

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: AUAG

Number of Outstanding Listed Securities: 38,360,000 common shares

Date: October 4, 2018

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 sampled, tested and conducted other geological work on properties in Colombia and Mexico. If this technical due diligence is successful in Colombia, the Issuer intends to enter into joint venture agreements with the property/concession owners. In addition, the Issuer continued geological work on its 100% owned Zamora Property in Sinaloa.

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

On September 12, 2018, the Issuer announced sampling results from a recent campaign carried out over some selected areas on Auxico's 100% owned Zamora Silver-Gold Property (Zamora) in Mexico, which confirm the high-grade nature of the silver and gold mineralization.

Sample number 842 was channeled in the volcanic breccia over a width of 80cm and returned a very high-grade result of **4.027 kg/t Silver and 29.2 g/t Gold**. This sample is located in the La Franca title, which is an area of 12 hectares in the northeast part of the Zamora Silver-Gold Property, and within the Campanillas claim. Zamora has a surface expression of 3,376.63 hectares. Auxico does not hold title to La Franca, however, La Franca is located 600 metres south-west of the Campanillas mine, from which samples assayed as high as **14.6 kg/t Silver and 15 g/t Gold**. The structure can be followed for some 600m along strike with the Campanillas Mine, which is indicated by numerous workings between the two historic mines, La Franca and Campanillas.

Sample Number	Claim	Area of Interest	Sample Type	Width (m)	Gold (g/t)	Silver (g/t)
842	La Franca	Stope , 80m from property boundary	channel	0.80	29.20	4027.00
852	Zamora	Chico Pico	channel	1.60	0.06	164.90
853	Zamora	Chico Pico	channel	2.20	0.07	85.70
858	Zamora	Aguamas	channel	0.65	6.38	23.40
859	Zamora	Aguamas	channel	0.70	14.70	34.30
861	Zamora	Aguamas	channel	0.50	3.55	108.70
862	Zamora	Aguamas	channel	1.60	6.64	220.00

sample 842 was taken on the La Franca Claim which is not part of the Zamora Silver-Gold Property

The breccia, which was sampled at La Franca, is characterized by stockwork veins containing galena, sphalerite, possible silver sulphosalts, malachite, and chalcopyrite. Sample no. 842, as provided in the table above was selected at the end of stope, which appears to be located only 80m from the boundary with the Campanillas claim, which is part of Zamora. Previous sampling of La Franca returned **1.717 kg/t Silver and 12.96 g/t Gold** from a grab sample in the same location at La Franca. Of five samples taken over various widths at Aguamas, four returned very good gold grades, the best of which was taken over a width of 70cm outside the Aguamas 1 portal, which returned **14.70 g/t Gold and 34.30 g/t Silver**. The Aguamas samples were all taken from two areas. Chico Pico, a showing in the extreme northeast part of the property, returned some interesting silver grades. Of the 24 samples taken, only the best results are provided in the above table.

On September 17, 2018, the Issuer announced that it had signed a Memorandum of Understanding (“MOU”) with the government of the Department of Guainia in eastern Colombia to produce gold and other minerals.

Under the terms of the MOU, both parties agree to work together to set up operations for the production of gold and other minerals in Guainia, which will be managed by Auxico. These other minerals include, but are not limited to, coltan, which is a combination of tantalite and niobium. According to a report from the Servicio Geológico de Colombia (the Geological Service of Colombia, a governmental agency), there is potentially 1 billion metric tonnes of coltan reserves in Colombia, with most of this concentrated in three departments: Guainia, Vichada and Vaupes.¹

¹ Please note that these estimates are not in compliance with National Instrument 43-101. They are presented for information purposes only.

For its part, the Guainia government agrees to contribute the following:

- Property on which the mineral production will take place;
- Physical security of the mineral production operations;
- Liaison with local miners who will supply ore to the Auxico mineral 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 mineral producing operations in Guainia; and
- Management of the export and sale of gold and other minerals.

In Colombia, much of the current mineral production is unlicensed and outside of any regulatory framework. Auxico intends to work in partnership with local miners and the government to produce gold and other minerals in a legal and regulated framework.

In addition, current unlicensed mineral production (specifically gold) is often occurring with the use of mercury, which is having a significant negative impact on the environment. Auxico's operations will not use mercury, in compliance with the 2013 United Nations Minamata Convention on Mercury, thereby having a positive environmental impact in Guainia.

Auxico and the Government of Guainia agree to work together in partnership in this regard and to share the profits of Auxico's mineral production operations in Guainia, with 75% of net profits going to Auxico and 25% going to the Government of Guainia. Both parties agree to negotiate and conclude definitive agreements as quickly as possible.

Auxico also signed three agreements with private property owners in the Department of Guainia, covering a total of 25 concessions in this department. These agreements are separate from that signed with the Government of Guainia mentioned above.

Under the terms of the agreements, Auxico has 120 days to conduct due diligence on the properties. If the due diligence is successful, the parties agree to enter into a formal joint venture in which net profits will be split on a 70%-30% basis, in favour of Auxico.

Auxico will be required to provide 100% of the capital required for any mineral production on these properties. Auxico will also have the ability to purchase 50% of the private property owners' interest (15% of the 30% interest), the details of which will be formalized in the joint venture agreement.

As of September 30, 2018, Auxico has geologists in the Department of Guainia on one of these properties, gathering samples and conducting technical due diligence.

- 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.

- 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.**

Please see item 2 above with respect to the MOU with the government of Guainia, Colombia, and private property owners in this department of Colombia.

- 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 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.

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

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

There were none.

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.

On September 6, 2018, Salvador Brouwer resigned from the board of directors of Auxico, for personal reasons.

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

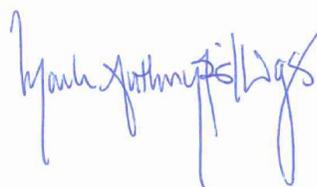
The Issuer has properties and activities in Mexico and Colombia. The Issuer monitors trends and developments in these jurisdictions so as to determine what material effects, if any, such developments could have on the Issuer, its operations and its current and future profitability. At this time, the 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 October 4, 2018.



Mark Billings
President

Issuer Details Name of Issuer Auxico Resources Canada Inc.	For Month End September 2018	Date of Report 18/10/04
Issuer Address 230 Notre-Dame Street West		
City/Province/Postal Code Montreal	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	