

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: AUAG

Number of Outstanding Listed Securities: 35,810,000 common shares

Date: November 3, 2017

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 main development of the Issuer's business and operations was that the common shares of the Issuer began trading on the Canadian Securities Exchange on October 17, 2017.

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

The Issuer's geologist and Qualified Person, Joel Scodnick, P.Geo., has been on the Zamora Property (the "Property") in Mexico, leading a trenching and sampling campaign, specifically on the Aguamas section of the Property.

As the Issuer reported on October 24, 2017, initial sampling results of a single trench yielded a 50m wide mineralized section grading 0.85 g/t Au, including 3m of 13.07 g/t Au at the Aguamas property. This trench is located about 100 metres southeast of the Aguamas 2 historical mine, which returned samples of 14.87 g/t Au and 192.22 g/t Ag, and 25 metres northwest of the Aguamas 1 historical mine, where recent sampling returned 34.05 g/t Au and 97.78 g/t Ag. Examination of these past workings and exposed rock outcroppings indicated a series of quartz veins at multiple angles within a silicified volcanic breccia. The Aguamas property is located within the Issuer's silver/gold property, which contains 25 historic producers and occurrences. These gold and silver occurrences outline two regional trends that transect the property, anchored by past producers and field observations by the Issuer's geologists.

Currently, a backhoe is onsite to open a series of four new trenches between the Aguamas 1 & 2 historic mines. The trenches are being cleaned up and prepared for channel sampling. Preliminary observations show the main Aguamas vein in the new trenches as well as flat veins that were not previously observed. The quartz veins appear to be well mineralized and look identical to the samples taken from the first trench that returned high-grade gold values. A diamond drill program

is also being planned over the Aguamas area, as well as other priority target areas on the Property. All of the sampling and exploration has been under the supervision of Mr. Scodnick. The Issuer intends to begin exploration and bulk sampling work on the Property, with the aim of getting a better understanding of the grades of silver and gold, as well as the size of the mineralized area along the two structural trends at Zamora.

On October 31, 2017, the Issuer announced metallurgical results from a 2.095 kg sample (2,095 g) taken from the volcanic breccia hostrock material in the footwall of the Campanillas Mine, which is located in the north-east corner of the Property. The sample contains 1.98 kg/t of silver (1,980 g/t) and 2.01 g/t of gold. This sample was treated by the Centre for Mineral Technology and Plastics in Thetford Mines in order to optimize the metallurgical extraction of both gold and silver. The recovery of gold was 71.60% and 92.9% for silver, as a result of processing this material by gravity and flotation methods.

The gravity concentrate represents 3.41% of the overall weight of the sample while the flotation concentrate represented 12.2% of the overall weight. Therefore, 92.9% of the silver and 71.6% of the gold were recovered from less than 13% of the overall weight of the feed material.

The sample was selected in the Campanillas Mine at the far end of the main drift represented by an intensely silicified volcanic breccia containing native silver and silver sulphides. The silver appears to have replaced the highly altered fragments within the host rock. The sample was taken from the footwall of a 3m wide highly mineralized quartz vein in the stoped area of the mine. The high-grade potential of Campanillas was first identified by a grab sample taken from a small stockpile outside the main portal, which returned an assay of 14.56 kg/t (14,560 g) silver and 15.53 g/t gold. The Issuer is currently putting a plan together for dewatering Campanillas in order to reach the second and possibly third level, which is accessed by a ramp and decline shaft. Once a better understanding of the mine can be developed, a drill plan will be proposed. There are almost 500m of historical workings on surface and along strike of the Campanillas Vein, represented by ventilation raises, trenches, and prospect pits, which indicate the minimum strike length of the structure.

- 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 item 2 above for information on sampling and metallurgical results from the Zamora Property.

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.**

No new business relationships were entered into.

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 silver and gold exploration in Mexico. 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.

On January 5, 2017, the Issuer terminated an amalgamation agreement (“Amalgamation Agreement”) with Telferscot Resources Inc. (“Telferscot”), which was signed on June 30, 2016. The agreement provided for a maximum break-up fee of \$100,000 in cash payable to Telferscot. The Issuer was served on March 8, 2017 with a legal proceeding from Telferscot filed in the Superior Court of Quebec alleging that based on an amendment to the Amalgamation Agreement, a number of conditions would have not been met, and thus, the break-up fee is due and owing by the Issuer. 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 court costs 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.

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.

On October 23, 2017, the Issuer granted, pursuant to its 10% rolling stock option plan, options to consultants to purchase a total of 1,100,000 common shares, exercisable in whole or in part, on or before October 22, 2022, at an exercise price of \$0.40 per common share.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Options	1,100,000	Strike price of \$0.40, expiring on October 22, 2022	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 Zamora Property of the Issuer is located in the state of Sinaloa, Mexico. The Issuer monitors trends and developments in this jurisdiction so as 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 November 3, 2017.

Mark Billings
President

Issuer Details		For Month End	Date of Report
Name of Issuer		October 2017	17/11/03
Auxico Resources Canada Inc.			
Issuer Address			
230 Notre-Dame Street West			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
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