



Commerce Resources Corp. Updates Environmental Test Work on Tailings Optimization for the Ashram Rare Earth Deposit

June 5, 2018 - Commerce Resources Corp. (TSXv: CCE, FSE: D7H) (the “Company” or “Commerce”) is pleased to provide an update on the ongoing environmental tailings optimization test work being completed by the Centre Eau Terre Environnement of the Institut national de la recherche scientifique (INRS) in support of the Ashram Rare Earth Project (the “Project”).

The test programs are being jointly funded through a grant, totaling \$300,000, from the Fonds de recherche du Québec - Nature et technologie (FRQNT) and the Ministère de l'Énergie et des Ressources naturelles (MERN), and is in the 2nd year of three (see news release dated June 16, 2016). This work is being completed in partnership with the INRS, a research-oriented branch of the Université du Québec, which has considerable experience in environmental management and sustainability.

The primary test work has focused on characterization of the flotation tailings, which would be produced at the mine-site if the Project were to enter production. The results to date are encouraging with highlights that include:

- No “red flags” or serious concerns
- No acid generating potential
- Strong indications of no metal leaching potential

Company President Chris Grove states, *“The Company is committed to advancing the Ashram Project in an environmentally responsible manner, with the inherent low-sulphide and non-acidic nature of the carbonatite host rock giving the Project an added advantage. The recent test results are encouraging and we look forward to the results of the ongoing kinetic test work. A complete characterization of tailings material is an essential component for the proper design and maintenance of the tailings management facility”.*

In order to characterize the flotation tailings, a sound understanding of the potential contaminants, their mobility, and their stabilization is required. This is first assessed through a series of permeability and static tests (TCLP, SPLP, and CTEU) under conditions representative of a northern Quebec environment (low temperature control room at laboratory installations). This test work phase has now been completed with encouraging results in line with expectations. Follow-up kinetic test work is now underway and is expected to be completed later in 2018. In general, static tests are considered less representative of real onsite conditions as they are more “aggressive” than kinetic tests, and therefore, the encouraging indications of the static tests bodes



well for the results of the kinetic tests. In addition, sequential extraction tests are planned which will further assess the potential mobility, bioavailability, and toxicity of metals and therefore provide information on the metal removal mechanisms.

Fluorspar Characterization

The overall program also includes a fluorspar characterization and upgrading component. This work is less advanced in comparison to the flotation tailings characterization work; however, initial mineralogy work indicates that free grains of monazite are present in the fluorspar concentrate. This is very encouraging and indicates that these grains may be readily separated from the fluorspar by optimization of the prior magnetic separation step, or through additional processing without the need for further grinding. The recovery of the monazite grains, which contain a significant amount of REEs, would upgrade the purity of the fluorspar concentrate as well as potentially increasing the overall recovery of REEs into the primary rare earth concentrate.

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 ongoing Pre-feasibility Study, with costs and benefits to be described in more detail therein.

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 Institut national de la recherche scientifique (INRS)

The Institut national de la recherche scientifique (INRS) is a research oriented branch of the Université du Québec, and is dedicated to fundamental and applied research, graduate studies, and the training of researchers. The INRS is comprised of four research centers focusing on environmental sustainability, advanced technologies, health, and social sciences, with locations in Quebec City, Laval, Montreal, and Varennes.

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.



COMMERCE RESOURCES CORP.

On Behalf of the Board of Directors
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