



## **Commerce Resources Corp. Updates Field Program at the Ashram Rare Earth Deposit; Completes Hydrogeological Test Program**

**October 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 at its 100% owned Ashram Rare Earth Deposit located in northern Quebec.

The field program consisted of three main components; resource definition drilling, environmental baseline data collection, and hydrogeological testwork. The drilling and environmental components were completed in mid-September (see news release dated September 20, 2016). The Company is now pleased to report that the hydrogeological test program has been successfully completed.

The hydrogeological program was comprised of two phases. The first phase included the installation of vibrating wire piezometers and monitoring wells down several previously completed drill holes, and was completed in mid-September. The second phase involved pumping from drill hole EC16-160, completed at the northwest end of the deposit at a location determined using the packer testing data collected in 2015.

The objective of the pump test was to induce a drawdown and subsequent recovery of the water table across the entire site, with concurrent data collection by the instruments installed in the surrounding holes on the north, south, and western sides of the deposit. The pump test was carried out over a continuous seven-day period, with the recovery then monitored for a seven-day period thereafter.

The data collected will be used to generate a preliminary hydrogeological model for the deposit and immediate area, sufficient for the purposes of the Pre-feasibility Study (PFS). The model will assist in the evaluation of sub-surface water flow and slope stability of various pit shell configurations, as well as form the basis for ongoing in-depth interpretation of the area’s hydrogeology as the Ashram Project advances.

With the three main field objectives now completed, drill core processing and sample collection for analysis are the next steps.

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

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

“Chris Grove”

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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 assumptions that the data being collected will be used to generate a preliminary hydrogeological model for the deposit, sufficient for the purposes of the Pre-Feasibility Study (PFS) and that the model will assist in evaluating sub-surface water flow and slope stability of various pit shell configurations, as well as form the basis for ongoing interpretation of the area's hydrogeology as the Ashram Project advances and references to the completion of the PFS. 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.