



Commerce Resources Corp. Announces Program to Produce High-Grade REE Mineral Concentrate

November 24, 2020 – Commerce Resources Corp. (TSXv: CCE, FSE: D7H0) (the “Company” or “Commerce”) is pleased to announce that it has initiated a metallurgical program to produce a high-grade rare earth element (REE) mineral concentrate to satisfy a processor’s request. The mineral concentrate will be produced from the Ashram Rare Earth and Fluorspar Deposit using the conventional recovery flowsheet developed at Hazen Research in CO, USA.

The Ashram Deposit’s flowsheet has undergone significant development, including front-end piloting of the grinding, flotation, and leach circuits. The production of the requested mineral concentrate sample is expected to utilize the leach residue that was generated from this piloting completed in late 2015. The leach residue will be processed through the final magnetic separation stage to obtain the desired mineral concentrate grade (i.e. a high-grade monazite mineral concentrate). Following the production of this sample, the Company intends to continue to produce mineral concentrate for downstream processing, including piloting, to various mixed and partially separated rare earth products to satisfy other third-party sample requests.

The Ashram Deposit is one of only a select group of deposits in development globally that can produce mineral concentrate at high recovery (>70%) and high grade (>40% REO). All of the major hard rock REE miners globally produce mineral concentrates of at least 40% REO, which are then used for downstream processing to marketable products. Such high grades of mineral concentrate considerably reduce the downstream processing cost and risk through lower reagent use, fewer deleterious elements entering solution, and a smaller hydromet plant requirement by comparison.

The Company has successfully produced mineral concentrates from the Ashram Deposit exceeding 46% REO at >70% recovery using a conventional flowsheet approach of flotation, leaching, and magnetic separation. The third-party request to receive such a sample from Ashram is significant for several reasons.

Firstly, it is uncommon for mineral concentrates to be marketable outside of China, as the base saleable product is typically a downstream mixed rare earth carbonate or similar, which is the base feedstock to most REE separation facilities globally. Secondly, if successful and the Company is able to directly market a mineral concentrate without the need for a downstream hydromet facility in place, this would allow for a quicker path to production at significantly lower CAPEX and reduced technical risk. Further, it would allow for the downstream high-value product suite envisioned by the Company, which requires a hydrometallurgical facility, to be partially funded with cash flow from mineral concentrate production. As the Ashram Deposit is open-pit and one of the largest rare earth deposits in the world, it has significant flexibility



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in production capacity and ability to service both upstream and downstream rare earth product suites.

As an additional benefit, the Company will also produce a fluorspar concentrate as the tailings to the REE recovery circuit. This will allow for further testwork to upgrade the fluorspar concentrate, expected to initially grade ~80% CaF₂ in the tailings product, to acid-spar. By producing a tailings product of value, the Company is also helping to do its part in advancing the circular economy, specifically in Quebec, where a significant amount of fluorspar is consumed in the aluminum industry, among others.

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.

On Behalf of the Board of Directors

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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 mineral concentrate will be produced from the Ashram using the conventional recovery flowsheet; is expected to utilize the leach residue from 2015; that following the production of this sample, the Company intends to continue to produce mineral concentrate for downstream processing; and that the Company will do further testwork to upgrade the fluorspar concentrate. 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 that the methods proposed don't work as well as expected, the leach residue may not be usable, we may experience difficulties producing concentrate or achieving an upgrade to the concentrate; 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.