



Commerce Resources Corp. Announces a Potentially Significant Advancement in Flotation Testwork for the Ashram Deposit, Quebec

December 17th, 2019 – Commerce Resources Corp. (TSXv: CCE, FSE: D7H0) (the “Company” or “Commerce”) is pleased to announce that additional flotation testwork recently carried out at Université Laval (“Laval”) has returned a potentially significant step-forward in cleaner-stage flotation performance on material from the Ashram Rare Earth and Fluorspar Deposit.

During their initial testwork mandate, Laval focused on rougher-stage flotation with the resulting concentrate then later processed through to several grams of mixed light (La-Nd) rare earth oxide (see news releases dated May 31 and July 24, 2018). An important development during this work was the identification of an alternative flotation reagent scheme and conditions that demonstrated some significant promise in improving the flotation performance of the Ashram Deposit material (see news release dated August 1, 2019).

The Company is now pleased to report that a subsequent cleaner-stage test by Laval, using the combined rougher concentrate from the earlier work as feed, has resulted in a flotation concentrate of 21% rare earth oxide (“REO”) at a stage recovery of 92%, and a stage mass pull of 41% (cleaner 4). The current base case flowsheet incorporates a two-stage rougher only, resulting in a favourable flotation concentrate, typically of 7 to 10% REO at >80% recovery and <30% mass pull. Subsequent cleaner stages have generally resulted in a significant drop in recovery. However, the cleaner test result from Laval indicates a potentially significant development in this regard, having resulted in a **marked improvement in recovery and grade in the cleaner-stage flotation**.

Although management cautions that only one cleaner test has been completed and repeats are required to verify the performance, the result, coupled with prior work, are a strong indication **that the flotation reagents and conditions applied at Laval may potentially lead to a marked improvement in overall flotation performance**.

The primary objective of the flotation stage in the Ashram Deposit flowsheet is to remove as much carbonate as practical while maintaining performance (i.e. high REE recovery at low mass pull), with the subsequent leach stage designed to remove the remaining carbonate in the flotation concentrate ahead of subsequent magnetic separation to remove the fluorite. This results in a high-grade rare earth mineral concentrate of >45% REO at high recovery (see Figure 1 below).

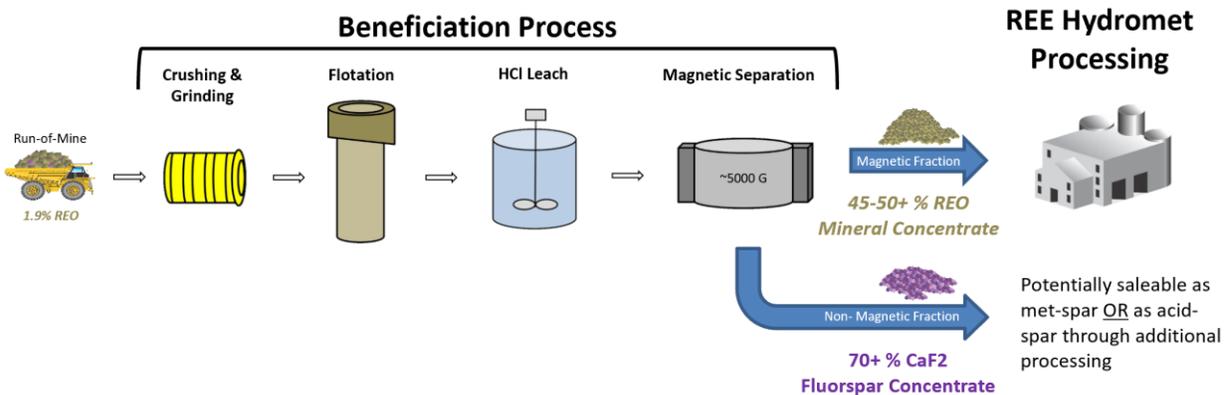


Figure 1: Generalized front-end flowsheet for the Ashram Deposit

Assuming the cleaner flotation testwork at Laval is verified and demonstrated repeatable, the potential positive impact may be significant as analysis of the base case flowsheet has determined that the flotation component is a key process stage as it is where most of the rare earth element (“REE”) recovery is lost. Further, the performance of the flotation stage will determine the amount of HCl acid required during the subsequent leach stage, which is directly related to the amount of carbonate minerals not removed by flotation, as well as the size of other downstream process plant circuits and equipment. In other words, the flotation performance has one of the largest impacts on the OPEX and CAPEX of the overall project flowsheet as it affects everything downstream of it. Therefore, continued improvement in the performance of the flowsheet’s flotation stage is a key interest.

The Company is currently exploring near-term funding opportunities to continue the testwork approach developed by Laval, including various grant initiatives and collaborations. In addition, work at Hazen Research on the upgrading of the Ashram Deposit’s fluorspar component to acid-grade is ongoing and initial results are anticipated to be announced in the coming weeks. This work also has the added potential to further recover REEs during the fluorspar upgrade process.

NI 43-101 Disclosure

Darren L. Smith, M.Sc., P.Geo., Dahrouge Geological Consulting Ltd., a Permit holder with the Ordre des Géologues du Québec and Qualified Person as defined by National Instrument 43-101, supervised the preparation of the technical information in this news release.

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 and Fluorspar Deposit in Quebec and the Upper Fir Tantalum-Niobium Deposit in British Columbia.



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