



Commerce Resources Corp. Provides Update on INRS Test Work for the Ashram Deposit, Quebec

May 14, 2020 – **Commerce Resources Corp.** (TSXv: CCE, FSE: D7H0) (the “Company” or “Commerce”) is pleased to provide an update on the ongoing tailings characterization test programs being completed by the Centre Eau Terre Environnement of the Institut national de la recherche scientifique (INRS). The flowsheet for the Ashram Rare Earth and Fluorspar Deposit incorporates a flotation circuit and associated tailings management facility at the mine-site. The test work at INRS is designed to characterize this material and its behaviour under various weather conditions over time. The programs are 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) (see news release dated June 16, 2016).

To date, characterization work including a series of static tests (TCLP, SPLP, and CTEU) and kinetic tests (columns and weathering cells) have been completed with very positive results. The flotation tailings are indicated to be relatively benign with no major issues identified with the material or its management. Key takeaways include:

1. The **tailings are not acid generating** due to the material's high carbonate and low sulphide content resulting in a natural neutralization effect. This trait also provides for a significant cost advantage as no addition of lime is required to achieve neutralization of the tailings.
2. The **tailings are not considered hazardous or radioactive** (S value = 0.157) according to Quebec's Hazardous Materials Regulations and Environmental Quality Act. The concentrations of U-Th leached during the test work did not exceed any water quality criteria and are therefore **U and Th are not considered a potential source of contamination**.
3. Concentrations of all elements in the tailings' leachate **fall below the “high-risk” criteria as outlined in Directive 019**.
4. Freeze-thaw cycles appear to play an important role in mineral solubility and additional test work is required to further characterize.

Following the completion of the static test program (see news release dated June 5th, 2018), a series of kinetic tests (columns and weathering cells) began and remain underway. Column tests are designed to reasonably reflect a range of on-site weather conditions that a tailings material may be subjected to over time, and to identify potentially leachable elements under these



scenarios. The data allows for better understanding of how the tailings may be altered over time and for proper mitigation measures to be implemented if any elements are indicated to be potentially problematic to the environment.

A total of six (6) columns tests have now been completed – two (2) x water leach, two (2) x NaCl leach, and two (2) x CaCl₂ leach. The baseline conditions for each test included 28 days at 4°C, 18 days at -18°C, and 10 days at 4°C. The conditions also allowed for the potential impacts of freeze-thaw cycles to be evaluated. **The results of the column test work have been positive and indicate that the tailings are relatively benign and fall below the “high-risk” criteria as outlined in Directive 019 by the Ministry of Environment and Fight Against Climate Change (MELCC).** Only Cd, Pb, and Zn exceed resurgence criteria for the protection of aquatic life. Measurement of partial contents of Cd, Pb, and Zn will be carried out in order to determine if their contents exceed the natural soil background levels of the Labrador Trough. If the partial contents measured are lower than the natural background, the tailings will not be considered leachable under Directive 019 classification.

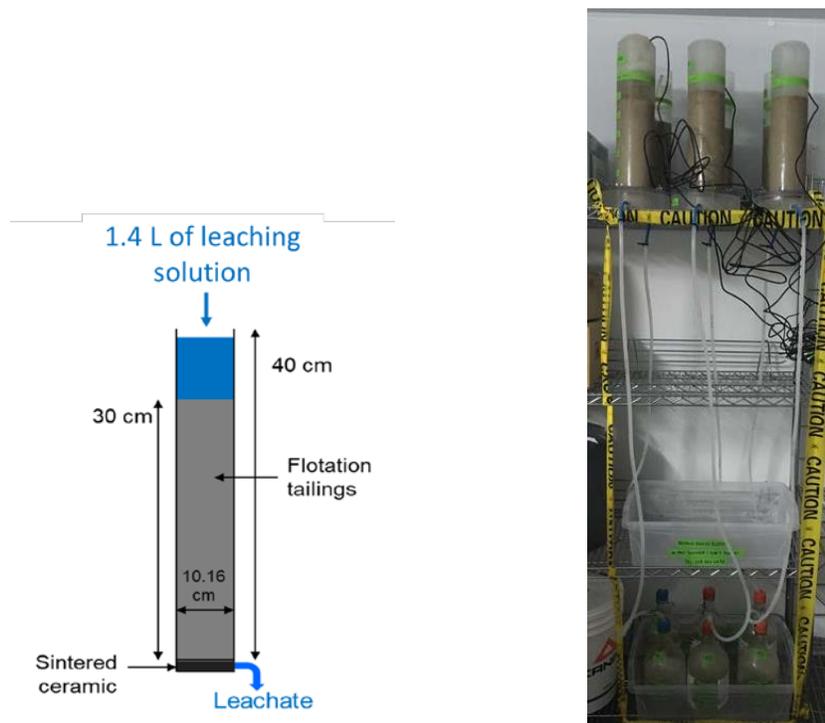


Figure 1: Diagram and laboratory set-up for kinetic testing

The project's next steps include tailings weathering modelling using PHREEQC software. The objectives are to; 1) understand which mineral phases are likely to dissolve or precipitate under



specific conditions, 2) evaluate the transport of elements leached from the flotation tailings, and 3) evaluate the behaviour of the tailings under variable temperature, pH, and salinity.

The current tailing characterization project is anticipated to conclude in December 2020. However, due to the success of the collaboration over the last four years, the Company and the INRS are exploring a continuation of the tailings characterization work under the same funding mechanisms.

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.

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

On Behalf of the Board of Directors
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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, proper mitigation measures could be implemented if any elements are indicated to be potentially problematic to the environment; and that we might continue the tailings characterization work beyond December 2020. These forward-looking statements are



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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 that we may misdiagnose problems or prepare solutions that do not remedy the problems; we may not receive more funding to extend the program; changing costs for mining and processing; increased capital costs; the timing and content of upcoming work programs and reports produced on work done; 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.