



## **Commerce Resources Corp. Achieves Key Milestones for the Ashram Rare Earth Project**

**October 5, 2015 - Commerce Resources Corp.** (TSXv: CCE, FSE: D7H, OTCQX: CMRZF) (the “Company” or “Commerce”) is pleased to announce the achievement of key metallurgical milestones with the successful completion of a leach mini-pilot plant<sup>1</sup> and the subsequent production of the highest-grade mineral concentrate to date from the Company’s 100% owned Ashram Rare Earth Deposit.

The work was completed as part of the 2<sup>nd</sup> Phase of the pilot plant, designed to leach bulk flotation concentrate produced during the first phase of the pilot plant. Both continuous and batch leach pilots have now been completed, as well as bench scale testing of the piloted material through to a final mineral concentrate to demonstrate the robustness of the entire process.

Highlights include:

- Successful demonstration that the leach process is robust and scalable from bench level (<4 kg) to pilot level (>300 kg) using both continuous and batch methods
- Production of a 49% TREO mineral concentrate at an overall recovery of ~63% using residue produced from the leach pilot
  - 46% TREO at ~71% recovery with additional processing

Company President Chris Grove states, “We are highly encouraged by these results from the 2<sup>nd</sup> Phase of the pilot plant program. The production of these high-grade mineral concentrates using piloted material as feed is a significant milestone, with the ongoing program continuing to demonstrate that the flowsheet for the Ashram Deposit is simple, robust, and scalable using standard commercial methods.”

The main objective of the continuous pilot is to demonstrate the leach process (using HCl) on a continuous and scaled up basis (<4 kg to >150 kg) to evaluate material handling and performance in a manner similar to a commercial operation. The objective of the batch leach pilot is to demonstrate additional scale up (<4 kg to >300 kg) and to produce larger quantities of leach residue at the defined parameters.

The continuous leach pilot was comprised of a series of eight glass cascading vessels that was fed flotation concentrate continuously (154 kg total) for a period of 145 hours, producing 47 kg of primary leach residue. The batch leach pilot was comprised of one large vat that was fed flotation concentrate in one single dose (i.e. batch) of 307 kg, producing 100 kg of primary leach



residue. A secondary leach was completed on the batch pilot residue with the combined overall REE recovery exceeding 99%<sup>2</sup>, as targeted.

In order to fully evaluate the quality of the residues produced from the leach pilot plant, several samples were bench processed through the Wet High Intensity Magnetic Separation (WHIMS) stage to produce a final mineral concentrate to use for downstream hydrometallurgical processing. This testwork produced the best mineral concentrate to date for the Ashram Deposit, with potential for additional improvement remaining (Table 1).

**Table 1. High-grade mineral concentrate produced from leach pilot residue (Test 3889-13)**

Grade (TREO)	Recovery (relative to WHIMS stage)	Recovery <sup>2</sup> (relative to whole rock)	Mass Pull (relative to whole rock)	WHIMS Process
48.9	78%	~63%	~3%	1 Rougher
45.7	88%	~71%	~3%	1 Rougher + 2 Scavengers

The pilot plant results to date (flotation and leach) are encouraging and indicate that the Ashram flowsheet is robust at larger scales and is able to produce rare earth mineral concentrate of >45% TREO at high overall recovery. This compares favorably to major hard-rock producers globally.

The 2<sup>nd</sup> phase of the pilot plant is ongoing, with the opportunity to further optimize as additional flotation concentrate remains to be processed. This pilot plant is part of a larger program to confirm the scalability of the overall flowsheet and produce several kilograms of mixed rare earth carbonate concentrate (REC), and mixed rare earth chloride concentrate (RECI).

- (1) Approximately 1-2 tonnes of flotation concentrate is anticipated to be processed during the HCl leach piloting. This size throughput tonnage is sometimes referred to as a 'mini-pilot plant' as opposed to a 'pilot plant'.
- (2) The secondary leach results in a minor percentage of REE partitioning to the liquor phase. However, subsequent testing on similar liquors indicates that the REEs may be fully recovered selectively as a high-grade precipitate, resulting in a negligible loss in the stage (i.e. effectively >99% REE recovery in the leach stage)

### NI 43-101 Disclosure

Darren L. Smith, M.Sc., P.Geol., Dahrouge Geological Consulting Ltd., a Qualified Person as defined by National Instrument 43-101, supervised the preparation of the technical information in this news release.

Eric Larochelle, Eng., and Alain Dorval, Eng., Manager-Process, Mining and Mineral Processing, of Roche Ltd., Consulting Group, Qualified Persons as defined by National Instrument 43-101, reviewed the technical information presented in this news release.



### **About the Ashram Rare Earth Element Deposit**

The Ashram Rare Earth Element (REE) Deposit is located in north-eastern Quebec. The Deposit has a measured resource of 1.6 million tonnes (Mt) at 1.77% TREO, an indicated resource of 27.7 Mt at 1.90% TREO, and an inferred resource of 219.8 Mt at 1.88% TREO.

The REEs at Ashram occur primarily in the mineral monazite and to a lesser extent in bastnaesite and xenotime. These minerals dominate the currently known commercial extraction processes for rare earths. The Ashram Deposit mineralization has an REE distribution with enrichment in the critical and magnet feed REEs (Nd, Pr, Eu, Tb, Dy, and Y).

A Preliminary Economic Assessment (PEA) was completed in May of 2012 by SGS-Geostat of Montreal (Blainville) (see news release May 24, 2012). The PEA is based on a 4,000 tonne per day open-pit operation with an initial 25-year mine life, a pre-tax Net Present Value (NPV) of \$2.32 billion at a 10% discount rate, a pre-tax/pre-finance Internal Rate of Return (IRR) of 44%, and a pre-tax/pre-finance payback period of 2.25 years.

The PEA (revised date January 7, 2015) is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically 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 PEA will be realized. Mineral resources are not mineral reserves as they do not have demonstrated economic viability. 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.

With respect to the ongoing Pre-feasibility Study (PFS), the results of the programs described in this news release will be incorporated, along with other necessary technical data including geological and engineering studies, into the PFS with costs and benefits to be described in more detail therein.

### **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](mailto:info@commerceresources.com).



COMMERCE RESOURCES CORP.

On Behalf of the Board of Directors  
**COMMERCE RESOURCES CORP.**

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#### **Forward-Looking Statements**

This news release contains forward-looking information which is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ from those projected in the forward-looking statements. Forward looking statements in this press release include and are not limited to, that the leach process is robust and scalable from the bench level to the pilot level using continuous and bench methods. These forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Risks that could change or prevent these statements from coming to fruition include changing costs for mining and processing; increased capital costs; the timing and content of upcoming work programs; geological interpretations based on current data that may change with more detailed information; potential process methods and mineral recoveries assumption based on limited test work and by comparison to what are considered analogous deposits that with further test work may not be comparable; the availability of labour, equipment and markets for the products produced; and despite the current expected viability of the project, conditions changing such that the minerals on our property cannot be economically mined, or that the required permits to build and operate the envisaged mine can be obtained. The forward-looking information contained herein is given as of the date hereof and the Company assumes no responsibility to update or revise such information to reflect new events or circumstances, except as required by law.