



Commerce Resources Corp. Announces the Delivery of Acid-spar Sample

December 31, 2020 – Commerce Resources Corp. (TSXv: CCE, FSE: D7H0) (the “Company” or “Commerce”) is pleased to announce that it has delivered a sample of acid-spar produced from the Ashram Rare Earth and Fluorspar Deposit to an industry major as per their request. The 0.5 kg sample grades >97% CaF₂ and was produced by Hazen Research using the front-end beneficiation approach developed at their facilities in Colorado, USA (See news release dated November 30th, 2020). Hazen Research is also developing the primary rare earth element (REE) recovery flowsheet. Two base approaches have been developed to allow for fluorspar recovery at high-grades and will continue to be evaluated to determine the optimal method while also maximizing the total REE recovery.

Over the past several months, as the Company has demonstrated its ability to recover acid-spar from its Ashram Rare Earth and Fluorspar Deposit, numerous sample requests have been received from various global commodity trading companies, as well as specific end-users. The interest in the market for new sources of fluorspar continues to increase and places the Ashram Deposit in an enviable position to capitalize on a by-product that has negligible impact on its primary REE recovery circuit.

Company President Chris Grove states *“We are very pleased with the positive results achieved by Hazen in the production of this sample of acid-grade fluorspar, and we are excited to have delivered this sample as per industry request. We look forward to the achievement of additional milestones financed by the recent closure of both financings undertaken, and finally, we are very appreciative of the interest we have received from investors in the ongoing developments of our Ashram REE/ Fluorspar Deposit”*.

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. Both REEs and fluorspar are considered critical / strategic commodities by the US Department of the Interior, and the European Union.

Fluorspar Market

Fluorspar is an essential raw material to the steel, aluminum, and chemical industries in two marketable products, acid spar grade and met spar grade.

Acid-spar (>97% CaF₂), accounting for roughly sixty percent of the market, is primarily used to synthesise hydrofluoric acid (HF) and subsequent fluorochemicals, and in the production of



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aluminum metal, to reduce process temperatures and energy consumption. It is also a key raw ingredient of materials used in enhancing the operational performance of lithium-ion batteries.

Met-spar (>60% CaF₂), accounting for roughly forty percent of the global fluorspar market, is primarily used as a flux in the steel making process to lower the melting temperature, to reduce slag viscosity and remove impurities.

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.

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 that the Company can capitalize on a by-product that has negligible impact on its primary REE recovery circuit. 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 we may not be able to sell or profit from the Ashram's fluorspar deposits; 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.