the Company has the option, but not the obligation, to cancel the Farm-out Agreement by paying to the Lender a total of US$400,000 in cash and by issuing a total of 1,000,000 common shares of the Company, upon or after the Company's listing on a registered Canadian stock exchange. The Company can exercise this option within 12 months of the signing of the MOU, or until October 16, 2017.

On April 7, 2017, in accordance with the Memorandum of Understanding ("MOU") signed on October 17, 2016, a Gold Loan Settlement Agreement was signed and provides that the Company will pay to the Lender a total of US$400,000 in cash on or before October 16, 2017 and will issue a total of 1,000,000 common shares of the Company at a price of $0.25 per share for a total consideration of $250,000 on or before October 16, 2017.

On September 26, 2017, an amending agreement was made to the Gold Loan Settlement Agreement signed April 7, 2017 in which the parties agreed to extend the repayment of the settlement to December 31, 2017.

On January 1, 2018, the Company signed a second amending agreement to the Gold Loan Settlement Agreement, as described above. As repayment of the settlement, the Company will pay to the Lender a total of US$400,000 in cash payable on or before June 30, 2018 and a total of 1,000,000 common shares of the Company.

15. COMPARATIVE FIGURES

Certain figures for 2018 have been reclassified to make their presentation identical to that adopted in 2017.

16. SUBSEQUENT EVENTS

On August 21, 2018, the Company announced that it had completed the first tranche of a non-brokered private placement of 2,550,000 units, issued at a price of $0.20 per Unit, for gross proceeds of $510,000. Each unit consists of one common share and one-half transferable common share purchase warrant. Each full warrant entitles the holder to acquire one additional common share of the Company at a price of $0.40 per common share for two years from the date of issuance. The Company paid finder's fees of $35,000 in connection with the private placement. The net proceeds of the private placement will be used for geological work on the Company's Zamora Property in Mexico and its mining interests in Colombia, and for general working capital.

On August 22, 2018, the Company issued 600,000 stock options to consultants. These stock options have a strike price of $0.25, no vesting period and expire in 5 years.

AUXICO RESOURCES CANADA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE AND NINE-MONTH PERIOD ENDED JUNE 30,2018

OVERVIEW

This following management's discussion and analysis (quarterly highlights) of the financial condition and results of operations ("MD&A") covers the operations of Auxico Resources Canada Inc. ("Auxico" or the "Company") for the three and nine-month period ended June 30, 2018. All currency amounts referred to herein are in Canadian dollars unless otherwise stated. The MD&A should be read in conjunction with: the Company's unaudited condensed interim consolidated statements for the three and nine-month period ended June 30, 2018; the Company's audited consolidated financial statements for the year ended September 30, 2017; and the Company's MD&A for the year ended September 30, 2017. The accompanying audited and unaudited consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements and this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for viewing on the Company's website at www.auxicoresources.com and on SEDAR (www.sedar.com) under "Auxico Resources Canada Inc."

This MD&A is dated August 29, 2018.

COMPANY DESCRIPTION

The Company was incorporated under the Canada Business Corporations Act on April 16, 2014. The Company has a wholly-owned subsidiary, Auxico Resources S.A. de C.V. ("Auxico Mexico"), which was incorporated under the laws of Mexico on June 16, 2011. The Company has an office at 230 Notre-Dame Street West, Montreal, Quebec, H2Y 1T3, Canada. Auxico is a mineral exploration company with silver-gold properties in the state of Sinaloa, Mexico; the Company owns 100% of the Zamora silver-gold property in Mexico ("Zamora Property"). The Company is also actively engaged in exploration mining opportunities in Colombia.

OVERVIEW OF THE THREE-MONTH PERIOD ENDED JUNE 30, 2018

On May 8, 2018, Auxico announced that it had 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.

On May 25, 2018, the Company announced that it had acquired worldwide rights to a non-mercury, non-cyanide gold and silver extraction process that is currently patent-pending. The metallurgical extraction process was developed by Central America Nickel Inc. for the extraction of energy metals such as nickel, cobalt, vanadium, scandium, manganese and copper. The process was applied to gold and silver samples originating from Auxico's Zamora gold and silver property located in Sinaloa, Mexico.

The process extracted over 90% of the gold and over 80% of the silver in less then one hour, without the use of cyanide and mercury. The process uses no pressure and no heat. Auxico has agreed to pay Central America Nickel Inc. a 2% net royalty on the production of gold on any deposit in the world where the process is used. Auxico has the option to buy back 50% of this royalty (or 1% of the 2% royalty) at any time through the issuance of 2,000,000 common shares of the Company.

On June 1, 2018, the Company announced that it had discovered three historical mines containing unrecognized shafts and pits located along the Zamora Vein, including the La Campeona mine, which returned 30 cm of 10.1 g/t gold and 941.7 g/t silver. These discoveries extend the Zamora Vein and the parallel El Obatel Vein over a strike length of at least 800 metres. The Zamora Silver-Gold Property located in Sinaloa, Mexico, and is 100% owned by Auxico.

The Company discovered a report that was written in 1982 by Antonio Flores Martinez and Marco Bustamante Yanez who were both employed at the time with the Consejo de Recursos Minerales (Mexican Council of Mineral Resources, "CRM") and included all of the rehabilitation work done by the CRM on the Camichina Shaft, which gained access to the Los Olotes orebody. As well, this report documented all of the historic workings within a 1000m by 600m grid. Just recently, Auxico's management found a map showing all of this information in the archives.

On June 7, 2018, Auxico announced that it had signed a Memorandum of Understanding with Aucito S.A.S., a Colombian company, concerning the Villa Kelly Property in the Department of Bolivar, Colombia.

The Villa Kelly Property covers an area of 92.2 hectares. According to the report written by M.Sc. Eng. Rene Florencio Lugo Primelles of ITKnowLogics S.A.S, a total of 12 veins have been prospected on this property, and limited sampling of these veins has resulted in values up to 200 g/t Au. The Kelly vein has a shaft down to 14 metres and had been exploited from 2011 until 2014. There are 40 artisanal miners currently on this property.

Auxico is in the process of conducting due diligence on the Villa Kelly Property, which will include a site visit, sampling and grade verification of the veins, with a view to creating a joint venture for the full exploitation of three veins on this property. The Villa Kelly Property is accessible from the road and has infrastructure, such as a ball mill and Falcon concentrator, that should be upgraded in order to achieve economic profitability.

Once the due diligence is completed, a joint venture will be formalized, with the understanding that Auxico will invest 100% of the capital required to implement industrial production of the precious metals or base metals. If the due diligence process is successful, both parties will negotiate the terms of the joint venture, including specifically the sharing of profits.

SUBSEQUENT EVENTS

On July 10, 2018, the Company announced that it had entered into eight option agreements to acquire a 70% interest in the profits from the production of precious metals, base metals and coltan, originating from properties in Colombia and Venezuela.

The Company is pleased to report the following sampling results, which were analyzed for their metal content at the Centre de Technologie Minérale et de Plasturgie in Thetford Mines (Quebec):

Sample	**% Ta**	**% Nb**	**g/t Sc**	**% Sn**	**% TiO2**
V - M-8355_1	7.97	2.36	3,200	72.08	4.54
C - M-8355_2	1.03	3.78	/	/	49.02
C - M-8355_12	35.66	7.57	6,200	8.29	23.93
V - M-8355_234	26.66	7.70	4,200	5.35	23.32
C - M-8246_7	35.15	39.63	/	/	3.92
C - M-8246_8	31.14	36.99	/	/	3.33

The Company has also received copper/silver results from one of the option properties, as follows:

	C - M-8246_1	**C - M-8246_2**	**C - M-8246_4**	**C - M-8246_6**
% Cu	2.41	8.68	62.62	68.84
g/t Ag	/	/	600	500

The Company is currently conducting the metallurgical testing that targets the selective extraction of tantalum, niobium, scandium and copper on selected samples using the Ultrasound Assisted Extraction (UAEx) process.

Coltan is a metallic mineral composed of niobium and tantalite, which is refined to produce tantalum. Tantalite ore currently sells for US$186 per kg. Niobium currently sells for approximately US$50 per kg. Tantalum from coltan is used to manufacture batteries for electric cars, as well as almost every kind of electronic device, including cell phones and computers. Niobium is used in superconducting alloys. Scandium oxide sells for US$4,000 per kg. Added to various aluminum alloys, scandium has high-value commercial uses, especially in the automotive and aerospace industries. Tin presently sells for US$19 per kg, and the selling price of titanium dioxide ranges from US$1,700 per metric tonne to US$2,700 per metric tonne, depending on its quality and the application.

Auxico is currently preparing to establish detailed grids over the properties for extensive sampling using augers. The program will be supervised by Auxico's Qualified Person and will commence shortly. All of the samples will be sent to Quebec for metallurgical analysis, as well as to an accredited lab in Colombia.

Auxico also announced that it had engaged the services of Buffalo Associates Limited. Buffalo Associates will advise Auxico on matters relating to European strategic partners and investors. Marc Bamber, the CEO of Buffalo Associates, has extensive experience in the financial industry of London, including the financing of mining companies.

On August 21, 2018, Auxico announced that it had completed the first tranche of a non-brokered private placement of 2,550,000 units ("Units"), issued at a price of $0.20 per Unit, for gross proceeds of $510,000. Each unit consists of one common share ("Common Share") and one-half transferable common share purchase warrant ("Warrant"). Each full Warrant entitles the holder to acquire one additional Common Share of the Company at a price of $0.40 per Common Share for two years from the date of issuance. The Company paid finder's fees of $35,000 in connection with the private placement. The net proceeds of the private placement will be used for geological work on the Company's Zamora Property in Mexico and its mining interests in Colombia, and for general working capital.

On August 22, 2018, the Company issued 600,000 stock options to consultants. These stock options have a strike price of $0.25, no vesting period and expire in five years.

As at the date of this MD&A, there are 38,360,000 common shares issued and outstanding of Auxico.

FINANCIAL POSITION

The Company prepared its condensed consolidated financial statements in accordance with the International Financial Reporting Standards (''IFRS''). The Company's condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company. For more detailed information, please refer to the Company's condensed interim consolidated financial statements for the periods then ended. The financial position of Auxico at June 30, 2018 (unaudited) and September 30, 2017 (audited) is presented below:

Condensed Interim Consolidated Statements of Financial Position

As at	June 30, 2018 (unaudited)	September 30, 2017 (audited)
	$	$
Assets		
Current assets		
Cash & cash equivalents	105,350	1,165,415
Sales tax receivables	53,230	43,737
Prepaid expenses	72,185	67,381
Consulting and advisory services to be received	-	179,900
Advance to a director	-	20,562
Advance to a company controlled by a director	-	27,246
	230,765	1,504,241
Non-current assets		
Mining property acquisition costs	181,400	181,400
Exploration and evaluation expenses	984,873	651,622
Total assets	**1,397,038**	**2,337,263**
Liabilities		
Current liabilities		
Accounts payable and accruals	90,570	124,963
Provision	156,600	156,600
Income taxes payable	2,186	2,186
	249,356	283,749
Non-current liabilities		
Deferred income tax liabilities	31,025	31,025
Total liabilities	**280,381**	**314,774**
Shareholders' Equity		
Share Capital	3,578,059	3,578,059
Contributed surplus	793,550	450,570
Warrants	3,235	3,235
Deficit	(3,258,187)	(2,009,375)
Total shareholders' equity	**1,116,657**	**2,022,489**
Total liabilities & shareholders' equity	**1,397,038**	**2,337,263**

Cash and cash equivalents at June 30, 2018 were $105,350, compared to $1,165,415 at September 30, 2017. This difference is due to operating expenses and exploration and evaluation expenses occurred in the nine-month period ending June 30, 2018.

As at June 30, 2018, the Company had a contributed surplus of $793,550 (September 30, 2017 – $450,570). This is a non-cash charge associated with the value of options granted. In addition, as at June 30, 2018, the Company had an amount of $3,235 under Warrants (September 30, 2017 – $3,235). This is a non-cash charge associated with the value of warrants issued.

As at June 30, 2018, there is a provision on the statement of financial position for $156,600 (September 30, 2017 – $156,600). The Company was served on March 8, 2017 with a legal proceeding from Telferscot Resources Inc. filed in the Superior Court of Quebec alleging that based on the Amendment to the Amalgamation Agreement signed June 30, 2016 and terminated January 5, 2017, a number of conditions would have not been met, and thus, the break-up fee is due and owing by the Company. The parties have agreed on and filed a case protocole. The exposure consists of the amount claimed in capital, interest and legal costs, which are limited to courts cost and fees and various disbursements but do not include counsel legal fees. The parties will also explore the possibility of an out of court settlement, as provided by the Quebec Code of civil procedure.

As of June 30, 2018, Auxico had a working capital deficit of $18,591, compared to working capital of $1,220,492 at September 30, 2017.

Zamora Property (Mexico)

Auxico, through its wholly-owned Mexican subsidiary, Auxico Mexico, has a 100% interest in the Zamora Property, which is located 85 km southeast of the city of Culiacan in the state of Sinaloa, Mexico. The Zamora Property is comprised of five individual lots measuring a total of 3,376 hectares.

Under IFRS, the Company has chosen to capitalize all mining properties and exploration costs and assess the resulting asset for impairment on a periodic basis. Subsequent to the point of technical and economic feasibility, all costs must be evaluated against the capitalization criteria for property, plant and equipment and intangible assets. As at June 30, 2018, cumulative mining property acquisition costs and exploration and evaluation expenses incurred amounted to $1,166,273 (September 30, 2017 – $833,022). The details on these assets are presented below.

	Mining property acquisition costs	**Exploration and evaluation expenses**	**Total**
	$	**$**	**$**
Balance, as at Sep. 30, 2017 (audited)	181,400	651,622	833,022
Additions			
Exploration and evaluation expenses			
Geological	-	333,251	333,251
Balance, as at June 30, 2018 (unaudited)	**181,400**	**984,873**	**1,166,273**

Metalor Property (Colombia)

In March 2018, the Company announced the acquisition of 13 properties in Colombia (the "Metalor Property"). As at June 30, 2018, the contractual agreements related to the acquisition of the Metalor Property had not been finalized. In addition, samples from the Metalor Property had only been analyzed with a mass spectrometer and not by other, more reliable, assaying methods. Given these two factors, the Company has decided not to capitalize amounts related to the Metalor Property as at June 30, 2018. Rather, for the period ended June 30, 2018, the Company expensed $55,869 in relation to work done on the Metalor Property.

RESULTS OF OPERATIONS

For the three-month period ended June 30, 2018, the Company recorded a net loss and comprehensive loss of $180,715, compared to a net loss and comprehensive loss of $194,031 for the three-month period ended June 30, 2017.

For the nine-month period ended June 30, 2018, Auxico recorded a net loss and comprehensive loss of $1,248,812, compared to a net loss and comprehensive loss of $1,021,732 for the nine-month period ended June 30, 2017. Details for the three and nine-month periods ended June 30, 2018 and 2017 are presented below:

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three-month periods ended June 30	2018	2017	Variance
	$	$	$
Expenses			
Professional fees	86,621	80,943	5,678
Management fees	60,000	45,000	15,000
Legal fees	10,623	44,381	(33,758)
Travel expenses	29,620	9,923	19,697
Office expenses	1,474	1,731	(257)
Taxes and permits	5,178	-	5,178
Rent	9,000	10,175	(1,175)
Interest and bank fees	1,683	1,535	148
Losses (gains) on foreign exchange	(23,484)	343	(23,827)
	180,715	194,031	(13,316)
Net loss and comprehensive loss	**(180,715)**	**(194,031)**	**13,316**
Loss per share	(0.005)	(0.006)	
Weighted average number of shares outstanding	35,810,000	31,104,505	

For the three-month period ended June 30, 2018, the Company incurred $13,316 less in operating expenses, when compared to the operating expenses for the three-month period ended June 30, 2017. Management fees were higher in the three-month period ended June 30, 2018 as additional management resources were added after Auxico became a public company. Legal fees were down significantly in the three-month period ended June 30, 2018. In the three-month period ended June 30, 2017, the Company incurred additional legal fees in connection with Auxico's listing on the Canadian Securities Exchange. Travel expenses increased in the three-month period ended June 30, 2018 as the Company began to examine mining opportunities in Colombia. The foreign exchange losses and gains arise from the fluctuations in foreign currency between the Canadian dollar and the Mexican peso.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the nine-month periods ended June 30	2018	2017	Variance
	$	$	$
Expenses			
Professional fees	435,933	133,558	302,375
Management fees	180,000	135,000	45,000
Legal fees	68,561	82,928	(14,367)
Travel expenses	86,503	62,766	23,737
Office expenses	6,343	6,192	151
Taxes and permits	12,107	-	12,107
Rent	27,000	30,525	(3,525)
Research and development	-	5,085	(5,085)
Other expenses	20,170	10,470	9,700
Interest and bank fees	5,099	5,238	(139)
Loss on settlement	-	100,000	(100,000)
Exploration expenses	55,869	-	55,869
Stock-based compensation	342,980	450,570	(107,590)
Losses (gains) on foreign exchange	8,247	(600)	8,847
	1,248,812	1,021,732	227,080
Net loss and comprehensive loss	**(1,248,812)**	**(1,021,732)**	**(227,080)**
Loss per share	(0.035)	(0.037)	
Weighted average number of shares outstanding	35,810,000	27,640,696	

For the nine-month period ended June 30, 2018, the Company incurred $227,080 more in operating expenses, when compared to the operating expenses for the nine-month period ended June 30, 2017.

Professional fees were significantly higher in the nine-month period ended June 30, 2018. This increase is due to additional legal, accounting and consulting fees associated with the Company's listing on the Canadian Securities Exchange in October 2017. Management fees were higher in the nine-month period ended June 30, 2018 as additional management resources were added after Auxico became a public company. Travel expenses increased in the nine-month period ended June 30, 2018 as the Company began to examine mining opportunities in Colombia.

The loss on settlement of $100,000 is a provision recognized by the Company in relation to the termination of the Amalgamation Agreement with Telferscot, as described above.

The stock-based compensation is a non-cash charge associated with the granting of options.

The exploration expenses incurred in the period ended June 30, 2018 are in relation to the Metalor Property in Colombia, as described above.

Auxico is a mining exploration company and currently has no mining operations to generate sales and revenues. The Company will have to rely on private placements of equity and/or debt in order to cover its operating expenses and geological work.

CASH FLOWS AND LIQUIDITY

The following table outlines the Company's cash flows for the nine-month periods ended June 30, 2018 and 2017:

Condensed Interim Consolidated Statements of Cash Flows **For the nine-month periods ended June 30**	**2018** **$**	**2017** **$**
Operating activities		
Net loss and comprehensive loss	(1,248,812)	(1,021,732)
Adjustments for:		
Stock-based compensation	342,980	450,570
Changes in non-cash working capital items		
Sales tax receivable	(9,493)	(6,788)
Prepaid expenses	(4,804)	(62,617)
Consulting and advisory services to be received	179,900	-
Accounts payable and accruals	(34,393)	(47,948)
Provision	-	100,000
Income taxes payable	-	(1,004)
	(774,622)	**(589,519)**
Investing activities		
Exploration and evaluation expenses	(333,251)	(193,767)
	(333,251)	**(193,767)**
Financing activities		
Advance to a shareholder	20,562	-
Advance to an entity with significant influence	27,246	(27,246)
Due to a company owned by a director	-	(42,215)
Proceeds from the issuance of equity	-	1,327,500
Proceeds from shares to be issued	-	500,000
Share issuance cost paid	-	(109,247)
	47,808	**1,648,792**
Increase (decrease) in cash and cash equivalents	(1,060,065)	865,506
Cash and cash equivalents, beginning of the period	1,165,415	7,542
Cash and cash equivalents, end of the period	**105,350**	**873,048**

For the nine-month period ended June 20, 2018, Auxico used cash in the amount of $1,060,065, compared to an increase of cash of $865,506 for the nine-month period ended June 30, 2017. This significant difference can be explained primarily by the private placements the Company concluded in the nine-month period ended June 30, 2017, as well as the increase in operating expenses and exploration and evaluation expenses.

Cash used in operating activities amounted to $774,622 in the nine-month period ended June 30, 2018, compared to cash used in operating activities of $589,519 for the nine-month period ended June 30, 2017.

Exploration and evaluation expenses for the nine-month period ended June 30, 2018 were $333,251, as compared to $193,767 for the nine-month period ended June 30, 2017. These amounts relate to geological work at the Company's Zamora Property in Mexico.

In the nine-month period ended June 30, 2017, the Company generated cash of $1,648,792 through the issuance of common shares by way of private placement. There was no such private placement in the nine-month period ended June 30, 2018.

At June 30, 2018, the Company had a working capital deficit of $18,591. As a mining exploration company, Auxico does not currently generate any revenues from operations and relies on access to equity and debt financings to cover operational expenses and geological work.

CAPITAL STRUCTURE

Shares issued

At June 30, 2018, there were 35,810,000 issued and fully paid common shares.

Warrants

At June 30, 2018, the Company had 16,600 warrants issued and outstanding, in connection with the Company's private placement. These warrants have a strike price of $0.25 and expire on August 28, 2022.

Stock options

At June 30, 2018, there were 3,075,000 stock options issued and outstanding to consultants, officers and directors of the Company. These stock options have no vesting period and are described below.

Number of stock options	Expiry date	Strike price
2,325,000	February 9, 2022	$0.25
750,000	October 22, 2022	$0.40
3,075,000		

SUMMARY OF QUARTERLY RESULTS

The following is a summary of selected financial information from the quarterly interim unaudited financial statements for the eight quarters ending June 30, 2018:

Quarter ending	June 30, 2018 $	Mar. 31, 2018 $	Dec. 31, 2017 $	Sep. 30, 2017 $
Revenue	-	-	-	-
Net loss	(180,715)	(385,990)	(682,107)	(655,974)
Net loss per share	(0.005)	(0.011)	(0.019)	(0.020)

Quarter ending	June 30, 2017 $	Mar. 31, 2017 $	Dec. 31, 2016 $	Sep. 30, 2016 $
Revenue	-	-	-	-
Net loss	(194,031)	(719,514)	(189,402)	(86,638)
Net loss per share	(0.006)	(0.026)	(0.008)	(0.004)

RELATED PARTY TRANSACTIONS AND BALANCES

The Company's related parties include an entity with significant influence, companies owned by a director as well as key management personnel. Unless otherwise stated, none of the transactions incorporates special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash. All balances of advances receivable and advances payable are measured at fair value and occurred in the normal course of business.

For the three-month period ended June 30 (unaudited)	2018 $	2017 $
Management fees		
Companies controlled by a director	30,000	15,000
Key management personnel and director	30,000	30,000
Rent		
Company controlled by a director	9,000	-

For the nine-month period ended June 30 (unaudited)	2018 $	2017 $
Management fees		
Companies controlled by a director	90,000	45,000
Key management personnel and director	90,000	90,000
Share-based compensation		
Key management personnel and director	342,980	-
Rent		
Company controlled by a director	27,000	-

Amounts payable to related parties included in the non-current liabilities and in the accounts payable and accrued liabilities were as follows:

	As at	Amounts owed by related parties $
Key management personnel and director	June 30, 2018	-
	September 30, 2017	20,562
Companies controlled by a director	June 30, 2018	-
	September 30, 2017	27,246

COMMITMENTS AND CONTINGENCIES

Net Smelter Return Royalty ("NSRR")

The Company has a 100% undivided interest in the Zamora Property, pursuant to an assignment agreement signed on July 17, 2013 involving two vendors and Auxico Mexico. As per the terms of this agreement, the Zamora Property is subject to a 2% NSRR from proceeds of first-hand sale of product proceeds from the mining concessions on commencement of commercial production. Half of this NSRR can be purchased by the Company at any time for US$500,000.

Farm-out Agreement

Pursuant to the Farm-out Agreement signed on June 13, 2013, the consideration received of US$300,000 is repayable on a quarterly basis starting 60 days after the start of production of gold from the Zamora Property. The quarterly payments shall be equal to 7.5% of the net profits (after taxes) for each tranche of US$100,000 lent by the lender (75% for a consideration of US$1,000,000) until full repayment of the consideration.

After the consideration is fully repaid, the Lender will be entitled to receive, on a quarterly basis, an amount equal to 5% of the net profits (after taxes) for each tranche of US$100,000 lent by the Lender (50% for a consideration of US$1,000,000) until an amount equal to three times the amount of the consideration is received by the Lender. After, the Lender will be entitled to receive, on a quarterly basis, an amount equal to 2.5% of the net profits (after taxes) for each tranche of US$100,000 lent (25% for a consideration of US$1,000,000) thereafter for the life of the mine.

On October 17, 2016, the Company signed a Memorandum of Understanding ("MOU") with the Lender involved in the Farm-out Agreement mentioned above. Under the terms of the MOU, the Company has the option, but not the obligation, to cancel the Farm-out Agreement by paying to the Lender a total of US$400,000 in cash and by issuing a total of 1,000,000 common shares of the Company, upon or after the Company's listing on a registered Canadian stock exchange. The Company can exercise this option within 12 months of the signing of the MOU, or until October 16, 2017.

On April 7, 2017, in accordance with the MOU signed on October 17, 2016, the agreement was signed and provides that the Company will pay to the Lender a total of US$400,000 in cash on or before October 16, 2017 and will issue a total of 1,000,000 common shares of the Company at a price of $0.25 per share for a total consideration of $250,000 on or before October 16, 2017.

On September 26, 2017, an amending agreement was made to the Gold Loan Settlement Agreement signed April 7, 2017 in which the parties agreed to extend the repayment of the settlement to December 31, 2017.

On January 1, 2018, the Company signed a second amending agreement to the Gold Loan Settlement Agreement as described above. As repayment of the settlement, the Company will pay to the Lender a total of US$400,000 in cash payable on or before June 30, 2018 and a total of1,000,000 common shares of the Company.

RISKS AND UNCERTAINTIES

For a detailed list of risks and uncertainties related to the business of Auxico, please consult the Company's MD&A for the year ended September 30, 2017.

Dated this 29th day of August, 2018

"signed" Mark Billings President	"signed" Jacques Arsenault Chief Financial Officer