

AUXICO RESOURCES CANADA INC.

NEWS RELEASE

NEW GOLD DISCOVERIES AT AGUAMAS

Montreal, Quebec, January 16, 2018 – Auxico Resources Canada Inc. (CSE: AUAG) is pleased to provide its shareholders and stakeholders results from a recent exploration campaign that sampled brecciated material over an area of 150 metres long by 70 metres wide in the Aguamas Gold Mine area at Auxico's 100% owned Zamora Silver-Gold Property in Mexico. The Aguamas structure is to the northwest of the main Zamora structure on the Property, which contains brecciated material over a strike length of 8 km across the Zamora Property.

An exploration campaign consisting of mechanical trenching, channel sampling, and assaying over the Aguamas structure has returned very encouraging results. The results of this program demonstrate the nature of the distribution of the gold and silver mineralization at Aguamas, where previous sampling returned assays from grab samples as high as 34 g/t Au, as well as a 50m wide channel sample grading 0.85 g/t Au in trench 1, which is located about 25m north of the Aguamas 1 adit. This program has indicated that the altered breccia host rock is widespread throughout the Property and contains lower grade as well as high grade gold and silver values.

The recent work at Aguamas has identified mineralized breccia with vertical and flat quartz veins and stockworks containing gold and silver, which so far can be followed for around 130m. To the east of Aguamas is the historic Los Olotes Mine, where records have shown that assays as high as 6.57 kg/t Ag and 44 g/t Au were selected from the 23m level. The rocks have been described as quartz veins hosted within hydrothermal breccia.

At this preliminary stage of development, management believes that a gold corridor of at least 50m wide traverses the Aguamas area and is open in all directions. Trench 2 returned 14.4m of 0.79 g/t Au, including 0.5m of 9.90 g/t Au and 65.74 g/t Ag, and a chip sample from this interval returned 10.21 g/t Au and 362.59 g/t Ag. In addition, a 6m long section of flat veins sampled in the wall of the trench assayed 0.70 g/t Au and 18.23 g/t Ag. Just about all of the trenches returned gold and silver. Assays are still pending for a few of the trenches and are expected shortly. A parallel structure, which was recently identified, is located about 150m to the east of Aguamas and is characterized by a topographically high ridge with silicified breccia and quartz vein fragments, which can be followed on surface for several hundred metres. This ridge goes all the way to the Periguete historic mine located about 800m northeast of the Aguamas 2 adit. Auxico is planning to commence a trenching program shortly in this new area.

The hydrothermal breccia that has been shown to be silicified and mineralized in almost all of the 25 historic workings stretches some 8 km along strike and has been found to have widths of at least several hundreds of metres. In the northeast part of Zamora, grab samples from the Campanillas Mine from a breccia sample returned 14.5 kg/t Ag and 19.5 g/t Au, while at the La Franca Mine (which does not belong to Auxico but is within the boundaries of the Property) returned assays as high as 1.7 kg/t Ag and 15 g/t Au in a stockwork breccia. These two mines are about 7 km north/northeast of Aguamas. Most of the historic workings are all aligned in a 7-8 km long structure, which the Company believes may be represented by this hydrothermal breccia and structurally controlled horizon.

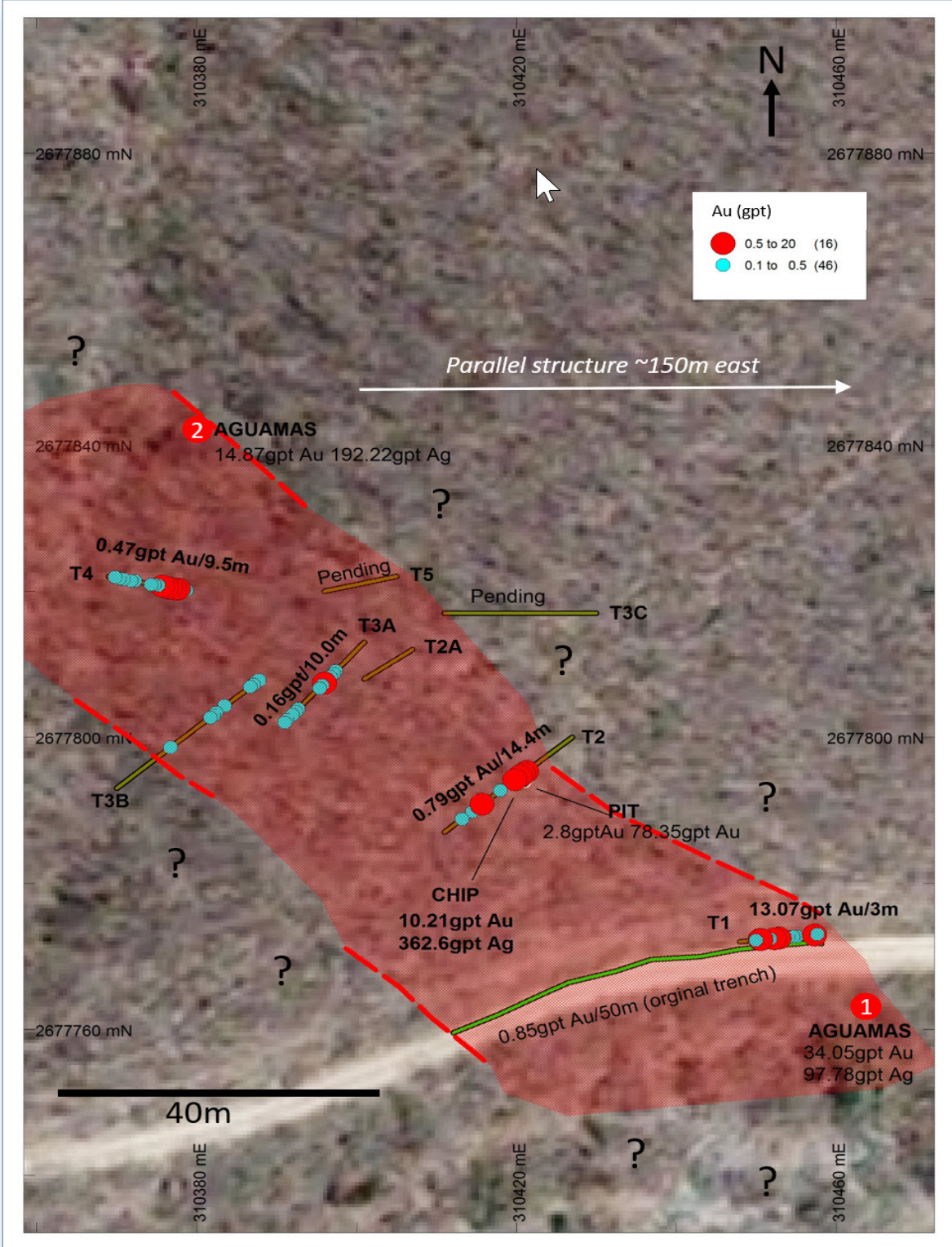
Examples of a couple of very big mining operations in Mexico where the ore is hosted in hydrothermally altered breccia include Goldcorp's Penasquito Mine in Zacatecas, where mining is being conducted at 130,000 tonnes per day. Penasquito hosts some 524 million metric tonnes of 0.53 g/t Au and 32.34 g/t Ag for a Proven & Probable Reserves of 8.95 million oz Au and 545 million oz Ag. Goldcorp produced 465,000 oz Au in 2016 and 410,000 oz Au in 2017 (referenced from www.goldcorp.com). Another comparable mine where the ore is contained within a hydrothermal system that is structurally controlled is Fresnillo's La Herradura, which is located in the state of Sonora, 80 km northwest of the town of Caborca. In the third quarter of 2017, La Herradura produced 131,738 oz Au and 157,000 oz Ag, grading an average of 0.75 g/t Au and 1.20 g/t Ag. It is one of Mexico's largest gold mines. The main Centauro open pit is around 1 km long by 650 m wide. The higher grade ore is contained in quartz-sulphide veins filling tensional fractures (referenced from www.fresnilloplc.com). Recent discoveries at Aguamas have synergies with both of these mines described above.

Highlights of the recent results from the trenching program at Aguamas are shown in the table below:

Location	Sample Length (m)	Au (g/t)	Ag (g/t)	Comments
Aguamas 1 Adit		34.05	98.78	grab sample near adit
Aguamas 2 Adit		14.87	192.22	grab sample near adit
Trench 1	50	0.85		50m channel sample
including	3	13.07		3m channel sample
Trench 2	14.4	0.79		14.4m channel sample
including	2.9	3.44	65.1	2.9m channel sample
including	0.5	9.90	65.74	0.5m channel sample
Trench 2		10.21	362.59	chip sample
Trench 2		8.15	142.42	chip sample
Trench 2	6	0.70	18.23	6m channel sample of flat veins on trench wall
Trench 3A	10	0.16		10m channel sample
Trench 4	9.5	0.47		9.5m channel sample
including	4.5	0.84		4.5m channel sample
including	0.5	1.95		0.5 channel sample
including	0.5	1.53		0.5m channel sample

Auxico plans to conduct a diamond drilling program at Aguamas, as well as conduct more detailed exploration activities throughout the Property in order to properly evaluate the potential of this extensive breccia horizon.

The following map outlines the Aguamas Mine area of the Zamora Property showing the gold and silver zone shaded in red:



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."

Technical information on the Zamora Property can be found in the Company's Technical Report, dated August 16, 2017 (amended) and written by Joel Scodnick, P.Geo., and independent consultant to the Company.

Qualified Person

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.

ON BEHALF OF THE BOARD OF DIRECTORS

« signed »

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About Auxico Resources Canada Inc.

Auxico Resources Canada Inc. ("Auxico") 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 Mexico. The Company has a 100% interest in the Zamora Silver-Gold Property in Sinaloa, Mexico. Auxico will continue to identify and potentially acquire additional property interests and conduct exploration and evaluation of these properties to assess their potential.

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.