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Commerce Resources Corp. Announces Closing of Private Placement

December 21, 2020 - Commerce Resources Corp. (TSXv: CCE, FSE: D7H0) (the “**Company**” or “**Commerce**”) is pleased to announce that it has completed its previously announced non-brokered private placement (the “**Offering**”), as described in its News Releases dated November 5, 2020 and December 2, 2020, pursuant to which it has issued an aggregate of 15,571,241 units (each, a “**Unit**”) at a price of \$0.21 per Unit for gross proceeds of \$3,269,960.61. Each Unit consists of one common share in the capital of the Company (each, a “**Share**”) and one common share purchase warrant (each, a “**Warrant**”). Each Warrant is exercisable into one additional Share at a price of \$0.29 per Share for a period of five years from the closing date.

The Company paid cash finder’s fees of \$44,116.38 and issued 187,250 finder’s warrants (each, a “**Finder’s Warrant**”) to certain finders in connection with the Offering. The Finder’s Warrants have the same terms and conditions as the Warrants.

The aggregate gross proceeds from the sale of the Offering will be used to advance the developments of the Company’s Ashram REE Deposit in Quebec and for working capital.

The securities issued under the Offering, and the shares that may be issuable on exercise of the Warrants and the Finder’s Warrants, are subject to a statutory hold period expiring four months and one day from the date of closing.

Zimtu Capital Corp., a public company of which David Hodge and Chris Grove, directors and officers of the Company, are directors of, was issued 475,000 Units under the Offering and Jody Dahrouge, a director of the Company, was issued 100,000 Units under the Offering, each of which constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The issuance to the insiders is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Company’s shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the securities issued to the related parties did not exceed 25% of the Company’s market capitalization.

None of the securities sold in connection with the Offering will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.



COMMERCE RESOURCES CORP.

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/ 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
COMMERCE RESOURCES CORP.

"Chris Grove"

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