Auxico to Acquire 85% Of Minera El Benton S.R.L. in Bolivia

written by Raj Shah | September 12, 2023

September 12, 2023 (Source) – **Auxico Resources Canada Inc.** (CSE: AUAG) (OTCQB: AUXIF) ("Auxico" or the "Company") is pleased to announce that it has executed a Memorandum of Understanding (MOU) to acquire **85% equity interest** in Empresa Minera El Benton S.R.L., a Company that holds the mining title and rights to the El Benton Mine and adjacent Monte Verde concessions. The El Benton Mine and Monte Verde properties, combined, represent approximately 739 hectares located in the Province of Ñuflo de Chavez, Department of Santa Cruz in Eastern Bolivia, 200 kilometres from the city of Santa Cruz.

The El Benton Mine is a past-producing operation with all the necessary licenses, which previously exported tantalum and niobium concentrates (*refer to Table 1)*:

- Sample MMV01, taken from exported commercial concentrates, yielded grades of **48.97% niobium and 22.25% tantalum**.
- A cumulative 'chip sampling' campaign of 23 samples was executed over a strike length of 1 kilometre, with a grade up to **1.31% lithium** from a selected lepidolite bearing sample.
- Sample MMM01 underwent a series of metallurgical tests including magnetic and optical separation techniques which resulted in four different concentrates, and confirmed results of **total rare earth oxide content (TREO) in excess of 54%,** including **neodymium grade of 10.77%, gadolinium grade of 4.68% and dysprosium grade of 0.49%**.

- Throughout the optical separation process, the total rare earth oxide content from sample MMM01 was increased from 17.58% TREO to **54.42% TREO**.
- The niobium content from sample MMM01 was increased from 18.68% to a grade of **43.69%,** and tantalum content was increased from 8.01% to a grade of **19.21%.**

Auxico's objective is to relaunch the mine for the production of commercial niobium and tantalum concentrates, to define the lithium potential of the property, and to undertake optimal sorting in order to create concentrates of elements required for the energetic transition.

Sample MMV01 was taken from concentrates exported to Germany in 2013 by Minera Monteverde, previous right holder to El Benton Mine, and results indicated a strong correlation with Sample MMM01, taken from the El Benton property in 2021.

Auxico's licensed ultrasound technology, the Ultrasound Assisted Extraction ("UAEx"), is a patent-pending approach of pH-sweep (research conducted in collaboration with the research center Coalia, Quebec) that eliminates uranium and thorium radioactivity from concentrates, and could be effective on the Bolivian concentrates. The UAEx is a greener and more effective means of separation compared to the solvent extraction standard, including the separation of non-desirable materials from concentrates.

"The UAEx enhances metal recoveries from ore at the industrial scale, with the current pilot working at a maximum capacity of roughly 2 and 5 tonnes of laterite and monazite ore per day, respectively, is a technology applicable at commercial scale", says Daria C. Boffito, Ing., Ph.D., Prof. Canada Research Chair

in Engineering Process Intensification and Catalysis (EPIC), Polytechnique Montréal. “Metal production accounts for approximately 10% of global GHG emissions, making of it one of the most urgent sectors to decarbonize. This technology, the UAEx, is a form of Process Intensification which gathers a pool of innovative approaches that improves process efficiency, and provides opportunities for feedstock substitution, energy transition, in particular for the electrification of the chemical industry, with benefits as follows: (1) energy savings in the range of 20 to 80%, (2) capital and operational expenditures savings from 20% to 80%, (3) chemical inventory reductions from 10 to 1000 times and (4) a relevant improvement in yield and selectivity.”, commented Ms. Boffito. Auxico is currently executing two research projects with Polytechnique Montreal, with regard to the extraction and recovery of critical minerals from ore tailings, and the continuous molecular recognition technology for selective rare earth elements separation.

A visit conducted by the Company’s qualified geologists to the El Benton Mine resulted in 14 surface samples and the discovery of pegmatite structures which contained lithium over a distance of 1 kilometre. Some of the lithium contained in lepidolite boulders also indicated extremely high values of other critical minerals; a 1-tonne rock mass fallen from wall structure contained massive Li-Rb bearing lepidolite with grades of 1.92-2.02 kg/tonne of lithium, 8.3-9.6 kg/tonne of rubidium, 0.45 kg/tonne gallium, 0.89 kg/tonne cesium and 0.59 kg/tonne neodymium (Sample Ref: S00357812, S00357813), and a tourmaline pegmatite with 0.16 kg/tonne scandium (Sample Ref: S00357805) *refer to Table 3.* ICP (Inductively Coupled Plasma) analysis conducted by Impact Global Solutions in Canada, of outcrop samples taken from the El Benton Mine include grades of 1.31% lithium, 6.76% yttrium, 11.73% molybdenum, 0.16%

dysprosium, 0.31% neodymium, 0.36% samarium, 0.11% terbium, 0.59% ytterbium.

Transaction Details

The MOU has been executed with the legal representative of Empresa Minera El Benton S.R.L., owner of the El Benton Mine and with sole proprietorship rights to the Monte Verde concessions, registered under the Bolivian Autoridad Jurisdiccional Administrativa Minera (AJAM). The El Benton Mine is comprised of 9 mining claims, with Mining Registration 6-05-1500795-0130-21 and National Environmental Adequacy Declaration 071102/02/DDA/1998/12. Monte Verde is comprised of 20 mining claims with Mining Registration 1001759 and National Registration Number 711-03342. These concessions are located ~60 kilometres from the town of San Javier, with road access to the city of Santa Cruz (~200 kilometres) which hosts an international airport.

The MOU entails a USD $40,000 initial payment, and a payment of USD $100,000 due on delivery of mining and environmental permits, which are currently being renewed. Auxico will retain 85% equity interest in the El Benton Mine, including all applicable mining rights, titles, registrations, and licenses. Auxico will likewise retain 85% of profit share under the format of a joint venture (15% profit share to the current property owner) for the exploitation and commercialization of the El Benton Mine, and the same profit share joint venture for the exploitation and commercialization of the Monte Verde concessions, by providing the capital required to operate the properties, which includes the export and sales of tantalum, niobium, lithium and other critical mineral concentrates from the concessions.

A full scoping study prepared by Auxico entitled “Proposal for

the construction of a critical minerals refining plant" dated October 19, 2021, has been prepared in accordance with results from these properties.

Qualified Person

Mr. Ricardo Sierra, B.Sc., 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. 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.sedarplus.ca) under "Auxico Resources Canada Inc."

ON BEHALF OF THE BOARD OF DIRECTORS

« signed. »
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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.

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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, Massangana or El Bento/Monte Verde Projects, its sampling program, indications and other mining projects and prospects thereof, related to the Company's operations in Brazil, Colombia, Bolivia 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.

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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+ (www.sedarplus.ca). 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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