

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: AUAG

Number of Outstanding Listed Securities: 41,935,000 common shares

Date: March 8, 2019

#### 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.**

The Issuer continued to sample, test and conduct other geological work on properties in Colombia. The Issuer also evaluated coltan opportunities in Brazil.

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

On February 7, 2019, the Issuer announced that it signed a memorandum of understanding (“MOU”) with a Brazilian company, Company and Partners Consultoria EM Comércio Exterior (“Consultoria”), to earn a 70% interest in a joint venture on its Palha Property.

Consultoria recently sent two samples to Auxico, which were analyzed at the Centre of Mineral Technology in Thetford Mines, Quebec. The results of the samples are presented in the table below:

<b>Sample</b>	<b>Niobium (Nb<sub>2</sub>O<sub>5</sub>) %</b>	<b>Tin (SnO<sub>2</sub>) %</b>	<b>Tantalum (Ta<sub>2</sub>O<sub>5</sub>) %</b>	<b>Scandium (Sc<sub>2</sub>O<sub>3</sub>) g/t</b>
M-8731 BRAZIL_1	50.70%	3.18%	3.10%	700 g
M-8731 BRAZIL_2	1.29%	90.20%	1.17%	-

Given the grades of niobium and tin, specifically, in the samples provided above, Auxico decided to sign an MOU with Consultoria. Under the terms of the MOU, Auxico has 120 days to conduct due diligence, after which the parties agree to enter into a joint venture (“JV”) on the Palha Property. Auxico will have a 70% share of the net profits of the JV for committing 100% of the capital required to begin industrial production of all metals (e.g. base, precious, industrial) on the

Palha Property. Consultoria will retain 30% of the net profits of the JV. Auxico will also have an option to purchase 50% of the profit interest of Consultoria (or 15% of its 30%) at a price to be agreed upon.

Auxico intends to send its geologists to Brazil in the coming weeks to conduct technical due diligence on the Palha Property.

## **PALHA PROPERTY**

The Palha Property covers an area of 10,000 acres in the state of Pará in northern Brazil. All of the previous work, including 27 boreholes and 25 exploration pits, appears to have been conducted over extensive river systems, and samples were extracted from what is believed to be along the river banks. One assay is reported to have returned a grade of 42% tantalum.

**Applications of Niobium and Tantalum:** Niobium is used in high-grade structural steel, while niobium superalloys are used for jet engines and heat resistant equipment. Tantalum is used to manufacture batteries for electric cars, as well as almost every kind of electronic device, including cell phones and computers. Both metals are on the list of minerals deemed critical for the US national security and economy. Tantalum, always together with the chemically similar niobium, occurs in the mineral groups tantalite, columbite and coltan (a mix of columbite and tantalite, though not recognized as a separate mineral species).

**Applications of Scandium:** One of scandium's most important uses is for preparing aluminum-scandium alloys, which are used in the aerospace industry during the manufacturing of aircraft. When added in a trace amount (about 0.1% to 0.5%) to aluminum, it increases the strength of aluminum manifold, without increasing its weight. Its use in the aerospace industry though, is restricted to specialized aircraft (like the Russian military aircraft MiG-21, MiG-29, etc.), owing to the high cost of this element. Another key use of this alloy is in the manufacturing of various sports equipment, like baseball bats, lacrosse sticks, and bikes. All these items have a common requirement: a high performance material, which is light in weight, rust resistant, and which has a high melting point. Aluminum-scandium alloys satisfy all of these requirements.

***Disclaimer:*** *The samples described above were selected under the supervision of the property owner. These samples were shipped to a laboratory in Quebec selected by Auxico. It is the opinion of the Qualified Person that an independent grid sampling program be established with proper control and chain of custody, and therefore the values presented above are not in compliance with NI 43-101. Because the chain of custody cannot be independently established from the above*

*sample, the Company cautions the reader as to the reliability of the samples and the results thereof. The Company and the QP do not take any responsibility for the values presented in this press release and are being referred to for general information purposes only, and to demonstrate the potential that this property holds.*

On February 11, 2019, the Issuer announced that it completed a non-brokered private placement of 2,000,000 units (“**Units**”), issued at a price of \$0.20 per Unit, for gross proceeds of \$400,000. Each unit consists of one common share (a “**Share**”) and one-half transferable common share purchase warrant (“**Warrant**”). Each full Warrant entitles the holder to acquire one additional Share of the Company at a price of \$0.40 per Share for two years from the date of issuance.

The Issuer paid finder’s fees of \$28,000 in connection with the private placement. All Shares issued pursuant to the private placement are subject to a four-month hold period in Canada.

The net proceeds of the private placement will be used for evaluating coltan opportunities in Colombia and Brazil, as well as for general working capital purposes.

- 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.**

No new drilling, exploration or production programs began in February 2019. The Issuer continued to evaluate coltan and gold opportunities in Colombia and Brazil.

- 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.**

No products or services were discontinued.

- 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.**

Except as described in section 2 above, no new business relationships were entered into by the Issuer.

- 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.**

The Issuer is in the business of mineral exploration in Mexico and Colombia. It is not a mineral producing company at this time and does not have any customers per se. This item is not applicable.

- 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.**

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Common shares	2,000,000	Price of \$0.20	Geological work in Colombia and Brazil; working capital
Warrants	1,000,000	Strike price of \$0.40; expiring on February 7, 2021	N.A.

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

**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.**

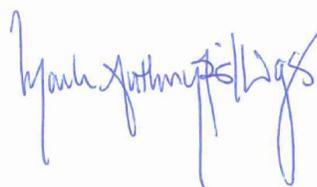
The Issuer has properties and activities in Mexico, Colombia and Brazil. The Issuer monitors trends and developments in these jurisdictions to determine what material effects, if any, such developments could have on the Issuer, its operations and its current and future profitability. At this time, the 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 March 8, 2019.



Mark Billings  
President

<b>Issuer Details</b>	For Month End	Date of Report
Name of Issuer		
Auxico Resources Canada Inc.	February 2019	19/03/08
Issuer Address		
230 Notre-Dame Street West		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Montreal	( N/A )	(514) 296-1641
Contact Name	Contact Position	Contact Telephone No.
Mark Billings	President	(514) 296-1641
Contact Email Address	Web Site Address	
<a href="mailto:mb@auxicoresources.com">mb@auxicoresources.com</a>	<a href="http://www.auxicoresources.com">www.auxicoresources.com</a>	