

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: AUAG

Number of Outstanding Listed Securities: 57,174,000 common shares

Date: May 4, 2021

Report on Business

- 1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

On June 3, 2020, the Issuer announced that it had signed a joint venture agreement with Kibara Minerals ("Kibara") for the concentration and export of tantalum and niobium ores from the Democratic Republic of the Congo ("DRC").

Kibara has access to high-grade tantalite mineral deposits in the DRC. More specifically, Kibara has an exclusive supply agreement with a cooperative for the purchase of tantalite ore from the Bafwasende artisanal deposit located 200 km from the city of Kisangani in the north-central part of the DRC.

Tantalite ore from the Bafwasende deposit has been tested by two groups. Impact Global Solutions, based in Delson, Quebec, performed laboratory tests on samples from the Bafwasende despoit, which produced the following grades: 46% Ta₂O₅ (tantalum pentoxide) and 22% Nb₂O₅ (niobium pentoxide). One of the Issuer's potential buyers of this tantalite ore performed its own tests, which resulted in 42.04% Ta₂O₅ and 22.93% Nb₂O₅. The Issuer is finalizing a long-term supply agreement with this party for the sale of specific quantities of tantalite ore per year.

Given this opportunity, both the Issuer and Kibara wish to work together to launch the trading operation of tantalum and niobium-bearing ores from the Bafwasende deposit. Kibara has the local connections and expertise in the DRC. The Issuer and its partner Covemin, which is a commodities trading firm in Europe with an expertise in tantalum and niobium, have established relationships with the buyers of tantalite ore worldwide. As both parties complement each other, it seems logical to form a joint venture.

Under the terms of the joint venture, the Issuer will provide the working capital to concentrate and export the tantalite ore from the DRC. This will include the purchase of the ore from the cooperative, transportation of the tantalite ore from Kisangani to the port of Matadi, warehousing, sampling and shipping. In return, the Issuer will receive 70% of the profits from the sale of the ore, while Kibara will retain 30%.

The DRC has the largest known reserves of tantalite ore in the world. The ore from the Bafwasende deposit is extracted from a traceable non-conflict artisanal site. Both tantalum and niobium are on the list of critical minerals of the United States government. Tantalum is used specifically in electrolytic capacitors for the electronics industry. Niobium is used in steel superalloys. Recently, the price of tantalum was US\$165,000 per metric tonne and the price of niobium was US\$40,000 per MT.

In addition, the Issuer continued to sample, test and conduct other geological work on properties with coltan (i.e. tantalum and niobium) in Colombia, Brazil and the Democratic Republic of the Congo.

If this technical due diligence is successful, then the Issuer intends to take the necessary steps to sell this tantalum and niobium to qualified buyers who have already been identified by the Issuer. The Issuer also has option agreements on other properties in Colombia and Brazil. If technical due diligence on one or more of these properties is successful, then Auxico intends to either enter into a joint venture agreement with the current holder of the concessions or to acquire the concession outright.

On November 24, 2020, the Issuer announced that it has entered into a memorandum of understanding (“MOU”) with the Colombian company Minampro Asociados S.A.S. (“Minampro”), to earn a 70% interest in a joint venture for the exploitation and trading of industrial sands (tantalum ore) originating from properties in the department of Vichada, Colombia.

Minampro has the necessary licenses for the buying, selling and exporting of industrial sands containing various metals, including tantalum and niobium. Furthermore, Minampro has an exclusive purchase agreement for industrial sands (tantalum ore) with the indigenous community Guacamayas-Maipore, located in the department of Vichada. The key properties are located within 100 kilometres from an airport and are accessible by roads.

In 2019, Auxico conducted an exploration and sampling program on properties located in this area. Mr. Miguel Jaramillo, an independent geologist, supervised the work and submitted a report about the results obtained in the sampling program to Auxico. The program confirmed the presence of tantalum and niobium, as well as various rare earths including: ytterbium, hafnium, neodymium, scandium,

dysprosium, praseodymium and gadolinium. An accredited Canadian lab conducted all analyses on the samples from these properties.

Under the terms of the MOU, Auxico has 60 days to conduct due diligence, after which the parties agree to enter into a joint venture (“JV”) for the properties in the department of Vichada. Auxico will have a 70% share of the net profits of the JV for committing 100% of the capital required for the exploitation of industrial sands (tantalum ore). Minampro will retain 30% of the net profits of the JV. Auxico will also have an option to purchase 15% of the profit interest of Minampro at a price to be agreed upon.

Samples from the properties are currently being sent out to various tantalum buyers, and the Company expects commercial sale to start within the next 60 days.

On December 16, 2020, the Issuer announced that it had acquired mineral rights and surface rights to a property located in the municipality of Puerto Carreno, department of Vichada, Colombia. Mr. Miguel Jaramillo, an independent geologist, conducted an exploration program on the property on behalf of the Company in June 2019. The program confirmed the presence of tantalum and niobium, as well as various rare earths including: ytterbium, hafnium, neodymium, scandium, dysprosium, praseodymium and gadolinium. A Canadian laboratory conducted all analyses on the samples from the property.

The claims are located within a strategic area that has been defined by the Colombian Government for tantalum, niobium and rare earths. The property, which extends over an area of approximately 148 hectares, is located along the Orinoco River, which separates Colombia and Venezuela. It is conveniently located only 10 kilometres from the airport of Puerto Carreno. A satellite imagery interpretation study (*remote sensing study*) that was recently completed for the Company identified several priority exploration targets that will be confirmed in the coming weeks by Mr. Jaramillo.

The Issuer recently signed a commercial agreement to supply a minimum of 25 tonnes of tantalum concentrates, to be exported from Colombia to Asia starting in January 2021. Additional information in this regard will be shared with the public once the tantalum concentrates are actually shipped from Colombia.

On January 5, 2021, the Issuer announced that it had recently signed an agreement with a customer in India to sell an initial amount of 10,000 metric tonnes of high-grade manganese ore, with the option to increase this to 60,000 MT per month over a 12-month period.

The Issuer is in the process of shipping the first 10,000 MT to this customer. A vessel has already been booked in this regard. The Issuer has the manganese ore in a bonded warehouse in a port in Brazil, and this ore has been sampled by an independent lab. The grade of the ore is between 46% and 48% manganese and conforms to all of the customer’s specifications. A letter of credit outlining payment

terms to Auxico has already been provided by the customer. The value of the initial 10,000 MT of manganese sold by Auxico is over \$2,000,000 (Canadian dollars).

As per the agreement between the Issuer and its customer, the contract is for this initial 10,000 MT of manganese ore, with the option to extend the contract up to 12 months, for up to 60,000 MT of manganese ore per month.

On March 30, 2021, the Issuer announced that it has made its first sales of manganese ore from Brazil to three customers in India, China, and the United Arab Emirates. Auxico has purchased and sold a total of 15,000 metric tonnes of manganese ore, with a minimum grade of 46% Mn. The Company expects to generate a 15% net profit margin on these sales. Two of the contracts between Auxico and its customers provide for shipments of manganese ore of up to 60,000 MT per month each, subject to material availability and re-confirmation by Auxico.

The average price of manganese ore has increased significantly in the past months, with prices going from US\$400 per dry metric tonne to over US\$500.

On April 19, 2021, the Issuer announced that it had entered into a memorandum of understanding (“MOU”) with the companies Minceracao Tantaline Im. & Exp. E Beneficiamento Ltda (“Minceracao Tantaline”) and Fantasia Mineracao R&M – Import Export (“Fantasia Mineracao”), and the Bolivian mining cooperative Cooperativa Minera Aurifera “El Cerrito la Codiciada” Ltda (the “Cooperative”), with regard to the exploitation and commercialization of tantalum, niobium, and tin from industrial sands originating from a 2,500-hectare property located in the municipality of La Concepción, Santa Cruz Department, province of Ñuflo de Chavez, Bolivia.

The Cooperative has mining claims for a 2,500 hectare property in the Santa Cruz Department and has obtained the necessary license for the export of industrial sands. Mineracao Tantaline has signed a partnership agreement with the Cooperative for the exclusive mandate to explore and commercialize the ore from the properties claimed by the Cooperative.

Samples from the property were recently analyzed by Coalia Research Institute in Thetford Mines, Quebec. The results of the first sample are presented in the table below:

Ta2O5	Nb2O5	Fe2O3	MnO	SiO2	TiO2	Al2O3	MgO	WO3	CaO	ZrO2	Ir *	SnO2	HfO2	UO2	K2O	PbO	ZnO	SrO
%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
59.79	17.31	7.72	6.46	4.00	1.09	0.91	0.80	0.49	0.30	0.26	0.268	0.20	0.16	0.15	0.06	0.05	0.03	0.01

With the exception of iridium (Ir), the above sample results were provided with the use of XRF (X-ray fluorescence) by Coalia, which subsequently retested the sample with the use of inductively coupled plasma, or ICP.

The ICP sample results of the coltan ore received by Auxico yielded a grade of 2.68 kg of iridium (Ir) per metric tonne (0.268%), or approximately 86 ounces of Ir per MT.

Iridium is a silver-white transition metal of the platinum group and is considered to be the second densest metal after osmium. It is the most corrosion-resistant metal, even at temperatures of 2000 °C. Given these properties, iridium is used as a hardening agent for platinum alloys. It is also employed in high-performance spark plugs, crucibles for recrystallization of semiconductors at high temperatures, and electrodes for the production of chlorine in the chloralkali process.

The current market price of iridium is approximately US\$6,400 per ounce; the price of iridium has increased significantly over the past year due to supply deficits. The Company is currently undertaking metallurgical testing of the samples with Central America Nickel Inc. in order to extract iridium from the coltan ore.

Under the terms of the MOU, Auxico has 60-days to conduct due diligence, after which the parties agree to enter into a joint venture (“JV”) for the property in Bolivia. Auxico will have a 60% share of the net profits of the JV for committing 100% of the capital required for the technical operations, exploration, exploitation, concentration, transport and commercialization of industrial sands (tantalum) from the property in Bolivia. Minceracao Tantaline, Fantasia Mineracao and the Cooperative will jointly retain 40% of the net profits of the JV, and Auxico will have the option to purchase another 20% interest in the JV (for a total of 80%). Auxico will have the exclusive marketing rights for all metals emanating from the property.

On April 20, 2021, the Issuer announced that it had signed a letter of intent (“LOI”) to finance the production and export of high-grade tantalum and iridium ore from an 800-hectare property located 400 metres from a deep sea port, in the sub-prefecture of Bouandougou, department of Mankono, Ivory Coast.

Samples from the property were recently analyzed by Coalia Research Institute in Thetford Mines, Quebec. Test results yielded a grade of 59.58% tantalum (Ta) per metric tonne, along with 1.7 kg of iridium (Ir) per metric tonne, or approximately 53 ounces of iridium per metric tonne. The price of tantalum is *US\$150,000* per tonne, and the price of iridium is *US\$6,400* per ounce.

The results of the first sample are presented in the table below:

Ta2O5	Nb2O5	Fe2O3	MnO	TiO2	SiO2	Al2O3	MgO	CaO	ZrO2	Ir*	HfO2	UO2	SnO2	ZnO	PbO
%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
59.58	20.41	10.87	5.21	1.00	0.94	0.74	0.28	0.21	0.18	0.17	0.15	0.07	0.07	0.04	0.03

With the exception of iridium, the above sample results were provided with the use of XRF (X-ray fluorescence) by Coalia, which subsequently retested the sample with the use of inductively coupled plasma, or ICP. The Company is currently undertaking metallurgical testing of the samples with Central America Nickel Inc. in order to extract iridium from the coltan ore.

The LOI was signed between Auxico and the companies La Société Minière pour la Côte d'Ivoire SA ("Somci") and Clean-T. Under the terms of the LOI, Auxico has 60 days to conduct due diligence, after which the parties agree to enter into a joint venture ("JV"). The parties agreed that under the terms of the JC, Auxico will have a 63% share of the net profits of the JV for committing 100% of the capital required for the initial satellite interpretation study which will be conducted in order to target potential areas of interest in the property, as well as for the equipment required for the concentration of ore and transportation of concentrates from the property. Somci and Clean-T will retain 27% of the net profits of the JV, while the 10% will be allocated for fees defined by the *state mining code*. Auxico will have the exclusive marketing rights for all metals emanating from the property.

2. Provide a general overview and discussion of the activities of management.

Please see 1. above.

COVID-19

Together with other companies and people in Canada, the Issuer is affected by the Corona Virus / COVID-19 pandemic. The Issuer is complying with all federal, provincial and municipal regulations. The officers and directors of the Issuer are working remotely during this pandemic.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Please see 1. Above.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Please see 1. above.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State

whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Please see 1. above.

- 6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

There were none.

- 7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

There were none.

- 8. Describe the acquisition of new customers or loss of customers.**

Please see 1. above.

- 9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.**

There were none.

- 10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.**

There were none.

- 11. Report on any labour disputes and resolutions of those disputes if applicable.**

There were none.

- 12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**

There were none.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

There were none.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

(1) *State aggregate proceeds and intended allocation of proceeds.*

No securities were issued in April 2021.

15. Provide details of any loans to or by Related Persons.

There were none.

16. Provide details of any changes in directors, officers or committee members.

There were none.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Issuer has properties and activities in Mexico, Colombia, Brazil, the Democratic Republic of the Congo, Bolivia and Ivory Coast. The Issuer monitors trends and developments in these jurisdictions to determine what material effects, if any, such developments could have on the Issuer, its operations and its current and future profitability. At this time, the Issuer is unaware of any trends or changes, either actual or proposed, which could have a material impact on the Issuer.

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 Certificate of Compliance.
2. As of the date hereof there were 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 7 Monthly Progress Report is true.

Dated May 4, 2021.



Mark Billings
President

Issuer Details		For Month	Date of Report
Name of Issuer		End	
Auxico Resources Canada Inc.		April 2021	21/05/04
Issuer Address			
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City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
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