



Commerce Resources Corp. Awarded \$160,000 for Research and Development of the Ashram Deposit's Flowsheet

August 25th, 2020 – Commerce Resources Corp. (TSXv: CCE, FSE: D7H0) (the “Company” or “Commerce”) is pleased to announce that it has been awarded a combined total of \$160,000 in grant funding in support of research and development of the Ashram Rare Earth and Fluorspar Deposit's flowsheet. The Ashram Deposit is one of the largest rare earth deposits being advanced globally, with a fluorspar component which also then ranks it as one of the largest fluorspar deposits defined globally.

The research and development program will be carried-out as a collaboration between the Company, Université du Québec en Abitibi-Témiscamingue (UQAT) and Industrial Waste Technology Centre (CTRI). The Company will provide approximately 1.5 tonnes of Ashram Deposit material to be used as feed for the various test programs with the following objectives:

1. Optimization of the flotation process to produce high-grade (>30% REO) mineral concentrate using only this method, and further demonstrate the scale-up of the process from bench to mini-pilot scale
2. Enhancing mineral liberation by using a high-voltage electrical pulse (HVEP) fragmentation method
3. Evaluation of wet screening as a classification approach in the grinding circuit

The research and development programs will be jointly funded through both Provincial and Federal grant mechanisms. The combined value of the grants awarded totals \$160,000 and includes contributions of:

- \$75,000 from the Elements08 Strategic Metals Excellence Centre (Éléments08) – supports the responsible and sustainable mining of strategic resources in Quebec through targeted research and development initiatives
- \$75,000 from the Natural Sciences and Engineering Research Council of Canada (NSERC) – Applied Research and Development (ARD) grant – supports students in advanced studies to promote discovery driven research and foster innovation for the benefit of all Canadians
- \$10,000, collectively, from the UQAT Foundation (FUQAT) and the Institutional Research and Creation Development Fund (FIRC) – both in support of academic research at UQAT

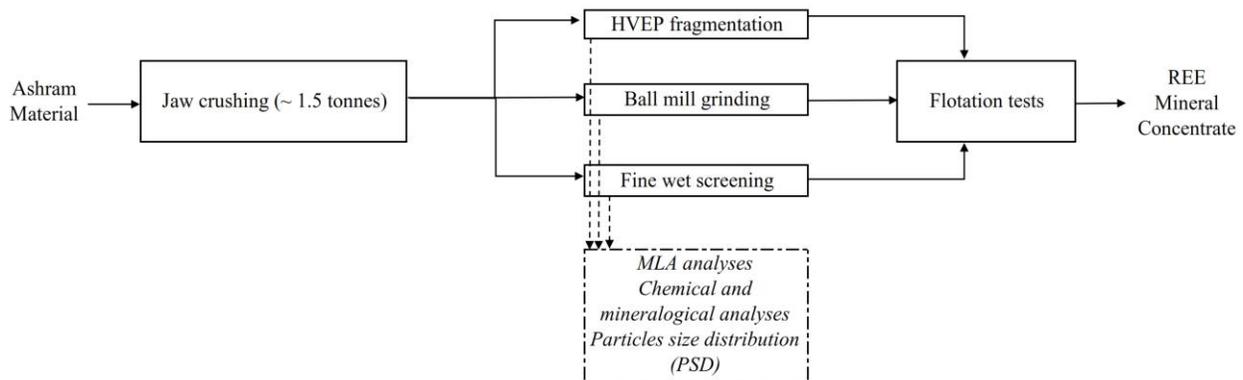


In addition, the Company will provide in-kind contributions totalling approximately \$18,750 consisting of material and geological support, as well as a financial contribution of \$18,750. Collectively, the funding in place for the project totals \$178,750, in addition to the Company's in-kind contributions.

Company President Chris Grove comments: *"the programs that have been outlined by UQAT and CTRI have the potential to provide significant process optimizations and cost efficiencies to the Ashram Project (e.g. energy reductions, improved mineral liberation and flotation performance, etc.), as well as make a strong contribution to academia and the research and development of strategic minerals in Quebec. On behalf of the Company, I would like to thank Éléments08, NSERC, FUQAT, and FIRC for making this funding available in support of this work."*

The various project leads will include Darren L. Smith, the Company's Ashram Project Manager, Jean-François Boulanger, Professor of Hydrometallurgy for the Rare Earth Elements Institute for Research in Mines and Environment (RIME), UQAT, Lucie Coudert, Professor of Hydrometallurgy and mine tailings repurposing for RIME, UQAT, and Nassima Kemache, PhD, Hydrometallurgist, CTRI.

Jean-François Boulanger comments: *"A principal focus of the joint research program involving experts from CTRI, UQAT, and Commerce Resources will be the optimization of the mineral liberation and flotation schemes, used to produce a high-grade rare earth mineral concentrate (>30% REO) for hydrometallurgical processing (cracking). After the initial lab-scale testing phase, pilot-scale operation will be conducted, increasing confidence when scaling-up the developed process."*



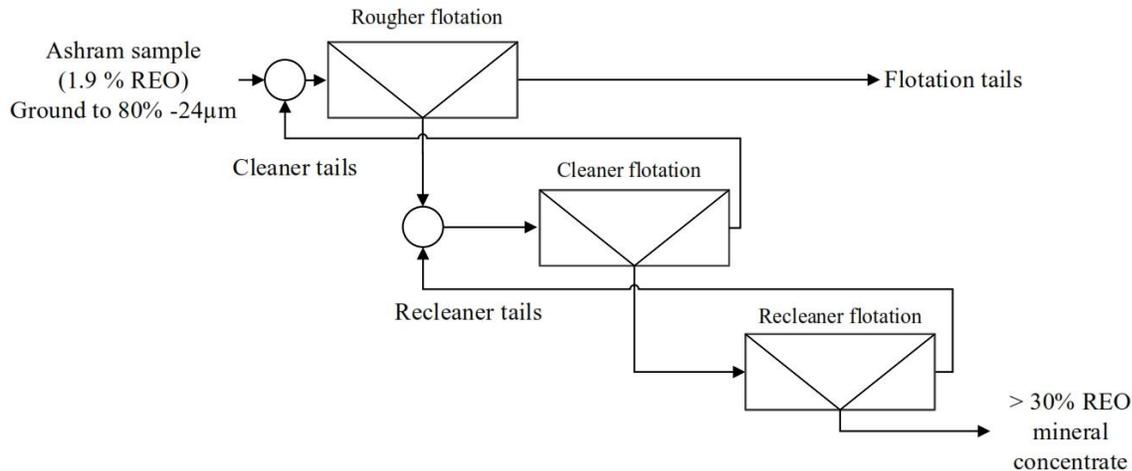


Figure 1: Simplified flowsheet of the grinding and flotation circuits to be evaluated as part of the project

The flotation test work will build upon the significant advancement in cleaner stage performance (i.e. improved grade and recovery), as initially developed by Mr. Boulanger during his time with Université Laval in 2018-2019 (see news release dated December 17th, 2019). Further, mineral liberation is a key determinant in flotation performance and therefore methods such as HVEP fragmentation are of strong interest as candidates to optimize the grinding circuit. The work will also include aspects of predictive modelling, which hold significant potential to reduce test work costs in the rare earth industry. In addition, the test programs will support the rare earth research and development industry in Quebec, through the direct support of a PhD level student and several interns.

The Company is pleased to provide its continued support to the academic and institutional rare earth element research and development industry through the supply of Ashram Deposit material and geological support. The Ashram Deposit outcrops at surface and has allowed for cost-effective collection of large amounts of material for test work. As such, the Company is actively engaged with various research and academic institutions to support the advancement of the REE industry in Canada, and in Quebec specifically.

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



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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.

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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 the Company’s plans to provide approximately 1.5 tonnes of material for the various test programs, that the objectives of those test programs, including the optimization of the liberation and flotation schemes, can be realized, and the Company’s belief that predictive modelling holds significant potential to reduce test work costs in the rare earth industry. 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.