Auxico Announces Approval of Environmental License for Small Scale Open Pit Mining at Minastyc Project in Colombia

written by Raj Shah | June 5, 2023

June 5, 2023 (Source) – **Auxico Resources Canada Inc.** (CSE: AUAG) (OTCQB: AUXIF) (the "Company" or "Auxico") is pleased to announce that it has received approval for a temporary, 2-year, environmental license for small-scale open-pit mining from the Colombian Environmental Authority, the Regional Autonomous Corporation of the Orinoquía (Corporinoquia). This follows the recent approval of the Environmental Impact Assessment study ("EIA") for the Company's Minastyc property, as announced on April 12, 2023.

The ability to exploit and commercialize the Minastyc property is a key advancement, with timing that coincides well with recent metallurgical testing developments for the separation of light and heavy rare earths. Auxico has demonstrated the ability to process concentrate samples taken from the Minastyc property into light and heavy rare earth commercial concentrates; dysprosium up to 16.1% (concentrated 20 times from its initial feed), and terbium up to 3.42% *(refer to press release dated April 20, 2023).* Dysprosium, one of the world's most magnetically susceptible elements, along with terbium, are two heavy rare earths crucial for weapons systems as well as EV motors, in order to maintain an electric powertrain magnet's coercivity through repeat cycles of heating and cooling. Only automotive manufacturers with access to heavy rare earths could expect to produce EVs in 2030, while those without them may be

selling their EVs factories. Auxico's Minastyc property has one of the highest-grade heavy rare earth deposits globally according to industry expert, Jack Lifton.

	Nd	**Pr**	**Dy**	Tb	**Y**	**La**	**Ce**	**Sm**	**Gd**	**Er**
Light REE	**46.9 %**	**14.0 %**	1.0 %	0.49 %	1.1 %	23.1 %	1.3 %	8.7 %	2.8 %	0.2 %
Heavy REE	14.9 %	0.0 %	**16.1 %**	**3.42 %**	12.4 %	0.0 %	8.5 %	9.8 %	10.3 %	7.5 %

Table 1: Results of the testing on Colombian Minastyc property demonstrate the ability to produce commercial concentrates of light and heavy rare earths, per press release dated April 20, 2023.

The Minastyc Project has received approvals for the exploitation and beneficiation of minerals including Niobium, Tantalum, Vanadium, Zirconium, Tin and Gold, and the noted minerals respective concentrates, per resolution number 500.36.22.2089 from the Colombian Environmental Authority, Corporinoquia, dated December 30, 2022.

This approval and resolution number 500.36.22.2089 authorizes Auxico to execute its first phase of the Minastyc Project, as per regulatory decree No. 1666 issued October 21, 2016, by the Colombian Ministry of Mines and Energy, related to the following mining classification as reference in Table 2.

Classification – Mineral	**Small scale – Open pit – Less than 150 Hectares**
Metallics (Tonnes/Year)	Up to 50,000
Non Metallics (Tonnes/Year)	Up to 50,000
Precious Metals (Gold, Silver, Platinum)	Up to 250,000 M^3/Year
Construction Material	Up to 30,000 M^3/Year

Table 2: Small-scale mining license classification per the Presidential Decree number 1666 issued on October 21, 2016

Auxico intends to commence a comprehensive and systematic planning phase to initiate operations on the Minastyc property, given the presence of critical minerals including coltan, rare earth elements, tin, along with precious metals. With previously announced test results on samples from pits located on and adjacent to the Minastyc property indicating 33.75-62.13% Tin Oxide content *(refer to news release dated June 24, 2021),* and following the recent environmental license approval, the Company will focus on further developing tin concentrate operations in Colombia with material sourced from its own property. This development provides the Company with greater material sourcing independence, as a producer, and the ability to swiftly execute on already established off-take agreements such as the previously announced tin concentrate sales agreement with Cuex Metal AG *(refer to news release dated August 22, 2023).*

The temporary environmental licence issued to Auxico has a validity of two years, pending the approval of a Global Environmental Licence, that will be valid for the life span of the project. Following the issuance of the environmental license for small-scale open-pit mining from the Colombian Environmental Authority, all conditions precedent have been met in order to commence the title transfer of the Minastyc property to Auxico *(refer to news release dated May 16, 2022),* making it a wholly-owned asset of the Company.

Qualified Person

Mr. Ricardo Sierra, B.Sc. of Science a member of the Australian Institute of Mining and Metallurgy (MAusIMM 3078246), is a qualified person (QP) as defined by National Instrument 43-101 and has reviewed and approved the scientific and technical

information contained in this news release and in relation to the Minastyc Project in Vichada Colombia. Mr. Ricardo Sierra is an independent technical consultant to Auxico Resources Canada Inc.

About Auxico Resources Canada Inc.

Auxico Resources Canada Inc. ("Auxico") is a Canadian company that was founded in 2014 and based in Montreal, trading on the Canadian Stock Exchange (CSE) under symbol AUAG and on the OTCQB Market under symbol AUXIF. Auxico is engaged in the acquisition, exploration and development of mineral properties in Colombia, Brazil, Mexico 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."

ON BEHALF OF THE BOARD OF DIRECTORS

« signed. »	« signed. »
Pierre Gauthier	Mark Billings
CEO & President, Auxico Resources Canada Inc	Chairman, Auxico Resources Canada Inc.
pg@auxicoresources.com	mb@auxicoresources.com
Cell: +1 514 299 0881	Cell: +1 514 296 1641

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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The CSE has neither approved nor disapproved the contents of this press release. Neither the CSE nor its Regulation Services

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This press release contains statements that constitute "forward-statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements.

Although the Company believes, in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the planned studies, drill program and the development of the Minastyc or Massangana Project, its sampling program, indications and other mining projects and prospects thereof, related to the Company's operations in Brazil, Colombia and/or the Democratic Republic of Congo. Such statements and information reflect the current view of the Company. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

The Company cautions investors that any forward-looking information provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in forward-looking information as a result of various risk factors. These factors include, among others, uncertainties arising from the COVID-19 pandemic, and general economic conditions or conditions in the financial markets. The reader is referred to the Company's public filings for a more complete discussion of such risk factors, and their potential effects, which may be accessed through the Company's profile on SEDAR at www.sedar.com. Except as required by securities law, the Company does not intend, and does not assume any obligation, to update or revise any forward-looking information, whether as a result of new information, events or otherwise.

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For further information: Mark Billings, Chairman, Auxico

Resources Canada Inc., mb@auxicoresources.com, Cell: +1 514 296 1641