



Commerce Resources Corp. Reports Significant Improvement in REE Recovery for the Ashram Rare Earth Project

October 19, 2015 - Commerce Resources Corp. (TSXv: CCE, FSE: D7H, OTCQX: CMRZF) (the “Company” or “Commerce”) is pleased to announce that it has made significant metallurgical improvements to its mineral concentrate for the Ashram Rare Earth Deposit. Overall rare earth element (“REE”) recoveries have now increased from 71% to 76% while maintaining a grade of greater than 40% TREO. In addition, the recent testwork has simplified the leach process stage of the flowsheet through the elimination of the secondary leach.

Company President Chris Grove states, “We are pleased with the ongoing metallurgical improvements to the Ashram Deposit's flowsheet and are excited by the possibilities for additional optimization.”

The testwork was completed on flotation concentrate, produced from piloting, which was bench scale tested through the leach stage, and then through the Wet High Intensity Magnetic Separation (WHIMS) stage. The leach stage, completed to remove carbonate minerals remaining after flotation, used a simplified process that required only a primary leach before proceeding to the WHIMS stage. Previously, a secondary leach had been required prior to WHIMS.

The objective of the test was to demonstrate that a simplified leach stage (i.e. single-leach) could produce comparable results in fewer process steps compared to the base case (i.e. double-leach). This objective was successfully achieved, resulting in a mineral concentrate of 42% TREO at 76% recovery, and represents a significant increase in recovery from the previously reported 71%, while maintaining a high-grade (see news release dated October 5, 2015). This leach stage flowsheet development offers considerable cost advantages as fewer process steps are now required (i.e. no secondary leach, etc.) and fewer reagents are now consumed.

The simplified leach process is now being piloted to demonstrate scale-up, with results to be reported when completed.

The Company’s ultimate flowsheet objective for the project is to produce a final saleable product(s) at the lowest operating cost possible (measured in \$US/kg of REO produced) while using a practical, scalable, and robust process. The two primary means to this objective are:

1. Improving REE recoveries to the final product(s).
2. Improving the flowsheet’s processing efficiency, thereby improving cost effectiveness (i.e. simplification of the flowsheet).



The Company is pleased to report herein that both of these means have been significantly advanced.

- ⁽¹⁾ The simplified leach process uses a single primary leach only (i.e. no secondary leach), whereby a large majority of the REEs partition to the residue phase while the remaining REEs partition to the liquor phase. The REEs from the liquor phase are fully recovered selectively as a high-grade precipitate, resulting in a negligible loss in the stage (i.e. effectively >99% REE recovery in the HCl processing step). The residue is processed through WHIMS and the magnetic product is combined with the high-grade precipitate from the liquor to produce a final mineral concentrate.

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.

On Behalf of the Board of Directors

COMMERCE RESOURCES CORP.

“Chris Grove”

Chris Grove

President

Tel: 604.484.2700

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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 testwork has simplified the leach process stage and that there could be additional opportunities for optimization. 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.