



Commerce Resources Corp. Confirms Benefits from Flowsheet Simplification

February 9, 2016 - Commerce Resources Corp. (TSXv: CCE, FSE: D7H, OTCQX: CMRZF) (the “Company” or “Commerce”) is pleased to announce that a reduction in flowsheet processing steps has been confirmed at the pilot scale for the Company’s 100% owned Ashram Rare Earth Deposit.

The leach stage pilot plant work completed in 2015 was based upon a “double-leach” process that operated well, resulting in a >99% stage recovery with complete carbonate removal. Further, as a positive development from this piloting, it was demonstrated on the bench scale that this process could be further optimized while using only a single leach. The recently completed “single-leach” mini-pilot plant has now confirmed that process efficiency can be maintained with a reduced number of processing stages, while operating at a larger scale.

Company President Chris Grove states, “The validation of the single-leach process at the pilot scale is an advancement that allows for basic cost reductions as fewer process steps are now required, and fewer reagents are now consumed, while process efficiency is maintained”.

For the single-leach pilot, both batch and continuous methods were tested, using flotation concentrate produced from piloting as feed, with a total throughput of approximately 50 kg and 11 kg respectively. Stage recovery¹ exceeded 98% for both methods, and are expected to exceed 99% after a minor operational adjustment is incorporated. As the single-leach process uses fewer steps, it required only a limited throughput to confirm scale-up.

The leach residues were bench tested through the magnetic separation stage to confirm the residue quality, with high-grade mineral concentrates produced, as targeted, using both methods; 41% TREO at 71% recovery (batch method), and 43% at 71% recovery (continuous method). In addition, the bench scale testwork completed to date using the single-leach process indicates higher overall recoveries are also achievable compared to those of the double-leach process. This will be evaluated further in future pilot plant operations.

The Ashram Project’s beneficiation flowsheet has advanced throughout the ongoing Pre-feasibility Study and now includes three stages of processing to produce among the highest grade mineral concentrates in the rare earth development space; flotation, HCl leach, and magnetic separation. In 2015, the flotation and leach stages were successfully piloted, with a magnetic separation pilot plant, as well as further downstream processing, planned for 2016.

The results of the programs described in this news release will be incorporated, along with other necessary technical data including geological and engineering studies, into the ongoing Pre-feasibility Study with costs and benefits to be described in more detail therein.



- (1) The single-leach process uses a single primary leach only (i.e. no secondary leach), whereby a large majority of the REEs partition to the residue phase while the remaining REEs partition to the liquor phase. The REEs from the liquor phase are fully recovered selectively as a high-grade precipitate, resulting in a negligible loss in the stage (i.e. effectively >99% REE recovery in the leach processing step). The residue is processed through the magnetic separation stage, with the magnetic product then combined with the high-grade precipitate from the liquor to produce a final mineral concentrate.

NI 43-101 Disclosure

Darren L. Smith, M.Sc., P.Geol., Dahrouge Geological Consulting Ltd., a Qualified Person as defined by National Instrument 43-101, supervised the preparation of the technical information in this news release.

Eric Larochelle, Eng., and Alain Dorval, Eng., Manager-Process, Mining and Mineral Processing, of Norda Stelo Inc. (formally Roche Ltd., Consulting Group), Qualified Persons as defined by National Instrument 43-101, reviewed the technical information presented in this news release.

About the Ashram Rare Earth Element Deposit

The Ashram Rare Earth Element (REE) Deposit is located north-eastern Quebec. The Deposit has a measured resource of 1.6 million tonnes (Mt) at 1.77% TREO, an indicated resource of 27.7 Mt at 1.90% TREO, and an inferred resource of 219.8 Mt at 1.88% TREO. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

The REEs at Ashram occur primarily in the mineral monazite and to a lesser extent in bastnaesite and xenotime. These minerals dominate the currently known commercial extraction processes for rare earths. The Ashram Deposit mineralization has an REE distribution with enrichment in the critical and magnet feed REEs (Nd, Pr, Eu, Tb, Dy, and Y).

A Preliminary Economic Assessment (PEA) was completed by SGS-Geostat of Montreal (Blainville) with an effective date of July 5, 2012 (revised date of January 7, 2015). The PEA is based on a 4,000 tonne per day open-pit operation with an initial 25-year mine life, a pre-tax Net Present Value (NPV) of \$2.32 billion at a 10% discount rate, a pre-tax/pre-finance Internal Rate of Return (IRR) of 44%, and a pre-tax/pre-finance payback period of 2.25 years.

This economic assessment is by definition preliminary in nature and it includes inferred mineral resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized. The current Ashram Technical Report dated January 7, 2015 explains why no after-tax case is included, and that a combined tax rate of around 32.5% may apply to production.



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 Deposit in Quebec and the Upper Fir Tantalum and Niobium Deposit in British Columbia.

For more information please visit the corporate website at <http://www.commerceresources.com> or contact Investor Relations at 604.484.2700 or info@commerceresources.com.

On Behalf of the Board of Directors
COMMERCE RESOURCES CORP.

“Chris Grove”

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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. For example forward looking statements in this press release include and are not limited to the statement that stage recoveries are expected to exceed 99% after incorporating minor adjustments; that bench scale testwork indicates that overall higher recoveries will be achieved compared to double-leach process and planning for a magnetic separation pilot plant and further downstream processing in 2016. 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 current data 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; 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.