AUXICO SIGNS DEFINITIVE AGREEMENT FOR JOINT VENTURE ON TIN TAILINGS IN BRAZIL

30 million tonnes of tailings with tin, niobium and rare earth elements

MONTREAL, QC, CANADA, June 11, 2022 /EINPresswire.com/ -- Announcement dated June 7, 2022 – Auxico Resources Canada Inc. (CSE: AUAG) is pleased to announce that a final agreement has been signed ("Agreement") with Cooperativa Estanifera de Mineradores da Amazônia Legal Ltda. ("CEMAL") concerning the production of tin, niobium and rare earths from the Massangana tailings estimated to contain 30,000,000 tonnes in the State of Rondônia, Brazil. A study prepared by the German Mineral Resources Agency and the Geological Survey of Brazil1 indicates that three types of products could be generated from the tin tailings: columbite concentrate containing 34.07% niobium, monazite concentrate containing 37.74% total rare earth oxide ("TREO"), and cassiterite concentrate containing 54.92% tin. For reference, please see Table 1 outlining the products as provided within the study.

The Company is launching a feasibility study to process 3,000,000 tonnes a year of tailings at a rate of 10,000 tonnes per day, in order to produce the

Auxico Resources Logo

Massangana Tin Tailings	TREO %	Sn %	Th %	U %	Ta %	Nb %
Tailings	4.56	0.65	0.49	0.07	0.07	0.37
Monazite Concentrate	37.74	9.61	3.37	0.13	0.42	0.19
Columbite Concentrate	5.67	0.97	0.47	0.09	4.83	34.07
Cassiterite Concentrate	0.09	54.92	0.09	0.03	1.70	2.87

** Note: Studies prepared by the German Mineral Resources Agency and Geological Survey of Brazil can be accessed at: https://www.auxicoresources.com/reports*

Table 1 - Auxico Resources

Brazil	
Thorium Grade (%)	Thorium Grade (%)
Before UAEx	After UAEx
6.23	< 0.1

**Coalia Research Institute in Thetford Mines, Quebec, analyzed the samples of the concentrates and performed the metallurgical testing referred to above*

Table 2

Element	Symbol	Grade (%)	UAEx Recovery (%)
Cerium	CeO_2	35.90	94.43
Dysprosium	Dy_2O_3	0.28	83.54
Gadolinium	Gd_2O_3	0.17	100.00
Lanthanum	La_2O_3	15.17	94.24
Neodymium	Nd_2O_3	9.04	92.51
Praseodymium	Pr_6O_{11}	0.89	100.00
Samarium	Sm_2O_3	0.90	93.28
Yttrium	Y_2O_3	1.14	80.80
Total REO (%)		**63.49**	

Table 3

Tables 2 & 3 - Auxico Resources

concentrates outlined in the table above as the first phase of the project. The objective of this project is to produce 135,000 tonnes of monazite concentrate per year, 19,500 tonnes of cassiterite concentrate (tin), and 45,000 tonnes of columbite concentrate (50% niobium + 5% tantalum).

Phase 1 of this project will be launched within the next 12 months and all the necessary permits are in place to execute these activities. During this phase, the Company will be conducting a pre-production study which includes on-site visits and sampling to verify the current resource and validate the present indications.

Phase 2 will involve the construction of the ultrasound-based processing facility capable of eliminating the radioactive elements that are contained in the tailings. The plant will have a capacity of 100,000 tonnes per year in order to produce rare earth concentrates that meet the international norms for the transportation of these materials.

In Phase 3 these rare earth concentrates from Brazil (50,000 tonnes) will be shipped to the United States of America ("US") for final separation of the rare earth elements. The Company has prepared a scoping study for the refining of rare earths in Little Rock, Arkansas, US.

The total capital expenditure for the concentration plant in Brazil, and the elemental separation in the US, has been estimated at US$300,000,000. The Company received a term sheet from Broughton Capital for US$300,000,000 debt financing, which is subject to due diligence and an off-take agreement, of which the Company is in the process of negotiating.

Terms of the Agreement -
Auxico will earn 85% of the profits of the Joint Venture ("JV") by first, paying US$2,000,000 over the next year, and second, by providing the JV with the necessary capital to engage in the production of the above-mentioned concentrates.

Payments are scheduled as follows: the first payment of US$500,000 will be made within 30 days of the date that the Agreement was signed; the second payment of US$250,000 will be made on or before September 30, 2022; the third payment of US$250,000 will be made on or before December 31, 2022; and final payment of US$1,000,000 will be made on the anniversary of the first payment.

Radioactivity -
The Company has successfully removed the thorium content, making the concentrate non-radioactive and eligible for international shipping. Using the ultrasound-assisted extraction ("UAEx") process, the thorium content in the concentrate was reduced to less than 0.1%. For reference, please see Table 2.

The feed material from the tailings received by Auxico averaged 4.56% total rare earth oxide content (TREO), indicating a content of rare earths in the tailings in the order of 1,370,000

tonnes. The provided concentrate contained 63.49% TREO. Please see Table 3.

Coalia Research Institute in Thetford Mines, Quebec, analyzed the samples of the concentrates and performed the metallurgical testing referred to in Table 3.

Auxico plans, under the supervision of the QP, to initiate a sampling program of the tailings, and prospect primary and secondary deposits identified from satellite imagery. Primary Structures: Four ring structure intrusions highly fractured by secondary faults have been identified. Secondary Structures: Numerous flow/drainage accumulation sites that are not yet exploited have also been identified from satellite imagery. These sites are located in the lowest topographical areas in valleys or streams/rivers in the drainage systems that cross the Massangana granites and the immediate surrounding areas which may represent alluvial mineral deposits, similar to the ones previously exploited.

The following program has been recommended by Auxico's QP and JAPOSAT: (1) compilation of all available technical data; (2) prospect the highly fractured NW and NE lineaments cutting the Massangana Granite Ring structures in search of pegmatite/quartz veins primary source of the mineralization; (3) prospect the drainage accumulation sites for the secondary alluvial mineral deposits: and (4) conduct a LIDAR survey over the property to get a more accurate representation of the structural features and also to more accurately map and calculate the area/volume of the tailings.

About Auxico Resources Canada Inc.
Auxico Resources Canada Inc. ("Auxico" or the "Company") is a Canadian company that was founded in 2014 and based in Montreal. Auxico is engaged in the acquisition, exploration and development of mineral properties in Colombia, Brazil, Mexico, Bolivia and the Democratic Republic of the Congo.
Additional information on Auxico can be found on the Company's website (www.auxicoresources.com) or on SEDAR (www.sedar.com) under "Auxico Resources Canada Inc."

This news release was reviewed and approved by Joel Scodnick, P.Geo., an independent consultant to Auxico, in his capacity as a Qualified Person, as defined by National Instrument 43-101. The estimated resource presented in this press release is not compliant with National National Instrument 43- 101, and therefore the QP warns the reader to be cautious of the results in this press release.

The Canadian Securities Exchange (CSE) has not reviewed and does not accept responsibility for the adequacy or the accuracy of the contents of this release.

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