COMMERCE RESOURCES CORP.

Commerce Resources Corp. Provides Summary Update on the Ashram Rare Earth Deposit and its Development

July 5, 2019 – Commerce Resources Corp. (TSXv: CCE, FSE: D7H) (the "Company" or "Commerce") is pleased to provide its shareholders with an update on the status of the Ashram Rare Earth Deposit and its development, including an overview of forecasted next steps, collectively referred to as the "Ashram Project". The Ashram Deposit is located approximately 130 km south of Kuujjuaq, in the Nunavik region of Quebec, and is held 100% by the Company with no underlying royalties.

As a set of next steps, based upon industry interest in the Ashram Project and the progress of its development to date, it is the Company's intent to restart the pilot plant program at Hazen Research in Colorado, and to produce several kilograms of representative rare earth samples for delivery to those companies requesting such. In addition, the Company intends to complete a bench-scale program to upgrade its met-grade fluorspar concentrate to acid-grade and provide a sample of this higher value product to Glencore as per their request. These metallurgical work programs are planned to be completed concurrently to other Ashram Project components, as the Prefeasibility Study is advanced.

The Ashram Deposit shares key characteristics with current and past producing rare earth element (REE) deposits globally, such as Bayan Obo (China), Maoniuping (China), and Mountain Pass (USA). Such characteristics include:

1. **Carbonatite hosted mineralization** – a deposit type which dominates rare earth production globally, past and present.

2. **Simple rare earth mineralogy** comprised of monazite, bastnaesite, and xenotime – a mineralogy which dominates rare earth production globally, past and present.

3. **Conventional mineral processing** amenable to high-grade mineral concentrates of >45% rare earth oxide (REO) at high recovery.

4. **Large tonnage at appreciable grade** – measured resource of 1.6 million tonnes (Mt) at 1.77% REO, an indicated resource of 28 Mt at 1.90% REO, and an inferred resource of 220 Mt at 1.88% REO[(1)]

These four characteristics are fundamental to long-term, low-cost rare-earth production. When compared to alternative deposits (e.g. granitoid, complex mineralogy, complex processing, etc.), these four key characteristics result in a relatively smaller metallurgical plant footprint, lower capital and operational expenditures, and therefore, a dramatically reduced technical risk during project development and production.

Metallurgy and Piloting

Since discovery, the Company has completed a significant amount of metallurgical test work on Ashram Deposit material, with a large focus on upstream mineral processing, which encompasses the processing of the mined whole rock through to a mineral concentrate (i.e. the "front-end" of the flowsheet).

This front-end flowsheet work on the Ashram Deposit material has been highly successful, with the result that the Company is now part of a distinct and select group of projects that have demonstrated they can produce high-grade mineral concentrates (>45% REO), at high recovery (>70%), that are comparable to current and past hard rock producers. Further, because of the deposit's simple and well-understood rare earth and gangue mineralogy, conventional processing techniques are applicable and cost effective, with no new technology or proprietary processes required to achieve these high grades and recoveries.

The Company's flowsheet for the Ashram Rare Earth Deposit was developed at Hazen Research Inc. (USA), and in collaboration with Gerhard Merker at UVR-FIA GmbH (Germany). The Company has successfully piloted several components of this flowsheet at Hazen Research including the flotation and HCl leach stages. In addition, using an alternative flowsheet, the Company has produced its first mixed REO sample through its collaboration with Université Laval, thereby further demonstrating the versatility in processing approaches the deposit has as a direct result of its simple and well-understood mineralogy.

In addition to the key deposit characteristics shared with current and past producers, the Ashram Project also hosts several other key attributes that give it a distinct advantage towards development when compared to other projects. These include:

- **Well-balanced REE distribution anchored in the magnet-feed REEs** (Nd, Pr, Tb, Dy) – strongest market fundamentals over the near, mid, and long-term

- **Potentially saleable fluorspar by-product** with no negative impact on REE flowsheet/recoveries. Ashram is one of the world's largest fluorspar deposits. For reference, Bayan Obo, the world's largest rare earth deposit, is also the world's largest fluorspar deposit.

- **Memorandum of Understanding with NorFalco Sales**, a division of Glencore Canada Corporation – supply of sulphuric acid at highly competitive market rates and terms.

- **Letter of Intent with indigenous groups** – Makivik Corporation and Nayumivik Landholding Corporation of Kuujjuaq.

- **Government Investment** – Ressources Quebec completed direct investment of $1M into Company (February 2017)

- **Government Grants** – metallurgy at Université Laval and flotation tailings characterization at L'Institut national de la recherche scientifique (INRS)

- **Located in region subject to a modern land claims agreement** (JBNQA) – structured mechanisms in place for resource management and consultation with indigenous groups.

- **Located in a top-ranked mining jurisdiction** – Quebec, Canada.

- **Amenable to open-pit mining methods –** very low strip ratio (0.2:1).

Since the Ashram Deposit's discovery in 2009, a total of 25,317 m of drilling (BTW, NQ, HQ) over 131 holes and five drill campaigns have been completed. Of this, a total of 15,692 m over 45 holes contributed to the current mineral resource estimate and Preliminary Economic Assessment for the Ashram Project, released in 2012. Since that time, a total of 9,625 m over 86 holes have been completed, including geotechnical and hydrogeological focused holes, and these will form the backbone of a Prefeasibility Study once completed.

All rare earth deposits are unique with their own inherent mineral processing challenges, and REE distribution. The Ashram Deposit is rooted in well-understood mineralogy, and conventional mineral processing, while also characterized by a deposit type that dominates commercial production. The Ashram Project is therefore a key global asset in the rare earth space and carries significant potential for development, and its advancement is the primary objective of the Company to unlock shareholder value.

NI 43-101 Disclosure
Darren L. Smith, M.Sc., P.Geo., Dahrouge Geological Consulting Ltd., a registered 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.

(1) Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

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 we intend to restart the pilot plant program at Hazen Research in Colorado, and to produce several kilograms of representative rare earth samples for delivery to those companies requesting such; that we intend to complete a bench-scale program to upgrade our met-grade fluorspar concentrate to acid-grade and provide a sample of this higher value product to Glencore as per their request; that these metallurgical work programs are planned to be completed concurrently to other Ashram Project components, as the Prefeasibility Study is advanced; and that the Ashram Project carries significant potential for development.. 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 no companies request rare earth samples; that we are unable to upgrade our concentrate to acid grade; that timing of these work programs is delayed; 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; 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.