

Start-up Crowdfunding Registration and Prospectus Exemptions
Form 1 - Start-up Crowdfunding – Offering Document

GENERAL INSTRUCTIONS:

(1) **Filing Instructions**

An issuer relying on the start-up crowdfunding prospectus exemption is required to file the offering document no later than the 30th day after the closing of the distribution as follows:

- **In all participating jurisdictions (except British Columbia)** – file this form through the System for Electronic Document Analysis and Retrieval (SEDAR) in accordance with Regulation 13-101 respecting System for Electronic Document Analysis and Retrieval (SEDAR).
- **In British Columbia** – through BCSC eServices at <http://www.bcsc.bc.ca>.

This offering document and all amendments must be filed where the issuer has made a start-up crowdfunding distribution, as well as in the participating jurisdiction where the issuer's head office is located.

- (2) *This offering document must be completed and certified by an authorized individual on behalf of the issuer.*
- (3) *Draft this offering document so that it is easy to read and understand. Be concise and use clear, plain language. Avoid technical terms.*
- (4) *Conform as closely as possible to the format set out in this form. Address the items in the order set out below. No variation of headings, numbering or information set out in the form is allowed and all are to be displayed as shown.*
- (5) *This offering document is to be provided to your funding portal which has to make it available on its website. If the information contained in this offering document no longer applies or is no longer true, you must immediately amend the document and send the new version to the funding portal.*
- (6) *For information on how to complete this form and for information relating to the filing of this form, please refer to the Start-up Crowdfunding Guide for Businesses available on the website of the securities regulatory authority or regulator of the participating jurisdictions.*

Item 1: RISKS OF INVESTING

1.1 Include the following statement, in bold type:

“No securities regulatory authority or regulator has assessed reviewed or approved the merits of these securities or reviewed this offering document. Any representation to the contrary is an offence. This is a risky investment.”

Item 2: THE ISSUER

2.1 Provide the following information for the issuer:

- (a) Full legal name as it appears in the issuer's organizing documents,
Auxico Resources Canada Inc.
- (b) Head office address,
230 Notre-Dame Street West, Montreal, Quebec, H2Y 1T3
- (c) Telephone,
514-296-1641
- (d) Fax, and
n.a.
- (e) Website URL.

www.auxicoresources.com

2.2 Provide the following information for a contact person of the issuer who is able to answer questions from purchasers and security regulatory authority or regulator:

- (a) Full legal name (first name, middle name and last name),
Mark Anthony Billings
- (b) Position held with the issuer,
President & Director
- (c) Business address,
230 Notre-Dame Street West, Montreal, Quebec, H2Y 1T3
- (d) Business telephone,
514-296-1641
- (e) Fax, and
n.a.
- (f) Business e-mail.

mb@auxicoresources.com

Item 3: BUSINESS OVERVIEW

3.1 Briefly explain, in a few lines, the issuer’s business and why the issuer is raising funds.

Include the following statement, in bold type:

“A more detailed description of the issuer’s business is provided below.”

Auxico Resources Canada Inc. (“Auxico”) is a mining exploration company that acquired 15 past-producing mines and prospects, labelled the Zamora Property, in the state of Sinaloa, Mexico. These properties contain silver and gold and were mined by local Mexicans until the early 1980s. There is no history of past exploration; the ore was shipped directly to a nearby mill for processing. Auxico is presently seeking funds to: conduct an exploration campaign on the Zamora Property; bulk sample certain areas on the Zamora Property; and list on the Canadian Securities Exchange (a prospectus has already been filed with the Autorité des marchés financiers in Quebec and the Canadian Securities Exchange.)

Item 4: MANAGEMENT

4.1 Provide the information in the following table for each promoter, director, officer and control person of the issuer:

Full legal name municipality of residence and position at issuer	Principal occupation for the last five years	Expertise, education, and experience that is relevant to the issuer’s business	Number and type of securities of the issuer owned	Date securities were acquired and price paid for the securities	Percentage of the issuer’s securities held as of the date of this offering document
Pierre Gauthier Outremont, QC Chairman & CEO	CEO of Auxico since April 2014; President, Dundee Sustainable Technologies until 2014	Over 30 years of experience in the mining and exploration industry; financed and ran several mining companies; Bachelor of Commerce & MBA	3,760,000	2014; \$0.02	12.04%
Mark Anthony Billings Montreal, QC President & Director	President of Auxico since April 2014; CEO, Canamex Resources since 2014; CFO, Senior VP of Argex Titanium until 2014	Over 15 years of experience in investing banking and in the mining industry as a c-level executive; BA in Political Science, MBA and CFA Charterholder	500,000	2016; \$0.05	1.60%
Jacques Arsenault Lasalle, QC CFO	President, Arsenault Business Staging Group	Over 20 years of experience in the restructuring, acquisition, merger and sale of private and public companies; CPA, CGA	Nil	N.A.	Nil

4.2 State whether each person listed in item 4.1 or the issuer, as the case may be:

(a) has ever, pled guilty to or been found guilty of:

- (i) a summary conviction or indictable offence under the *Criminal Code* (R.S.C., 1985, c. C-46) of Canada,
No.
 - (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction,
No.
 - (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein, or
No.
 - (iv) an offence under the criminal legislation of any other foreign jurisdiction,
No.
- (b) is or has been the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by a government agency, administrative agency, self-regulatory organization, civil court, or administrative court of Canada or a foreign jurisdiction in the last ten years related to his or her involvement in any type of business, securities, insurance or banking activity,
- Mark Billings and Jacques Arsenault, respectively President and CFO of the Issuer, are presently directors of Manganese X Energy Corp. (formerly Sunset Cove Mining Inc. (TSX-V: SSM) (“Sunset Cove”)), which was issued a cease trade order (“CTO”) by the British Columbia Securities Commission (“BCSC”) on August 6, 2015 as a result of Sunset Cove’s incapacity to file its annual audited financial statements, management’s discussion and analysis and CEO and CFO certificates by the filing deadline of July 30, 2015, as prescribed by National Instrument 51-102 – Continuous Disclosure Obligations, due to a lack of funding to pay for the costs associated with the audit. This CTO was lifted by the BCSC on June 1, 2016 as Sunset Cove has met all of its continuous disclosure requirements.
- (c) is or has been the subject of a bankruptcy or insolvency proceeding,
No.
 - (d) is a director or executive officer of an issuer that is or has been subject to a proceeding described in paragraphs (a), (b) or (c) above.
No.

Item 5: START-UP CROWDFUNDING DISTRIBUTION

- 5.1 Provide the name of the funding portal the issuer is using to conduct its start-up crowdfunding distribution.

Liquid Crowd

- 5.2 List the name of all the participating jurisdictions (Canadian province or territory) where the issuer intends to raise funds and make this offering document available.

New Brunswick, Quebec, Manitoba and British Columbia

- 5.3 Provide the following information with respect to the start-up crowdfunding distribution:

- (a) the date before which the issuer must have raised the minimum offering amount for the closing of the distribution (no later than 90 days after the date this offering document is made available on the funding portal), and

N.A.

- (b) the date(s) and description of any amendment(s) made to this offering document, if any.

N.A.

- 5.4 Indicate the type of eligible securities offered.

The Issuer is offering a minimum of 100,000 common shares of its share capital at a price of \$0.25 per share for minimum gross proceeds of \$25,000.

- 5.5 The eligible securities offered provide the following rights (choose all that apply):

Voting rights,

Dividends or interests (describe any right to receive dividends or interest),

Rights on dissolution,

Conversion rights (describe what each security is convertible into),

Other (describe the rights).

5.6 Provide a brief summary of any other material restrictions or conditions that attach to the eligible securities being offered, such as tag-along, drag along or pre-emptive rights.

None.

5.7 In a table, provide the following information:

	Total amount (\$)	Total number of eligible securities issuable
Minimum offering amount	\$25,000	100,000 common shares
Maximum offering amount	\$250,000	1,000,000 common shares
Price per eligible security	\$0.25 per share	

5.8 Indicate the minimum investment amount per purchaser, if any.

\$125 minimum subscription per investor, or 500 common shares

5.9 Include the following statement, in bold type:

“Note: The minimum offering amount stated in this offering document may be satisfied with funds that are unconditionally available to Auxico Resources Canada Inc. that are raised by concurrent distributions using other prospectus exemptions without having to amend this offering document.”

Item 6: ISSUER’S BUSINESS

6.1 Describe the issuer’s business. Provide details about the issuer’s industry and operations.

The following information is from Auxico’s NI 43-101-compliant technical report, which can be found on the Company’s website (www.auxicoresources.com).

Auxico has a 100% interest in the Zamora Silver-Gold Property (“Zamora Property”), which is located 85 km southeast of the city of Culiacan and some 9 km northeast of the village of El Espinal in the state of Sinaloa, Mexico. The property is easily accessible year round via gravel roads. Historical underground workings date back to the 1800’s, during which an undetermined amount of ore was mined following the main vein structures. La Camichina and Los Olotes can be accessed by taking a secondary gravel road north for about 15 km from El Espinal, which goes through the Los Mecates ranch. There is another secondary gravel road, which connects from the Los Mecates ranch with highway No. 15, near the Las Tinias ranch, as per the figure below.

The northern part of the claims can also be accessed from taking highway No. 15 east just past El Espinal and then taking highway No.1 which leads north towards the mining town of Cosala. The turnoff to Campanillas is at Ibonia, which least northeastwards to the portal. The drive from the city of Culiacan to the portal at Campanillas takes about 3 hours.



The Zamora Property is comprised of five individual lots measuring a total of 3,376.6265 hectares or 8,343.6441 acres. A description of the lots is shown in the table below.

Lot Name	Concession Number	Area (He)	Taxes Owning (Pesos/USD)
<i>Campanillas</i>	224618	105.6427	70,500p / \$4,019
<i>Chio</i>	227400	92.1787	40,900p / \$2,331
<i>Gaby</i>	277399	80.0000	35,900p / \$2,046
<i>San Filipe</i>	224654	100.0000	78,000p / \$4,446
<i>Zamora</i>	225182	2998.8051	1,270,000p / \$72,393
Total		3376.6265	1,495,300p / \$85,235

The Zamora Property, according to historical records, is characterized by 15 mines / prospects, all of which have varying degrees of exploration, development and production. There has never been a concentrating plant on this property; the ore was so rich that it was direct shipping ore to the La Minita plant located approximately 25 km from Zamora.

The table below shows the various mines / prospects on the Zamora Property, listed from north to south. This table also provides information on the best samples generated from

the 2014 exploration campaign and compared to the best historic samples.

No.	Mine/Prospect	Best Sample (2014)	Best Historic Sample	Comments	Description
1	La Franca	1.72 kg/t Ag, 12.96 g/t Au	2.08 kg/t Ag, 7.0 g/t Au	Not part of Auxico's Claims	Mine
2	Campanillas	14.56 kg/t Ag, 15.53 g/t Au	970 g/t Ag, 3.0 g/t Au	625m southwest of La Franca	Mine
3	El Triunfo	286 g/t Ag, 2.54 g/t Au	970 g/t Ag, 8.4 g/t Au		Mine
4	Periguete	5 g/t Ag, 0.01 g/t Au	NA	Did not locate the shaft, extensive propylitic alteration	Shaft not exposed
5	El Nazareno	9.65 g/t Ag, 0.03 g/t Au	193.3 g/t Ag, nil Au		Mine
6	Las Jarillas	15.59 g/t Ag, 0.07 g/t Au	231.5 g/t Ag, 1.4 g/t Au	N-S structure, intense Silicification	Mine
7	Tahuanita	Not sampled	NA	Intense shearing, gossaned	Showing
8	Chico Pico	429.09 g/t Ag, 0.12 g/t Au	NA	Vuggy Quartz, breccia	Prospect Pit
9	Aguamas	Not explored	NA	None	none
10	La India	Not sampled	NA	Adit	Adit
11	Obotel – 17m level	Not sampled	799 g/t Ag, 4.6 g/t Au	Collapsed pit? N-S Vein	Pit
12	Los Olotes-Surface	46.42 g/t Ag, 0.24 g/t Au	NA	Adit/Dcline, caved in after 5 m	Mine
	Los Olotes - 17m level	NA	3.15 kg/t Ag, 13.4 g/t Au (Weighted Ave. East Vein 123.21 g/t Ag, 0.58 g/t Au) (Weighted Ave. West Vein	Zamora Vein Los Olotes Vein Los Olotes Vein	17m level – Mine

			152.08 g/t Ag, 0.88 g/t Au) <i>(Weighted Ave. Zamora Vein 475 g/t Ag, 3.36 g/t Au)</i>	Zamora Vein	
	Los Olotes – 23m level	NA	6.57 kg/t Ag, 44.0 g/t Au <i>(Weighted Ave. 797 g/t Ag, 6.14 g/t Au)</i>	Zamora Vein	23m level - Mine
13	La Camachina – 17m level	Not sampled	5.1 kg/t Ag, 23.5 g/t Au <i>(Weighted Ave. 609.2 g/t Ag, 3.1 g/t Au)</i>	Zamora Vein Vertical Shaft	17m level - Mine
14	Rosa Maria	Not explored	NA	None	None
15	Trincan	Not explored	NA	None	None
16	Juntas	Not explored	NA	None	None

(Note: La Franca was visited and sampled by the author of the Issuer's technical report even though it does not belong to Auxico Resources Canada Inc. La Franca lies within the Campanillas claim and contains a high-grade sample of silver and gold and is presented for information only.)

History and Exploration

There are no detailed reports available for any exploration, development, or production on any of the mines located on the Zamora Property. At the La Camichina Mine, it appears, according to a report written in 1982 by Antonio B. Flores Martinez, Ing. for the Consejo de Recursos Minerales (CRM, or Mexican Mineral Resource Board, which is now referred to as the Servicio Geologico Mexicano, or SRM), that La Camichina was sunk down to about 100 metres below the surface and a fair amount of ore was extracted down to at least the -60-metre level. La Camichina was abandoned for unknown reasons.

There are no references to any technical work of the previous miners. The knowledge gained of La Camichina has been provided through restoration and exploration. In 1977, the first reconnaissance work was initiated, and they were mining high-grade ore and sending it directly to the smelter, which is believed to have been in Cosala. The lower grade material was shipped to the La Minita processing facility close by. La Minita is still in operation today.

The Campanillas Mine is located in the northern part of the Property. According to local miners from the town of Ibonia, who worked in the mine when it was in operation, they claim that the workings go down to the third level. Again, as in the case of La Camichina the stockpile outside the portal did not contain much material, so limited production

appears to have been done. All of the other mines appear to have limited development only on one level, except La Franca which does not belong to Auxico.

Local Resources and Infrastructure

The Zamora Property has a well-developed infrastructure and a workforce from the local and neighbouring communities, which are familiar with mining operations. Culiacan, which is the state capital, is the largest population centre nearby, with approximately 860,000 inhabitants. Culiacan is connected by a four-lane freeway or a two-lane highway that passes through the town of El Espinal. Culiacan is 87 km northwest of the Property. A secondary road heading north through Los Mecates from El Espinal can be used to access the Property. Mazatlan, another major city, has a deep water port. Both of these major cities have international airports with daily flights to numerous cities throughout the United States and Canada, and major cities throughout Mexico.

1982 Campaign

The Los Olotes workings at Zamora, according to the work performed by the CRM, were supervised by Mr. Martinez in 1982 and contain an historical, non-compliant resource of 34,645 tonnes of 12.87 g/t gold and 1.52 kg/t silver, from close to surface down to the 120-metre level (Report on Exploration Work Carried out in the Zamora Silver Mine District, 1982).

The remaining infrastructure at La Camichina and Los Olotes was partially restored in the early 1980s by the CRM in order to evaluate the mineral potential of the Zamora structure. This structure, or what is referred to as the Zamora Vein runs through La Camichina and Los Olotes. The CRM conducted this work in order to promote the property and attract investors or mining companies with the intention of restoring the mine workings and bringing it back into commercial production. During this campaign, the main shaft was restored, over 100 metres of drifts were excavated and over 250 metres of crosscuts and drifts were restored and/or cleaned up. In all, the Zamora Property is host to over 400 metres of mapped underground workings; additional drifts are known to exist but, to this date, have not been mapped or documented.

The two major ore bodies are defined as “La Camichina”, which was intensely mined and is characterized by the Zamora Vein, and the “Los Olotes” zone, which is formed by the intersection of two vein structures and represents the main exploration and development focus due to its high grade ore pockets. Los Olotes appears to be oriented more north-south (NS) than the Zamora Vein, which is northeast-southwest (NE-SW). It is believed that this ore still exists at Los Olotes and was not mined. The two are separated by a crosscut that runs from La Camichina to Los Olotes, approximately 115 metres apart.

2014 Campaign

During the 2014 exploration campaign, Mr. Joel Scodnick, P.Geo., the author of the Issuer’s technical report, along with Antonio B. Flores Martinez, Eng., had the opportunity to sample 8 out of the 12 historical mines. This exploration program confirmed the high-grade nature of certain parts of the Property, where silver samples as high as 14.4 kg/t

were returned. This particular sample of 14.4 kg/t silver was randomly selected from a stockpile just outside the portal at the Campanillas Mine.

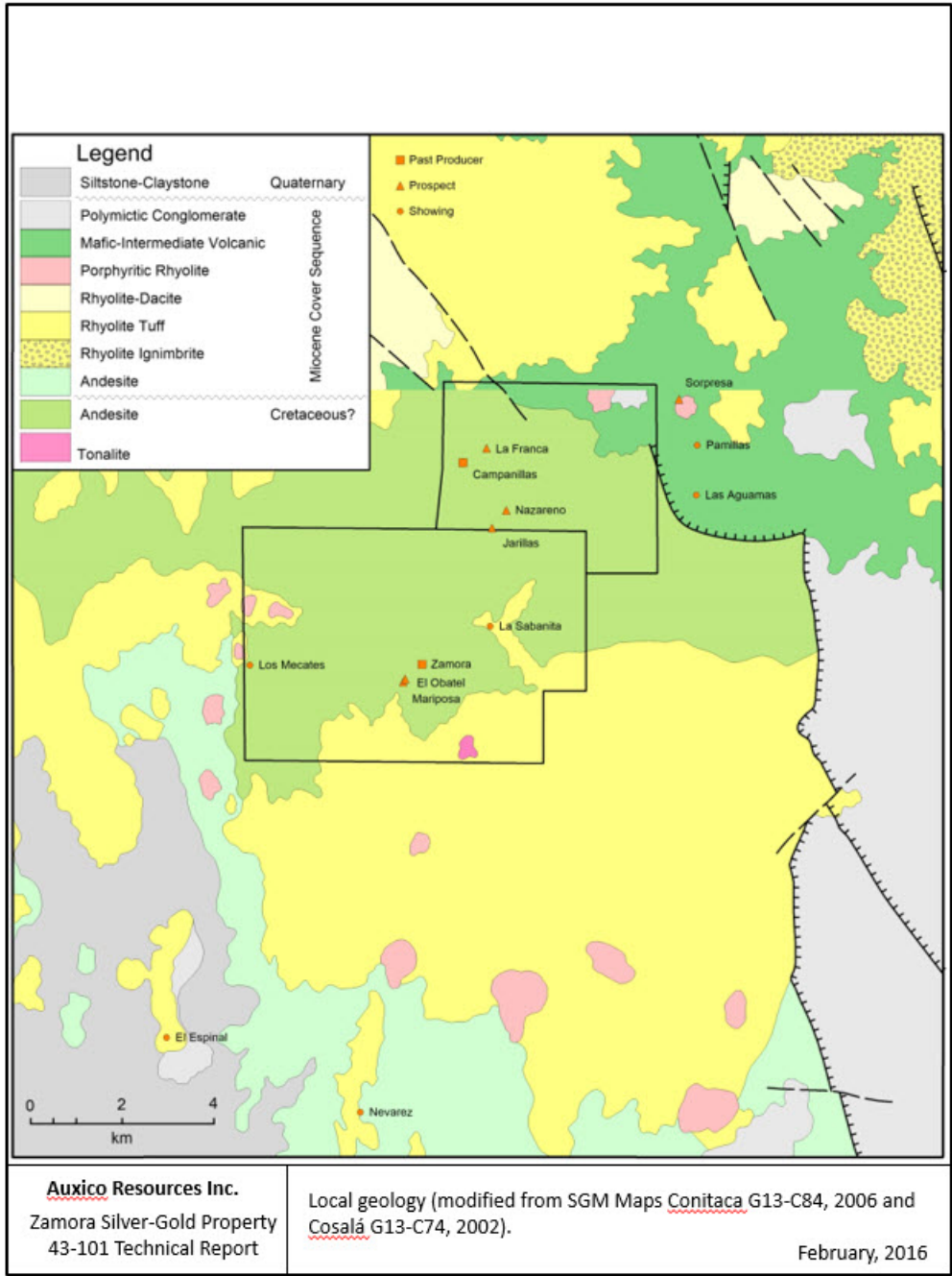
It also should be noted, according to Mr. Martinez, that only the vein material was channel sampled, not the hanging wall or foot wall. Volcanic breccia and stockwork zones adjacent to all the quartz veins were found on the Property during the 2014 campaign. Most of the higher grade samples were discovered in this material. Samples were channeled every metre along the drift.

The sampling campaign of 2014 throughout the Property validated the high-grade nature of the overall silver and gold value that can be expected to occur at Los Olotes and confirms the chances of establishing a high-grade resource of that particular mine. The 16 mines/prospects (including La Franca) occur over a distance of 10 km x 5 km and the exploration program of 2014 has identified what is believed to be a low-sulphidation epithermal system for most of the Property, which displays intense hydrothermal alteration patterns in every one of the historic mines visited and sampled. At the Chico Pico prospect, however, Vuggy quartz displaying sponge-like features indicating highly acidic hydrothermal solutions would indicate a high-sulphidation epithermal system.

Mining District Potential

Based on the work completed to date, the 15 historic mines, prospects, or showings (including newly discovered areas displaying mineralization, quartz veins, and alteration) demonstrate that a massive hydrothermal system trending in a N-S direction intersecting NE-SW structures are present within the claim boundaries and cover an area of interest of at least 8 km². This has never been demonstrated before and work done in the past only showed the presence of mostly NE-SW vein systems. At the Campanillas Mine, the best sample to date returned 14.4 kg/t Ag and 19.5 g/t Au, providing evidence for the presence of very high-grade ore shoots within the system. Based on the field evidence, which demonstrates that 90-95% of the mineralized zones line up, it could be demonstrated that a potential exists for the discovery of a deposit with considerable dimensions (possibly hundreds of millions of tonnes of ore). If the area between Los Olotes and Campanillas can prove its continuity, then the tonnage potential could increase exponentially. The distance between Los Olotes and Campanillas represents a strike length of almost 7 km, which could potentially include low to medium-grade ore with sections of high-grade ore.

Also, at Los Olotes, the 1982 work done by the CRM at Zamora, which was supervised by Auxico's Mexican consultant Antonio Bonifacio Flores Martinez (Camichina and Los Olotes), demonstrates a possible non-complaint resource of around 36,000 tonnes of high-grade silver grading 1.52 kg/t (~\$800/t ore) and 12.87 g/t Au (~\$480/t ore) located from surface to the 120-metre level. Access to Los Olotes would either be via a ramp or the existing infrastructure at La Camichina, including the vertical shaft, descending to the 30-metre level, then finally accessing Los Olotes via the existing crosscut which goes for about 115 metres.



Net Smelter Return Royalty (“NSRR”)

As indicated previously, Auxico has a 100% undivided interest in the Zamora Property, pursuant to an assignment agreement signed on July 17, 2013 involving two vendors and Auxico Mexico, the Issuer’s wholly-owned Mexican subsidiary. As per the terms of this agreement, the Zamora Property is subject to a 2% NSRR; half of this NSRR can be purchased by Auxico at any time for US\$500,000.

- 6.2 Describe the legal structure of the issuer and indicate the jurisdiction where the issuer is incorporated or organized.

Auxico was incorporated under the Canadian Business Corporations Act on April 16, 2014. Auxico has a wholly-owned subsidiary, Auxico Resources S.A. de C.V., which was incorporated under the laws of Mexico on June 16, 2011.

- 6.3 Indicate where the issuer's articles of incorporation, limited partnership agreement, shareholder agreement or similar document are available to purchasers.

These documents are available at the Issuer's head office: 230 Notre-Dame Street West, Montreal, Quebec, H2Y 1T3.

- 6.4 Indicate which statement(s) best describe the issuer's operations (select all that apply):

- Has never conducted operations,
 Is in the development stage,
 Is currently conducting operations,
 Has shown profit in the last financial year.

- 6.5 Indicate whether the issuer has financial statements available. If yes, include the following statement, in bold type:

The Issuer has audited financial statements for the years ended September 30, 2016 and 2015, as well as financial statements reviewed by its auditor for the period ended March 31, 2017.

"Information for purchasers: If you receive financial statements from an issuer conducting a start-up crowdfunding distribution, you should know that those financial statements have not been provided to or reviewed by a securities regulatory authority or regulator. They are not part of this offering document. You should ask the issuer which accounting standards were used to prepare the financial statements and whether the financial statements have been audited. You should also consider seeking advice of an accountant or an independent financial adviser about the information in the financial statements."

- 6.6 Describe the number and type of securities of the issuer outstanding as at the date of the offering document. If there are securities outstanding other than the eligible securities being offered, describe those securities.

As at the date of the offering document, the Issuer has 31,210,000 common shares issued and outstanding. In addition, there are 2,475,000 options issued and outstanding, which expire in February 2022 and have a strike price of \$0.25.

Item 7: USE OF FUNDS

7.1 Provide information on all funds previously raised and how they were used by the issuer.

To date, the Issuer has raised approximately \$2,400,000, net of fees directly related to the financing. Of that amount, approximately \$730,000 has been spent on mining property acquisition costs, approximately \$630,000 has been spent on operating expenses and the remaining amount (approximately \$1,040,000) is held in cash and restricted cash.

7.2 Using the following table, provide a detailed breakdown of how the issuer will use the funds from this start-up crowdfunding distribution. If any of the funds will be paid directly or indirectly to a promoter, director, officer or control person of the issuer, disclose in a note to the table the name of the person, the relationship to the issuer and the amount. If more than 10% of the available funds will be used by the issuer to pay debt and the issuer incurred the debt within the two preceding financial years, describe why the debt was incurred.

Description of intended use of funds listed in order or priority	Total amount (\$)	
	Assuming minimum offering amount	Assuming maximum offering amount
10% cash fee to Liquid Crowd	\$2,500	\$25,000
Geological work at Zamora, Mexico	\$50,000	\$50,000
Listing on CSE, general working capital	\$47,000	\$175,000
Total	\$100,000	\$250,000

Item 8: PREVIOUS START-UP CROWDFUNDING DISTRIBUTIONS

8.1 For each start-up crowdfunding distribution in which the issuer and each promoter, director, officer and control person of the issuer have been involved in any of the participating jurisdictions in the past five years, provide the information below:

- (a) the full legal name of the issuer that made the distribution,
N.A.
- (b) the name of the funding portal, and
N.A.
- (c) whether the distribution successfully closed, was withdrawn by the issuer or did not close because the minimum offering amount was not reached and the date on which any of these occurred.

N.A.

Item 9: COMPENSATION PAID TO FUNDING PORTAL

- 9.1 Describe the commission, fee and any other amounts expected to be paid by the issuer to the funding portal for this start-up crowdfunding distribution.

The Issuer has agreed to pay Liquid Crowd a 10% cash fee on any funds raised through this crowdfunding portal. In addition, the Issuer will grant Liquid Crowd that number of warrants equal to 10% of the common shares issued in connection with this Offering Each warrant will have a strike price of \$0.25 and will be exercisable for a period of five (5) years from the date of issue.

Item 10: RISK FACTORS

- 10.1 Describe in order of importance, starting with the most important, the main risks of investing in the issuer's business for the purchasers.

Exploration Stage Mining Company with No History of Operation

The Issuer is in its exploration stage, has very limited operating history, and is subject to all the risks inherent in a new business enterprise. For example, to date the Issuer has had no revenues and has relied upon equity and debt financing to fund its operations. The likelihood of success of the Issuer must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with a new business, and the competitive and regulatory environment in which the Issuer will operate, such as under-capitalization, personnel limitations, and limited revenue sources.

Due to Its History of Operating Losses, the Issuer is Uncertain That It Will Be Able to Maintain Sufficient Cash to Accomplish Its Business Objectives

There is no assurance that the Issuer can generate net income, generate revenues or successfully explore and exploit its properties.

Significant amounts of capital will be required to continue to explore and then develop the Issuer's exploration projects. The Issuer is not engaged in any revenue producing activities and does not expect to do so in the near future. Currently, the Issuer's sources of funding consist of the sale of additional equity securities, borrowing funds, or selling a portion of its interests in its assets. There is no assurance that any additional capital that the Issuer will require will be obtainable on acceptable terms, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration and development of the Issuer's projects. Additional financing, if available, will likely result in dilution to existing stockholders.

Capital Requirements and Liquidity; Need for Subsequent Funding

Issuer management and its Board of Directors monitor the overall costs and expenses of the Issuer and, if necessary, adjust Issuer programs and planned expenditures in an attempt to ensure that the Issuer has sufficient operating capital. The Issuer continues to

evaluate the costs and planned expenditures for its on-going exploration projects. Although the Issuer has raised significant capital in prior years, the continued exploration and development of its projects will require significant amounts of additional capital. As a result, the Issuer will need to raise additional capital so that it can continue to fund its planned operations. The uncertainties of the global economies and the volatile prices of gold and silver, combined with instability in capital markets, have impacted the availability of funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to the Issuer on acceptable terms, if at all. Equity financing, if available, may result in substantial dilution to existing stockholders. If the Issuer is unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, its business, financial condition and results of operations will be adversely impacted.

Disruptions in the Global Financial and Capital Markets May Impact the Issuer's Ability to Obtain Financing.

The global financial and capital markets have experienced on-going volatility and disruption. The Issuer continues to need further funding to achieve its business objectives. In the past, the issuance of equity securities has been the major source of capital and liquidity for the Issuer. The extraordinary conditions in the global financial and capital markets have currently limited the availability of this funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to the Issuer on acceptable terms, if at all. If the Issuer is unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, its business, financial condition and results of operations will be adversely impacted.

The Issuer's Exploration Activities Require Significant Amounts of Capital that May Not Be Recovered.

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that the Issuer's activities will ultimately lead to an economically feasible project or that it will recover all or any portion of its investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further the Issuer's exploration efforts, as well as operating and other costs. The cost of minerals exploration is often uncertain and cost overruns are common. The Issuer's drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond its control, including title problems, weather conditions, compliance with governmental requirements and shortages or delays in the delivery of equipment and services.

Risks Inherent in the Mining Industry

The Issuer is subject to all of the risks inherent in the minerals exploration and mining industry and including, without limitation, the following: competition from a large number of companies, many of which are significantly larger than the Issuer, in the acquisition, exploration, and development of mining properties; the Issuer might not be able raise

enough money to pay the fees, taxes and perform labor necessary to maintain its concessions in good force; exploration for minerals is highly speculative and involves substantial risks, even when conducted on properties known to contain significant quantities of mineralization; the Issuer's exploration projects may not result in the discovery of commercially mineable deposits of ore; the probability of an individual prospect ever having reserves that meet regulatory requirements is extremely remote, or the properties may not contain any reserves, and any funds spent on exploration may be lost; the Issuer's operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection control and the Issuer may not be able to comply with these regulations and controls; and a large number of factors beyond the control of the Issuer, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

THE BUSINESS OF MINERAL EXPLORATION IS SUBJECT TO MANY RISKS:

Fluctuating Price for Metals

The Issuer's operations will be greatly influenced by the prices of commodities, including gold, silver, and other metals. These prices fluctuate widely and are affected by numerous factors beyond the Issuer's control, including interest rates, expectations for inflation, speculation, currency values, in particular the strength of the United States dollar, global and regional demand, political and economic conditions and production costs in major metal producing regions of the world.

Title to the Issuer's Mineral Properties May be Challenged

The Issuer attempts to confirm the validity of its rights to title to, or contract rights with respect to, each mineral property in which it has a material interest. However, the Issuer cannot guarantee that title to its properties will not be challenged. Title insurance generally is not available, and the Issuer's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Issuer's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects and the actions or inactions of underlying property owners or holders. In addition, the Issuer may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Risks Inherent With Foreign Operations

The Issuer's operations are currently conducted in Mexico, and as such the operations of the Issuer are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions,

licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Mexico may adversely affect the operations or potential profitability of the Issuer. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of the Issuer.

Environmental Controls

Compliance with statutory environmental quality requirements may necessitate significant capital outlays, may materially affect the earning power of the Issuer, or may cause material changes in the Issuer's intended activities. The Issuer's exploration operations require compliance with local and federal regulations. No assurance can be given that environmental standards imposed by either federal or state governments will not be changed or become more stringent, thereby possibly materially adversely affecting the proposed activities of the Issuer. In addition, if the Issuer is unable to fund fully the cost of remediation of any environmental condition, it may be required to suspend operations or enter into interim compliance measures pending completion of the required remediation.

Availability of Outside Engineers and Consultants

The Issuer is heavily dependent upon outside engineers and other professionals to complete work on its exploration projects. The mining industry has experienced significant growth over the last several years and as a result, many engineering and consulting firms have experienced a shortage of qualified engineering personnel. The Issuer closely monitors its outside consultants through regular meetings and review of resource allocations and project milestones. However, the lack of qualified personnel combined with increased mining projects could result in delays in completing work on the Issuer's exploration projects or result in higher costs to keep personnel focused on its project.

Operational Hazards; Uninsured Risks

The Issuer is subject to risks and hazards, including environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral

properties or facilities, personal injury or death, environmental damage, reduced productivity and delays in exploration, asset write-downs, monetary losses and possible legal liability. The Issuer may not be insured against all losses or liabilities, which may arise from operations, either because such insurance is unavailable or because the Issuer has elected not to purchase such insurance due to high premium costs or other reasons. The realization of any significant liabilities in connection with the Issuer's exploration activities as described above could negatively affect its results of operations and the price of its common stock.

Need for Additional Key Personnel; Reliance on Officers and Directors

The Issuer relies in large part on the personal efforts of its officers and directors. The success of the Issuer's proposed business will depend, in part, upon the ability to attract and retain qualified employees. The Issuer believes that it will be able to attract competent employees, but no assurance can be given that the Issuer will be successful in this regard. If the Issuer is unable to engage and retain the necessary personnel, its business would be materially and adversely affected.

Item 11: REPORTING OBLIGATIONS

- 11.1 Describe the nature and frequency of any disclosure of information the issuer intends to provide to purchasers after the closing of the distribution and explain how purchasers can access this information.

The Issuer has applied for a listing on the Canadian Securities Exchange and has filed a prospectus with the Canadian Securities Exchange and the Autorité des marchés financiers in Quebec. If accepted, the Issuer will become a reporting issuer and will have continuous disclosure requirements. This information will be available on SEDAR (www.sedar.com) under "Auxico Resources Canada Inc." and on the Issuer's website.

Item 12: RESALE RESTRICTIONS

- 12.1 Include the following statement, in bold type:

"The securities you are purchasing are subject to a resale restriction. You may never be able to resell the securities."

The Issuer has applied for a listing on the Canadian Securities Exchange. The Issuer cannot, of course, guarantee that it will indeed become a listed company. If its common shares become listed, investors will be able to buy and sell shares of the Issuer on the Canadian Securities Exchange. If this listing does not happen, investors may never be able to resell their securities.

Item 13: PURCHASERS' RIGHTS

13.1 Include the following statement, in bold type:

"If you purchase these securities, your rights may be limited and you will not have the same rights that are attached to a prospectus under applicable securities legislation. For information about your rights you should consult a lawyer.

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the funding portal within 48 hours of your subscription. If there is an amendment to this offering document, you can cancel your agreement to purchase these securities by sending a notice to the funding portal within 48 hours of receiving notice of the amendment.

The offering of securities described in this offering document is made pursuant to a start-up crowdfunding registration and prospectus exemptions order issued by the securities regulatory authority or regulator in each participating jurisdiction exempting the issuer from the prospectus requirement.

[If the funding portal is not operated by a registered dealer in any of the participating jurisdictions where you intend to raise funds, add the phrase "and the funding portal from the registration requirement" after the words "prospectus requirement" in the above paragraph]."

Item 14: DATE AND CERTIFICATE

14.1 Include the following statement, in bold type:

"On behalf of the issuer, I certify that the statements made in this offering document are true."

14.2 Provide the signature, date of the signature, name and position of the authorized individual certifying this offering document.

(s) signed

Mark Billings

President, Auxico Resources Canada Inc.

August 18, 2017

14.3 If this offering document is signed electronically, include the following statement, in bold type:

"I acknowledge that I am signing this offering document electronically and agree that this is the legal equivalent of my handwritten signature. I will not at any time in the future claim that my electronic signature is not legally binding."

Questions:

Refer any questions to the following participating jurisdictions:

British Columbia	British Columbia Securities Commission P.O. Box 10142, Pacific Centre 701 West Georgia Street Vancouver, British Columbia V7Y 1L2 Telephone: 604-899-6854 Toll free in Canada: 1-800-373-6393 Facsimile: 604-899-6581 E-mail: inquiries@bcsc.bc.ca www.bcsc.bc.ca
Manitoba	The Manitoba Securities Commission 500 – 400 St Mary Avenue Winnipeg, Manitoba R3C 4K5 Telephone: 204-945-2548 Toll free in Manitoba: 1-800-655-2548 Fax: 204-945-0330 E-mail: exemptions.msc@gov.mb.ca www.mbsecurities.ca
Québec	Autorité des marchés financiers Direction du financement des sociétés 800, rue du Square-Victoria, 22nd floor P.O. Box 246, Tour de la Bourse Montréal, Québec H4Z 1G3 Telephone: 514-395-0337 Toll free in Québec: 1-877-525-0337 Fax: 514-873-3090 E-mail: financement-participatif@lautorite.qc.ca www.lautorite.qc.ca
New Brunswick	Financial and Consumer Services Commission 85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Toll free: 1-866-933-2222 Fax: 506-658-3059 E-mail: emf-md@fcnb.ca www.fcnb.ca