



Commerce Resources Corp. Produces 98% CaF₂ Fluorspar Concentrate from the Ashram Deposit, Quebec

February 28, 2020 – Commerce Resources Corp. (TSXv: CCE, FSE: D7H) (the “Company” or “Commerce”) is pleased to announce significant advancements in the metallurgical programs focused on upgrading the Ashram Deposit’s fluorspar component to acid-spar grade. Recent test work, being carried out by Hazen Research, CO, USA, has resulted in successful upgrading of the Ashram Deposit’s fluorspar content to a purity of 97.8% CaF₂, which exceeds the 97% base criteria that is typical of acid-spar grade.

This high-grade test result demonstrates the applicability of standard physical separation techniques to upgrade the Ashram Deposit’s fluorspar component from a head grade of ~7.5% CaF₂ to high-grades in excess of 97% CaF₂, as is required to achieve acid-spar grade product. The processing approach utilizes a relatively coarse grind followed by a fluorspar pre-float as an initial upgrade step to isolate a sizable portion of the fluorspar prior to material entering the primary rare earth element (“REE”) recovery flowsheet. The fluorspar flotation concentrate is then processed by magnetic separation, resulting in the desired CaF₂ grade, while the reject fractions are sent back to the primary flowsheet circuit where the REE component is then recovered along with the bulk of the REEs.

Commerce Resources Corp.’s President Chris Grove comments *“We are thoroughly encouraged by these results which continue to validate the value of the Ashram Deposit’s fluorspar component. Ashram is primarily a rare earth deposit that is well-positioned to supply the permanent magnet industry over the long-term. However, these fluorspar test results also demonstrate the potential for Ashram to be a significant contributor to the acid-spar market.”*

Now that a mineral processing approach to achieve a fluorspar concentrate with an acid-grade CaF₂ specification has been demonstrated (>97% CaF₂), the test work will now focus on impurity removal as well as improved fluorspar recovery. Target specifications for several of the typical acid-spar impurities have already been achieved and include SiO₂, Al₂O₃, Cl, Be, and Cd.

In addition to being one of the largest rare earth deposits globally, the Ashram Deposit is also one of the largest fluorspar deposits globally. The production of REEs and fluorspar are currently dominated by China, placing Ashram in a unique position to potentially address the supply concerns of these two critical commodities.



The Fluorspar Market

Fluorspar prices remain robust (\$400 to \$500 USD/t), underpinned by strong market demand and long-term fundamentals from the steel and chemical industries. It is an essential raw material to the industry that is consumed during use and therefore cannot be recycled, resulting in new production being required over time to meet global demand.

Acid-spar (>97% CaF_2), accounting for roughly two-thirds of the market, is primarily used to manufacture hydrofluoric acid (HF) and subsequent fluorochemicals, which are used in a variety of modern consumer products including an estimated half of all new medicines (Roskill, 2019). Acid-spar is also used in the production of aluminum metal, to reduce process temperatures and energy consumption, and is also a key raw ingredient of materials used in enhancing the operational performance of lithium-ion batteries.

Met-spar (>60% CaF_2), accounting for roughly one-third of the global fluorspar market, is primarily used as a flux in the steel making process to lower the melting temperature, as well as to reduce slag viscosity and remove impurities. Met-spar is also used as a flux in the cement industry to speed up the calcination process.

Similar to the prevailing dynamics for rare earth elements, China was historically the largest exporter of fluorspar. However, in the last 3 years, China has become a net importer. This has caused significant price appreciation for fluorspar, and market interest from industry in new sources.

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 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.



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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 that Ashram is in a unique position to potentially address the supply concerns of REE and Flourspar, two critical commodities. 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; testing of our process may not prove successful and even if tests are successful, the economic and other outcomes may not be as expected; 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.