



Commerce Resources Corp. Clarifies and Corrects Disclosure

August 12, 2015 - Commerce Resources Corp. (TSXv: CCE, FSE: D7H) (the “Company” or “Commerce”).

As a result of a review by the British Columbia Securities Commission, we are issuing the following news release to clarify our disclosure.

On the Company website the Company did not prominently display the standard cautionary language that the preliminary economic assessment (PEA) for the Ashram REE Deposit is preliminary in nature, includes inferred mineral resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The placement of the standard cautionary has been modified and the language is now found prominently and immediately following any reference to the Ashram REE Deposit PEA on the Company website.

In a corporate presentation titled “Metals for the Future, Tantalum, Niobium and Rare Earth Elements” dated April 2015, the Company did not include the above cautionary language with results of the Ashram PEA; nor did it specifically disclose that the Ashram REE Deposit PEA economic metrics were pre-tax. The current Ashram Technical Report dated January 7, 2015 explains why no after-tax case is included, and that a combined tax rate of around 32.5% may apply to production. All future presentations will contain standard cautionary language featured prominently following any reference to the Ashram REE Deposit PEA with the results disclosed as pre-tax. The presentation has been removed from the website.

In its corporate presentation, on its website, and in reporting the resource estimate and results of the revised PEA for the Ashram REE Deposit completed by SGS Geostat, Canada Inc. (effective date 7th January, 2015), the Company included a statement that is contrary to the definition of a PEA under NI 43-101: “all material above 0.51% TREO is considered to be economic”. This is retracted because the base-case resource estimate used as input to the Ashram PEA has a cut-off grade of 1.25% TREO, and the part of these resources considered by the PEA have potential economic viability. In the current PEA, material below the 1.25% resource cut-off and excluded from the economic analysis cannot have “potential economic viability”, so it is not “considered to be economic”.

In Company news releases dated May 29, June 16, and July 24 of 2015, and in website disclosure, the Company reported resource estimates for the Ashram REE Deposit as “measured and indicated” combined, without also disclosing the individual quantities and grades for the measured and indicated classes. For clarity, the following table provides a compliant statement of the Ashram resource estimate.



The Ashram REE Deposit was the subject of an amended and restated PEA with an effective date 7th January, 2015.

SGS Geostat used a total of 43 drill holes comprising 15,604 metres of NQ-and BTW-sized drill core to develop the mineral resource estimate, with an effective date of March 6, 2012. When using cut-off grade of 1.25% REO, which is the base case for the PEA for the Ashram REE Deposit, resources are estimated as follows:

Category	Tonnage	Density	TREO (%)	LREO (%)	MREO (%)	HREO (%)
Measured	1,590,000	3.07	1.77	1.60	0.089	0.085
Indicated	27,670,000	3.02	1.90	1.77	0.073	0.056
Measured & Indicated	29,270,000	3.02	1.90	1.77	0.073	0.057
Inferred	219,800,000	3.00	1.88	1.77	0.068	0.045

* LREO (light rare earth oxides) is lanthanum oxide plus cerium oxide plus praseodymium oxide plus neodymium oxide.
* MREO (middle rare earth oxides) is samarium oxide plus europium oxide plus gadolinium oxide.
* HREO (heavy rare earth oxides) is terbium oxide plus dysprosium oxide plus holmium oxide plus erbium oxide plus thulium oxide plus ytterbium oxide plus lutetium oxide plus yttrium oxide.

Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

A summary of the PEA follows with appropriate cautionary language:

This economic assessment is by definition preliminary in nature and it includes inferred mineral resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized.

The Ashram Deposit hosts a well-balanced rare earth distribution throughout in addition to significant enrichment over all five of the rare earths considered to be 'critical' (Nd, Eu, Tb, Dy, and Y). Within the overall resource, there exists a zone of more intense Middle and Heavy Rare Earth Oxide (MHREO) enrichment, termed the 'MHREO Zone'. This type of MHREO enrichment is unique to Ashram and extends from surface with significant tonnage and grade. Overall, the Ashram Deposit has a pervasive enrichment in the MHREOs, with the MHREO Zone itself an area of more intense enrichment occurring directly at surface that extends to depths in excess of 175 m.

Key Findings of the PEA

- 4,000 t/d, open-pit operation with 0.19:1 (waste:ore) strip ratio over 25 year mine life
- Pre-tax and pre-financing Net Present Value (NPV) of \$2.32 billion dollars at a 10% discount rate



- Pre-tax Internal Rate of Return (IRR) of 44% and pre-tax payback period of 2.25 years from start of production
- Estimated capital cost of \$763 million (including 25% contingency)
- Estimated operating cost of \$95.20/tonne treated, or approximately \$7.91/ kg of rare earth oxide (REO) produced
- Annual production averaging ~16,850 tonnes of rare earth oxide over life of mine, including 2,870 tonnes Nd oxide, 96 tonnes Eu oxide, 26 tonnes Tb oxide, 106 tonnes Dy oxide, and 440 tonnes Y oxide
- Rare earth element host mineralogy (monazite, bastnaesite, and xenotime) comprises phases amenable to recovery with processing using conventional and proven techniques

On the “Corporate” page of the Company’s website, a “prominent link to a corporate presentation dated September 2012 referenced a positive PEA for the Blue River Property. The Company filed subsequent technical reports for the Blue River Property with effective dates of June 21, 2013 and March 18, 2015, the latter of which is current, and does not support going forward disclosure of a positive Blue River PEA result. This outdated presentation and other media referencing the Blue River PEA have been removed from the website.

NI 43-101 Disclosure

Mr. Darren Smith, M.Sc., P.Geol., a Qualified Person as defined by National Instrument 43-101, read and approved the disclosure of the technical information in this news release.

About Commerce Resources Corp.

Commerce Resources Corp. is an exploration and development company with a particular focus on deposits of rare metals and rare earth elements. The Company is focused on the development of its Ashram Rare Earth Element Deposit in Quebec and the Upper Fir Tantalum and Niobium Deposit in British Columbia.

For more information please visit the corporate website at <http://www.commerceresources.com> or contact Investor Relations at 604.484.2700 or info@commerceresources.com.

On Behalf of the Board of Directors

COMMERCE RESOURCES CORP.

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