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Commerce Resources Corp. Announces Closing of First Tranche of Private Placement and Consulting Agreement with Zimtu Capital Corp.

October 15, 2019 – Commerce Resources Corp. (TSXv: CCE, FSE: D7H) (the “**Company**” or “**Commerce**”) announces that, further to its News Release dated October 4, 2019, it has closed a first tranche (the “**First Tranche**”) of the non-brokered private placement financing (the “**Financing**”) of up to 11,538,461 units (each, a “**Unit**”) at a price of \$0.26 per Unit for gross proceeds of up to \$3,000,000.

The First Tranche consisted of 9,028,000 Units of the Company for gross proceeds of **\$2,347,280**. Each Unit consists of one common share of the Company at a price of \$0.26 (each, a “**Share**”) and one common share purchase warrant (each, a “**Warrant**”), with each Warrant entitling the holder to purchase one Share at a price of \$0.35 per Share for the first year, and \$0.50 for the second year following the closing of the Offering .

For the First Tranche, the Company paid cash finder’s fees of \$9,646 to certain finders.

Completion of subsequent tranches of the Financing is subject to a number of conditions, including, without limitation, receipt of all regulatory approvals, including approval of the TSX Venture Exchange.

All securities issued in the First Tranche, and the Shares that may be issuable on exercise of the Warrants, are subject to a statutory hold period expiring February 12, 2020.

David Hodge, the Chief Executive Officer and a director of the Company was issued 190,000 Units under the First Tranche, Zimtu Capital Corp., a public company of which David Hodge and Chris Grove, directors and officers of the Company, are directors of, was issued 5,061,500 Units under the First Tranche and Dahrouge Geological Consulting Ltd., a private company owned by Jody Dahrouge, a director of the Company, was issued 1,308,000 Units under the First Tranche, all of which constitute a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The issuances to the insiders are exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Company’s shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the securities issued to the related parties did not exceed 25% of the Company’s market capitalization.

None of the securities issued in the Financing will be registered under the *United States Securities Act of 1933*, as amended (the “**1933 Act**”), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press



release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

The Company also announces that it has entered into a consulting agreement (the “Agreement”) with Zimtu Capital Corp. (the “Consultant”), whereby the Consultant will provide certain investor relations and consulting services (the “Services”) to the Company. In consideration for the Services, the Company has agreed to pay the Consultant a fee of \$8,333.33 per month, payable in advance for the initial 12 month term (total \$100,000 + 5% GST = \$105,000). The Agreement may be extended by mutual agreement between the parties.

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-Niobium Deposit in British Columbia.

For more information, please visit the corporate website at www.commerceresources.com or email info@commerceresources.com.

On Behalf of the Board of Directors

COMMERCE RESOURCES CORP.

“Chris Grove”

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Disclaimer for Forward-Looking Information

Certain statements in this press release related to the Financing and the securities issuable thereunder are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe” or “continue”, or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the proceeds to be raised pursuant to the Financing, the terms of the securities issuable pursuant to the Financing, resale restrictions relating to the securities to be issued, the use of proceeds of the Financing and receipt of the approval of the TSX Venture Exchange to additional tranches. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding the Company’s ability to complete the Financing, including the risk that the Financing may not be completed as expected or at all, that the security interests may not be as set out in this news release, that the proceeds of the Financing may be used other than as set out in



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this news release, that the TSX Venture Exchange may not approve additional tranches of the Financing and such other factors beyond the control of the Company. Such forward-looking statements should therefore be construed in light of such factors, and the Company is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.