



Commerce Resources Corp. Provides Update on the 2016 Field Program at the Ashram Rare Earth Deposit

September 20, 2016 - Commerce Resources Corp. (TSXv: CCE, FSE: D7H, OTCQX: CMRZF) (the “Company” or “Commerce”) is pleased to provide an update on the 2016 field program currently underway at its 100% owned Ashram Rare Earth Deposit located in northern Quebec.

The program consists of three main components; resource definition drilling, hydrogeological testwork, and continued environmental baseline data collection. The field program began mid-August and is expected to be completed by mid-October.

The drill program has now concluded with a total of 14 drill holes for approximately 2,000 m completed, focused along the northern, western, and southern margins of the Ashram Deposit. Initial geologic review and portable XRF data indicates significant mineralization is present over appreciable widths in several holes. Core is now being logged in detail on site with samples being collected for analysis by Activation Laboratories Ltd. in Ancaster, ON for major oxides by Fusion ICP, rare earths by ICP-MS, and for fluorine by Fusion ISE.

The hydrogeological program is comprised of two phases. The first phase focused on the installation of various types of monitoring equipment down several previously completed drill holes at the deposit. This first phase has now been successfully completed. The second phase will include a pump test which is expected to begin in approximately two weeks. The data collected will be used to evaluate the sub-surface water flow and slope stability of the anticipated pit shell.

The environmental program has also been completed, with surface water samples collected for analysis from various lakes in the vicinity, including the proposed tailings area options, as well as groundwater samples collected from several Ashram Deposit drill holes. This data will contribute to the ongoing baseline data collection, and related studies, as required for advancement of the project.

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.

About the Ashram Rare Earth Element Deposit

The Ashram Rare Earth Element (REE) Deposit is located in Nunavik, 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. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

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 by SGS-Geostat of Montreal (Blainville) with an effective date of July 5, 2012 (revised date of January 7, 2015). 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.

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 PEA will be realized. 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.

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 our ongoing drill program, hydrogeological testwork and continued environmental baseline data collection. 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 drilling 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.