The Ashram Deposit
Rare Earth Elements/ Fluorspar
Quebec, Canada

3 July 2019
Forward-Looking Information

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This presentation includes industry, market and competitive position data from industry journals and publications, data on websites maintained by private and public entities, including independent industry associations, general publications and other publicly available information. Commerce believes that all of these sources are reliable, but we have not independently verified any of this information and cannot guarantee its accuracy or completeness. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. Further, because certain of these organizations are industry organizations, they may present information in a manner that is more favourable to the industry than would be presented by an independent source. In addition, forecasts are often inaccurate, especially over long periods of time. References in this presentation to research reports or articles should not be construed as depicting the complete findings of the entire referenced report or article. The information in each report or article is not incorporated by reference into this presentation.

Cautionary Notes regarding Technical Information: This presentation includes disclosure of scientific and technical information, as well as information in relation to the calculation of resources, with respect to the Ashram Rare Earth Project and the Blue River Tantalum/Niobium Project. Commerce’s disclosure of mineral resource information is governed by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time by the CIM ("CIM Standards"). There can be no assurance that mineral resources will ultimately be converted into mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Further information about the Blue River Tantalum/Niobium Project, including information relating to quality assurance and quality control procedures, is available in accordance with NI 43-101 within the Technical Report entitled “NI 43-101 Blue River Tantalum-Niobium Project, British Columbia, Canada” with an effective date of March 18, 2015, a copy of which is filed under Commerce’s profile on SEDAR at www.sedar.com. Further information about the Ashram Rare Earth Project, including information relating to quality assurance and quality control procedures, is available in accordance with NI 43-101 within the Technical Report entitled “NI 43-101 Technical Report – Preliminary Economic Assessment – Ashram Rare Earth Deposit” with an effective date of July 5, 2012 (revised date of January 7, 2015), a copy of which is filed under Commerce’s profile on SEDAR at www.sedar.com.

The technical information in this presentation has been prepared in accordance with the Canadian regulatory requirements set out in NI 43-101 and reviewed on behalf of the Company by Mr. Darren Smith, M.Sc., P.Geol., of Dahrouge Geological Consulting Ltd., a Qualified Person.
## Financial Summary

### Corporate Information

<table>
<thead>
<tr>
<th>Listings</th>
<th>TSX-V (Canada): CCE</th>
<th>FSE (Germany): D7H</th>
<th>USA: CMRZF</th>
</tr>
</thead>
</table>

| Source: Commerce Resources, Capital IQ, Deloitte |

### Share Performance

<table>
<thead>
<tr>
<th>Share Price (3 July, 2019)</th>
<th>$0.07</th>
</tr>
</thead>
<tbody>
<tr>
<td>52 Week High</td>
<td>$0.11</td>
</tr>
<tr>
<td>52 Week Low</td>
<td>$0.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shares Issued</th>
<th>310M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average 90-day Volume</td>
<td>Canada: 350k</td>
</tr>
<tr>
<td></td>
<td>Frankfurt: 500k</td>
</tr>
</tbody>
</table>

| Market Cap                 | $21.5M |

### Capital Objectives

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Separated Oxides sample production</th>
<th>$3M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 2</td>
<td>PFS/ BFS</td>
<td>$15M</td>
</tr>
</tbody>
</table>

### Institutional Ownership

<table>
<thead>
<tr>
<th>Ressources Québec</th>
<th>6.47%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zimtu Capital Corp</td>
<td>5.69%</td>
</tr>
<tr>
<td>Marquest Asset Management</td>
<td>2.43%</td>
</tr>
</tbody>
</table>
Experienced Team

Axel Hoppe  
*PhD. Chem. Chairman*  
Internationally acknowledged leader in the global tantalum market  
Formerly Head of Technical Services and Engineering Group for H.C. Starck; the world’s largest consumer of tantalum  
President of the Tantalum and Niobium International Study Center for the years 2002 and 2007

David Hodge  
*Chief Executive Officer*  
Veteran resource executive with over 20 years experience  

Chris Grove  
*President*  
Corporate Communications for Commerce Resources since 2004  
Has established significant financial contacts in North America, Europe, and Asia  
Has been instrumental in raising over $70 million dollars for Commerce Resources over the past 10 years

Darren Smith  
*M.Sc, P.Geol, Ashram Project Manager*  
Project Manager for Ashram Rare Earth Project  
Instrumental in the discovery of the Ashram Rare Earth Deposit and its advancement  
Over ten years of experience in the mineral exploration industry

Mireille Smith  
*M.Env, Ashram Social & Environmental Sustainability Manager*  
Instrumental in Commerce Resources being awarded the 2015 e3 Plus Award from the AEMQ for high level of environmental and social responsibility, & adherence to industry best practices relating to the company’s Eldor Property exploration and Ashram Project development
Three Critical Minerals Projects

- **Two Advanced Projects,**
- **One Early-stage project**
  (Option Agreement with Saville Resources)

- **Ashram Rare Earth Project, Eldor Property, Quebec:**
  - Major high-grade, large tonnage rare earth deposit, with middle and heavy rare earth enrichment confirmed
  - Pre-feasibility Study underway

- **Upper Fir Tantalum / Niobium Project, Blue River, BC:**
  - Largest production scenario for tantalum globally
  - PEA released 2011
  - Advancing towards Pre-feasibility Study

- **Niobium Claim Group**
  - Historic grades (2007 – 2018) up to 16% Niobium
  - Earn In Agreement with Saville Resources announced 2018 - $5 Million for 75%
  - 2019 – First drill program completed – 1,000m, yielding highlight of: **1.10% Nb2O5 over 5.4m**

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1. Results of the PEA represent forward-looking information. 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 preliminary economic assessment will be realized. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.
LIFE circa 2019 – dependant on REE’s
LIFE circa 2019 – dependant on REE’s
A Short History of the Non-Chinese Opportunity in REE’s

- 2002 – China dominates REE supply with Government subsidies and lowers global REE prices to make Molycorp (MCP) uneconomic and Mountain Pass is put on care & maintenance
- 2005 – China installs 2 tiered pricing system to drive manufacturing into China to access cheaper priced domestic REE feed stock
- 2005 – In regards 2 tiered pricing system, Rhodia (Solvay) and Hitachi, as well as others, set up processing and manufacturing within China
- 2005 – The Rest of the World (ROW) realizes there is an opportunity to provide an alternate source of REE’s
- 2005 – Estimated 460 REE projects are brought to market, but less than 1% share fundamentals with current REE producers including Commerce Resources
- 2010 – The Senkaku Boat Incident – Chinese producers halt all shipments of REE’s to Japan
- 2010 – REE prices rise as much as 3,000%
- 2010 – ROW begins R & D drive to find economic substitutes for the REE’s
- 2010 – MCP announces re-starting production with new lower cost “Phoenix” process
A Short History of the Non-Chinese Opportunity in REE’s

- 2011 – REE prices reach all-time highs in March and then begin fall off
- 2012 – 2 tiered pricing system ruled “Illegal” by the World Trade Organization and prices “equalize” and continue to fall
- 2012 – Lynas begins mining in Australia, and processing in Malaysia; public outcry about radioactive waste
- 2015 – MCP losses amount to ~$1 Million USD per day – Bankruptcy announced in June, Phoenix never worked at scale
- 2016 – ROW concludes there are no substitutes for the REE’s in magnet manufacturing, and prices have reverted to where additional R & D is abandoned
- 2017 – REE prices begin rise, REE prices spike in summer 2017
- 2018 – China announces imported REE feed stock surpasses domestic production – REE imports from North Korea, Myanmar, Vietnam and the United States (Mountain Pass)
- 2018 - ~20 Non-Chinese REE projects active, ~10% share fundamentals with current REE producers including Commerce Resources
- 2018 – Malaysian Government forms committee to conduct review of operating license for radioactive waste at Lynas plant
2010-2012 Rare Earth Element Crisis

Senkaku Boat Incident, September 2010
2010-2012 Rare Earth Crisis
Current Global REE Market

Rare Earths Supply & Demand 2010-2020
October, 2018:
• Imported REE feedstock surpasses Chinese domestic REE production.*
• Chinese Government actively shuttering polluting REE mining projects.
• The era of lower-cost, environmentally damaging mining in China has ended.
• Current suppliers of REE feed to China – Myanmar, North Korea, Vietnam, United States, Australia (Lynas).
• Future suppliers of REE feed to China – Africa and Greenland.

*Source: Baiinfo, Oct. 2018
Introduction to the Ashram Project

Attractive Jurisdiction

- Northern Quebec (Nunavik territory), Canada
  - ~130 km south of Kuujjuaq, the administrative centre of Nunavik
- Territory is under treaty (JBNQA & NEQA)
  - Modern agreement with clear mechanisms in place for indigenous dialogue, consultation, and resource management

100% Ownership – One Claim Block (115 km²)

- Control over entire prospective district
  - REE, Nb, Ta, Fluorspar, Phosphate

Advancing Infrastructure

- Quebec government’s Société du Plan Nord mandated to promote investment in northern development
  - Energy & Mineral resource development
  - Transportation infrastructure & access

Investment of Ressources Québec

- Direct equity investment of $1 M CAD on February 17, 2017

The government of Quebec, through Investissement Québec and the Société du Plan Nord, arranged financing and construction of the 245 kilometre long road for the Renard Diamond Project owned by Stornoway Diamond Corporation
Ashram Project Advantages

Simple mineralogy amenable to reproducible high-grade mineral concentrates (fundamental to low-cost processing)
• 42% TREO at 76% recovery, 46% TREO at 71% recovery, and 49% TREO at 63% recovery
• Monazite, bastnaesite, & xenotime rare earth mineralogy, with all sharing conventional processing characteristics

By-product potential with no negative impact on REE flowsheet/recoveries
• Fluorspar

One of the highest grades of the large tonnage, advanced-stage REE deposits
• Measured resource of 1.6 million tonnes (Mt) at 1.77% TREO, an indicated resource of 28 Mt at 1.90% TREO, and an inferred resource of 220 Mt at 1.88% TREO

Favourable and well-balanced REE distribution, with enrichment in the Magnet Feed REE’s (Nd, Pr, Tb, Dy)
• Anchored by Magnet Feed REEs (Nd, Pr, Tb, Dy) with strongest market fundamentals over the near, mid, and long-term
• Primary mineralized zone contains 24% combined NdPr (19% Nd, 5% Pr) with significant Dy (0.9%) and Tb (0.2%)

Robust economics indicated from Preliminary Economic Assessment (PEA) completed in May 2012
• Pre-tax$ NPV of $2.3 billion CAD, IRR of 44%, payback period of 2.25 years, and a 25 year initial mine-life
• CAPEX of $763 million CAD (including sustaining capital) and OPEX of $7.91/kg (in CAD) of REO produced (to mixed REC)
• Mineralized from surface with industry low strip ratio (0.2:1), allowing for a relatively low-cost, open-pit operation

Located in a mining friendly jurisdiction
• Quebec consistently ranked as a top destination globally for mining investment
• Société du Plan Nord mandated to promote investment in the development of Quebec’s northern resources

Strong management team with expertise in project development and rare metals
• Management and Directors have extensive experience in exploration, development, and rare metal markets

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1. Results of the PEA represent forward-looking information. 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 preliminary economic assessment will be realized. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

2. The current Ashram Technical Report dated January 7, 2015 explains why no after-tax case is presented, and that a combined tax rate of around 32.5% may apply to production.
Mineralogy and Geology

1. Over 150 rare earth minerals exist, but only 4 have been commercialized (monazite, bastnaesite, xenotime, and loparite)
   • Monazite, bastnaesite, and xenotime account for >80% of global REO production, current and historic
     • Remainder is dominated by the ion-absorption type clay deposits in China

2. Only monazite, bastnaesite, and xenotime mineralogies are amenable to producing high-grade mineral concentrates of >40% REO (up to ~75% REO)

3. The host rock type for >80% of current global REO production is carbonatite
   The Ashram Deposit has all of these traits, along with a demonstrated ability to produce high-grade (>45% REO) mineral concentrates at high recoveries (>75%)
# Global REO Producers and the Ashram Deposit

## Simple Rare Earth Mineralogy is Fundamental to Production

<table>
<thead>
<tr>
<th>Deposit/Region</th>
<th>Stage (~% of global production)</th>
<th>Deposit Type</th>
<th>Primary Rare Earth Mineralogy</th>
<th>Deposit Grade&lt;sup&gt;(4)&lt;/sup&gt; (REO)</th>
<th>Mineral Concentrate Grade&lt;sup&gt;(4)&lt;/sup&gt; &amp; Recovery&lt;sup&gt;(4)&lt;/sup&gt;</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baotou&lt;sup&gt;(1)&lt;/sup&gt;, CHN</td>
<td>Production (45-50%)</td>
<td>Carbonatite&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>Bastnaesite, Monazite</td>
<td>1-6%</td>
<td>Two concentrates 55-65% REO &amp; 35% REO @ 60% combined recovery</td>
<td>Dominates global production, primary iron mine with REO by-product</td>
</tr>
<tr>
<td>Sichuan&lt;sup&gt;(2)&lt;/sup&gt;, CHN</td>
<td>Production (15-20%)</td>
<td>Carbonatite</td>
<td>Bastnaesite</td>
<td>2-3%</td>
<td>60-70% REO @ &gt;80% recovery</td>
<td>Second largest producing region globally</td>
</tr>
<tr>
<td>Weishan, CHN</td>
<td>Production (&lt;2%)</td>
<td>Carbonatite</td>
<td>Bastnaesite</td>
<td>1-3%</td>
<td>Two concentrates 60% REO &amp; 35% REO @ 80% combined recovery</td>
<td>Head grade is falling, lower quality material</td>
</tr>
<tr>
<td>Mount Weld (CLD), AUS</td>
<td>Production (5-10%)</td>
<td>Carbonatite (laterite)</td>
<td>Monazite (secondary)</td>
<td>7-11%</td>
<td>35-40% REO @ 70% recovery</td>
<td>Laterite poses significant technical challenges</td>
</tr>
<tr>
<td>Ashram, CAN</td>
<td>Development</td>
<td>Carbonatite</td>
<td>Monazite, Bastnaesite</td>
<td>2%</td>
<td>45-50% @ &gt;75% recovery</td>
<td>Unique enrichment in Pr, Nd, Dy, Tb</td>
</tr>
<tr>
<td>Placers, SE Asia</td>
<td>Minor Producers (&lt;3%)</td>
<td>Placer (heavy sands)</td>
<td>Monazite, Xenotime</td>
<td>&lt;0.2% (wide variation)</td>
<td>50-60% REO @ &gt;80% recovery</td>
<td>Source of HREO, REO co-product with Ti-Zr…</td>
</tr>
<tr>
<td>Karnasurt, RUS (Lovozero)</td>
<td>Production (&lt;3%)</td>
<td>Granitoid</td>
<td>Loparite</td>
<td>0.9%</td>
<td>30% REO @ 70% recovery</td>
<td>Unique to Russia, REE by-product of Nb-Ta-Ti</td>
</tr>
<tr>
<td>South China Clays, CHN</td>
<td>Production (15-20%)</td>
<td>Clay</td>
<td>n/a (ion-absorbed)</td>
<td>0.05-0.2%</td>
<td>n/a</td>
<td>Potentially unique to China, primary source of HREO</td>
</tr>
</tbody>
</table>

<sup>(1) Bayan Obo Mine</sup>  
<sup>(2) Includes Maoniuping and surrounding region</sup>  
<sup>(3) Remains a matter of debate but is trending consensus</sup>  
<sup>(4) Approximate</sup>

Data Source: corporate disclosure, academic publications, & consultants
High-Grade Mineral Concentrate Essential for Production

Ashram is comparable to producers because it hosts the same rare earth minerals that allow for the production of high-grade mineral concentrates – monazite and bastnaesite.

Upper Theoretical Grade Limit\(^{(1)}\)
(pure rare earth mineral concentrate: ~75% REO)

Data Source: corporate disclosure, academic publications, & consultants

\(^{(1)}\) Cerianite may theoretically contain up to 81% REO; however, it is an uncommon RE mineral, and has not been commercialized.
Magnet Feed REO Distribution

Ashram has an enrichment in the Magnet Feed REOs that is superior to leading global producers, thus, better positioning it for the market long-term.

- 5.0% Pr oxide
- 18.6% Nd oxide
- 0.2% Tb oxide
- 0.9% Dy oxide

Data Source: corporate disclosure, academic publications, & consultants

(1) (Pr2O3+Nd2O3+Tb2O3+Dy2O3) / TREO expressed as a %
(2) Includes Maoniuping and surrounding region
Magnets account for about a quarter of rare earths consumption

- Magnetics
- Petroleum cracking
- Polishing powder
- Batteries
- Metallurgy
- Automotive catalyst
- Glass additives
- Luminescent materials
- Others

Source: China International Capital Corp.
The majority of REE supply is from China. Security of supply is a major issue for the Western World.

<table>
<thead>
<tr>
<th>Region / Deposit</th>
<th>Stage (~% of global production)</th>
<th>Deposit Type</th>
<th>Primary Rare Earth Mineralogy</th>
<th>Production Costs</th>
<th>Host Country Proven US Ally</th>
<th>Conventional Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHINA (Hardrock)</td>
<td>Production (60-70%)</td>
<td>Carbonatite</td>
<td>Bastnaesite, Monazite</td>
<td>Low - but rising labour costs</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>RUSSIA</td>
<td>Production (&lt;3%), Development</td>
<td>Various</td>
<td>Loparite,</td>
<td>By-product subsidized</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>Australia/ Malaysia</td>
<td>Producer (5-10%)</td>
<td>Laterite</td>
<td>Monazite (secondary)</td>
<td>High</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>CANADA (Ashram)</td>
<td>Development</td>
<td>Carbonatite</td>
<td>Monazite, Bastnaesite</td>
<td>Low - simple processing, with Innovation continuing to reduce costs</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

The Ashram Deposit is the most logical alternative to Chinese REE dominance.

Ashram has the potential to be cost competitive with China, and the lowest cost REE producer outside of China.
Evolution of Ashram Model – MHREO Zone

Definition of near-surface MHREO Enriched Zone by the end of 2011:

Ashram remains open to the north, south, at depth, and is not fully constrained to the east and west. Mineralized footprint is 700 m along strike, over 500 m across, and 600 m deep.
**Updated NI 43-101 Resource Completed in 2012**

**Ashram (Total Resource\(^1,2\))**

| Resource Category | Tonnage (Mt) | La\(_2\)O\(_3\) (ppm) | Ce\(_2\)O\(_3\) (ppm) | Pr\(_2\)O\(_3\) (ppm) | Nd\(_2\)O\(_3\) (ppm) | Sm\(_2\)O\(_3\) (ppm) | Eu\(_2\)O\(_3\) (ppm) | Gd\(_2\)O\(_3\) (ppm) | Tb\(_2\)O\(_3\) (ppm) | Dy\(_2\)O\(_3\) (ppm) | Ho\(_2\)O\(_3\) (ppm) | Er\(_2\)O\(_3\) (ppm) | Tm\(_2\)O\(_3\) (ppm) | Yb\(_2\)O\(_3\) (ppm) | Lu\(_2\)O\(_3\) (ppm) | Y\(_2\)O\(_3\) (ppm) | TREO* (%) | MH/T Ratio | F (%) | CaF\(_2^*\) (%) |
|-------------------|--------------|------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------|----------------|----------------|
| Measured          | 1.6          | 4158                   | 7865                   | 859                   | 3102                   | 475                    | 121                    | 297                    | 33                     | 139                    | 20                     | 41                     | 5                      | 24                     | 3                       | 583             | 1.77           | 9.8%           | 3.76            | 7.7             |
| Indicated         | 27.7         | 4960                   | 8747                   | 909                   | 3131                   | 403                    | 94                     | 229                    | 23                     | 93                     | 13                     | 28                     | 3                      | 16                     | 2                       | 378             | 1.90           | 6.7%           | 2.89            | 5.9             |
| Inferred          | 219.8        | 4895                   | 8775                   | 911                   | 3137                   | 386                    | 88                     | 209                    | 20                     | 77                     | 10                     | 22                     | 2                      | 13                     | 2                       | 302             | 1.88           | 6.0%           | 2.21            | 4.5             |

Note: *COG 1.25% TREO (BASE CASE); CaF\(_2^*\) approximated from F (2.055 conversion factor) based on mineralogy

**Ashram (MHREO Resource\(^1,2,3\))**

| Resource Category | Tonnage (Mt) | La\(_2\)O\(_3\) (ppm) | Ce\(_2\)O\(_3\) (ppm) | Pr\(_2\)O\(_3\) (ppm) | Nd\(_2\)O\(_3\) (ppm) | Sm\(_2\)O\(_3\) (ppm) | Eu\(_2\)O\(_3\) (ppm) | Gd\(_2\)O\(_3\) (ppm) | Tb\(_2\)O\(_3\) (ppm) | Dy\(_2\)O\(_3\) (ppm) | Ho\(_2\)O\(_3\) (ppm) | Er\(_2\)O\(_3\) (ppm) | Tm\(_2\)O\(_3\) (ppm) | Yb\(_2\)O\(_3\) (ppm) | Lu\(_2\)O\(_3\) (ppm) | Y\(_2\)O\(_3\) (ppm) | TREO* (%) | MH/T Ratio | F (%) | CaF\(_2^*\) (%) |
|-------------------|--------------|------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------|----------------|----------------|
| Measured          | 1.1          | 3690                   | 7336                   | 831                   | 3100                   | 513                    | 134                    | 330                    | 38                     | 163                    | 23                     | 48                     | 5                      | 27                     | 3                       | 685             | 1.69           | 12%            | 4.18            | 8.6             |
| Indicated         | 5.4          | 3512                   | 7047                   | 804                   | 3015                   | 480                    | 125                    | 310                    | 36                     | 153                    | 21                     | 44                     | 5                      | 25                     | 3                       | 624             | 1.62           | 11%            | 3.90            | 8.0             |
| Inferred          | 2.8          | 3423                   | 6823                   | 783                   | 2910                   | 448                    | 115                    | 289                    | 34                     | 145                    | 21                     | 43                     | 5                      | 25                     | 3                       | 605             | 1.57           | 11%            | 3.43            | 7.0             |

Note: *COG 1.25% TREO (BASE CASE); CaF\(_2^*\) approximated from F (2.055 conversion factor) based on mineralogy

**REE Distributions**

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1. Mineral resources are not mineral reserves as they do not have demonstrated economic viability
2. Includes results to end of 2011 drilling (15,692 m over 45 drill holes)
3. The MHREO Resource is contained within the Ashram Total Resource
Disclosure Notice – Ongoing PFS

The Pre-feasibility Study (PFS) is ongoing, with the results of the work described herein anticipated to be incorporated, along with other necessary technical data including geological and engineering studies, into the PFS with costs and potential benefits to be described in more detail therein. As the PFS is not yet completed, its results are not known, with discussion presented herein considered preliminary in nature, and based on certain expectations that may or may not change.

In addition to the potential benefits disclosed in this presentation, there could be risks, costs, and detriments which increase as compared to the Preliminary Economic Assessment (PEA) last filed on the Ashram Project by the Company (effective date of July 5, 2012 – revised date of January 7, 2015). Readers should consider the disclosure of potential benefits in this presentation as only one potential aspect of the economics of the overall project, many of which are currently unknown.
Commitment to Environmental & Social Responsibility

Recipient of the 2015 e3 Plus award from AEMQ for high level of environmental and social responsibility, & adherence to industry best practices.

From left to right: Frank Mariage, President of Association de l'exploration Minière du Québec (AEMQ)/ Mireille Smith, Ashram Social and Environmental Sustainability Manager/ Darren Smith, Ashram Project Manager
**PFS\(^1\) (Ongoing) – Haul Road Route Optimization**

Considerable optimization of haul road route has been completed as part of the ongoing PFS\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>PEA</th>
<th>PFS(^1)</th>
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<tbody>
<tr>
<td><strong>Route Length</strong></td>
<td>185 km</td>
<td>180 km</td>
</tr>
<tr>
<td><strong>Bridges</strong></td>
<td>3 (40 m, 50 m, 60 m)</td>
<td>3 (22 m, 28 m, 42 m)</td>
</tr>
<tr>
<td><strong>Study Diligence</strong></td>
<td>Google Earth</td>
<td>Air photos, satellite imagery, helicopter fly-over, ground truthing</td>
</tr>
<tr>
<td><strong>Terminus</strong></td>
<td>Docking Facility at Mackay’s Island</td>
<td>Barge Facility at KR1, located ~16 km north of Mackay’s Island</td>
</tr>
<tr>
<td><strong>Haul Road</strong></td>
<td>Estimated CAPEX ($204 M ($1.1 M per km))</td>
<td>$135 to $165 M(^1) ($0.74 M to $0.89 M per km)</td>
</tr>
<tr>
<td><strong>Loading Facility</strong></td>
<td>Estimated CAPEX ($42 M)</td>
<td>Barge Facility ($20 to 30 M)(^1)</td>
</tr>
<tr>
<td><strong>TOTAL ESTIMATED CAPEX</strong></td>
<td>$246 M</td>
<td>$155 M to $195 M</td>
</tr>
</tbody>
</table>

**Comments**

Compared to PEA, the PFS route is projected to be less technically challenging, and less costly to construct.

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\(^1\) The Pre-feasibility Study (PFS) is ongoing. Costs and figures presented have been estimated as part of the ongoing PFS. All costs remain preliminary in nature and can only be considered final with the completion of the PFS. See additional disclosure notice on slide 32.
PFS¹ (Ongoing) Anticipated Mine to Market Scenario

Targeted annual production capacity of **3,000 to 5,000 tonnes REO** (modular approach), with evaluation of saleable products ongoing through discussion with end-users & market consultants

- Open-pit mine with mineral process plant on-site
  - Flotation concentrate produced
- Trucked north on haul road to barge facility near Ungava Bay
- Transported by boat to hydromet facility in the St. Lawrence Seaway region
- Flotation concentrate processed at hydromet facility to a high-grade mineral concentrate (~45-50% REO), and through to saleable product(s)

**Product Suites being considered**

1. Mixed rare earth carbonate (REC)
2. La-Ce depleted mixed REC, La oxide, Ce carbonate
3. Nd-Pr oxide, La oxide, Ce carbonate, SEG-HRE carbonate
4. Separated REOs via strategic Partner

_A thorough understanding of the entire value chain, and associated end-users, is essential for determining the proper saleable products to be produced_

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¹ Subject to Notice regarding ongoing Pre-Feasibility Study (page 32)
PFS¹ (Ongoing) – Metallurgical Advancements Since PEA

Subsequent work to the PEA has resulted in a refined beneficiation flowsheet that now includes flotation, HCl leaching, & magnetic separation (WHIMS) to produce high-grade rare earth mineral concentrate

- **Now produce mineral concentrate of >45% REO at high recovery (~75%),** whereas the PEA was based upon mineral concentrate grade of only 10% REO at 70% recovery
- **Potential fluorspar by-product** now recovered, whereas the PEA did not incorporate by-products
- **An approximate 80% reduction** in flotation reagent consumables compared to the PEA

Refined flowsheet allows for high-grade mineral concentrate to be produced (Beneficiation Process) to use as feed to the Hydromet Process, as well as for a **potential fluorspar by-product** (not included in PEA)

1. Subject to Notice regarding ongoing Pre-Feasibility Study p32
Strategic supply relationship with Glencore

In April 2016, the Commerce Resources signed a Binding Memorandum of Understanding with NorFalco Sales for sulphuric acid supply

- NorFalco to be the sole provider of sulphuric acid (H2SO4) for the Ashram Rare Earth Element Project.

- Highly competitive market rates and terms.

- NorFalco is a division of Glencore Canada Corporation.

- Glencore is a global commodities trader, including acid-grade fluorspar – feedstock for the production of hydrofluoric acid (HF).

2019: Fluorspar prices hit US$600/ ton - poised to break all-time highs.
Objective: Full demonstration of flow sheet, using bench and pilot scale testwork, through to the production of several kilograms of REE concentrate (mixed and partially separated)
Pilot Plant Concentrate Samples Requested

Solvay/Rhodia
Mitsubishi Corporation RtM Japan
Treibacher Industrie AG
BASF SE
DKK
Auer-Remy GmbH
Less Common Metals

USA Requests
Albemarle, Blue Line (TX), Ucore Rare Metals (UT), Rare Earth Salts (NB), Texas Rare Minerals / K-Tech (FL), University of Tennessee, Tufts University (MA)
Advantages of Offtake Agreement with Commerce Resources

• **Captive source** for the next 100+ years based on current projected production scenario.

• **Price stability** – fosters ability to make accurate economic projections of margins

• **Strategic commodity** sourced from a stable strategic ally.
Summary Highlights

✓ Deposit is high tonnage with geology, mineralogy, and REE distribution that compare favourably to major REE producers globally

✓ Well-balanced REE distribution containing significant amounts of the Magnet Feed REEs (Nd, Pr, Tb, Dy) from surface to depth, with a highly enriched MHREO Zone near surface

✓ Flowsheet is simple with the flexibility to produce many different REE concentrates for industry processors and manufacturers

✓ Flowsheet currently produces a potentially saleable met-grade fluor spar concentrate (>60% to 94% CaF2) as the tailings to the REE mineral concentrate (i.e. no additional processing)

✓ Flowsheet able to produce high-grade mineral concentrates (>45% TREO) at high recovery (>75%) that are comparable to producers

Note: The technical information in this presentation has been prepared in accordance with the Canadian regulatory requirements set out in NI 43-101 and reviewed on behalf of the company by Mr. Darren Smith, M.Sc., P.Geol., of Dahrouge Geological Consulting Ltd., a Qualified Person.
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