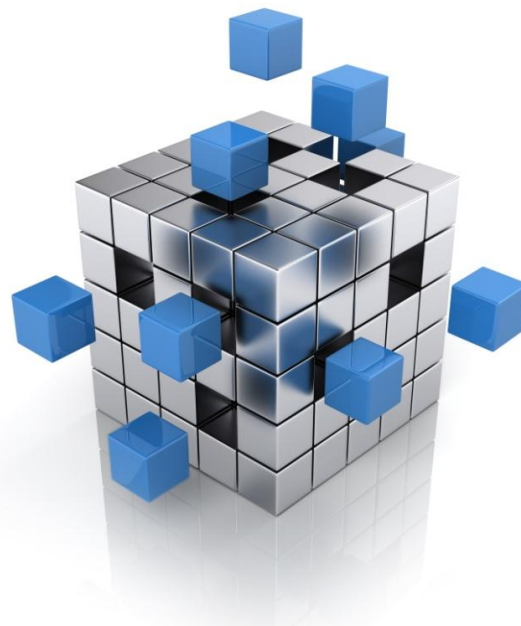


The Ashram Rare Earth Project: A Critical Strategic Asset for a new global reality

18 January 2018



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.

Commerce Resources Corp.

Commerce Resources Corp.

- Canadian junior exploration and development company
- Headquartered in Vancouver, BC, Canada
- Focused on rare metals and rare earth elements (REEs)

Two advanced projects

- Ashram Rare Earth Project, Eldor Property, Quebec:
 - Major high-grade, large tonnage rare earth deposit, with middle and heavy rare earth enrichment confirmed
 - Positive Preliminary Economic Assessment ¹
 - Pre-feasibility Study underway
- Upper Fir Tantalum / Niobium Project, Blue River, BC:
 - Largest production scenario for tantalum globally
 - Advancing towards Pre-feasibility Study



Financial Summary

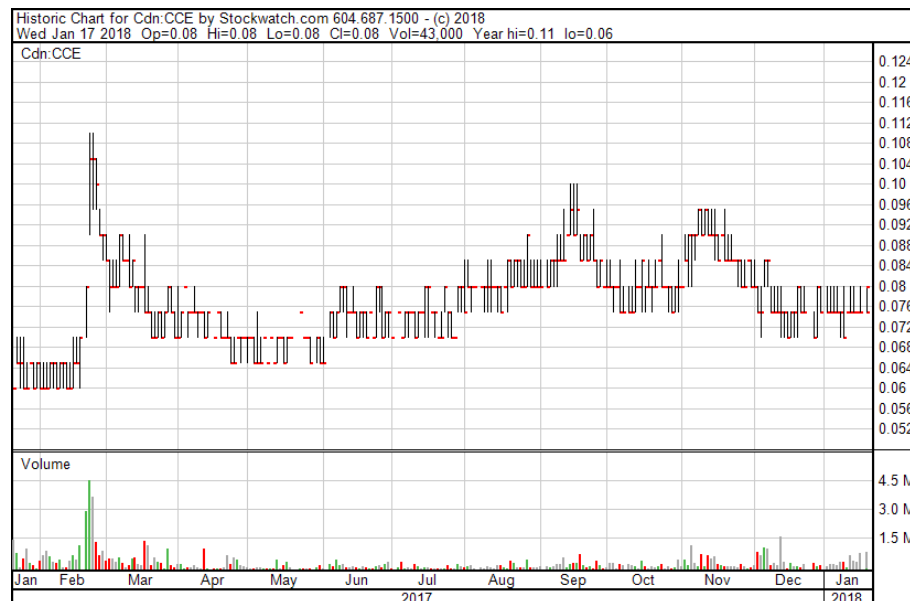
Corporate Information

Listings:	TSX-V (Canada):	CCE
	FSE (Germany):	D7H
	USA:	CMRZF
		\$CAD
Share Price (January 18, 2018)		\$0.08
52 Week High		\$0.11
52 Week Low		\$0.05
Shares Issued		309M
Average 90-day Volume	Canada	350k
	Frankfurt	500k
Market Cap		\$24.7M

Capital Objectives

Phase 1 Project Level Investment	\$25M
Phase 2 Capital Expenditure	TBD

Share Performance



Ownership

Institutional

Ressources Québec	6.47%
Zimtu Capital Corp	5.69%
Marquest Asset Management	2.43%

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

President of Zimtu Capital Corp., founder of Commerce Resources in IPO in 2001.



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



Jenna Hardy

*M.Sc, MBA, P.Geo,
Technical
Services Project
Manager for Blue
River
Tantalum/Niobi
um Project*

Over 20 years as seasoned mining and exploration professional .

REE - Unstoppable Global Paradigm Shift

Global supply chains may be undergoing a profound shift, as China, a significant producer of raw materials and manufacturing output globally, is facing sustained upward pressure on costs, while the west is proving that innovation is the key to long-term competitiveness.

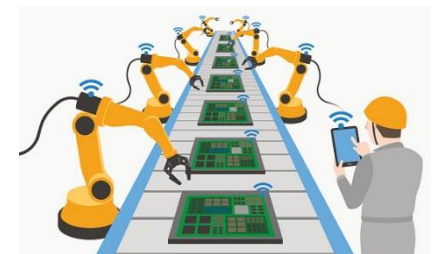
China – Produces more than 80% of rare earth elements globally

- Lower cost of labour, however, this cost is rising as industrial development continues
- Poor environmental standards are now giving way to environmental stewardship & reclamation, thus putting upward pressure on costs – estimate of ~\$80 B (USD)¹ to rehabilitate the rare earth mine workings around Bayan Obo and Baotou, and \$20-30 B (USD)¹ for South China



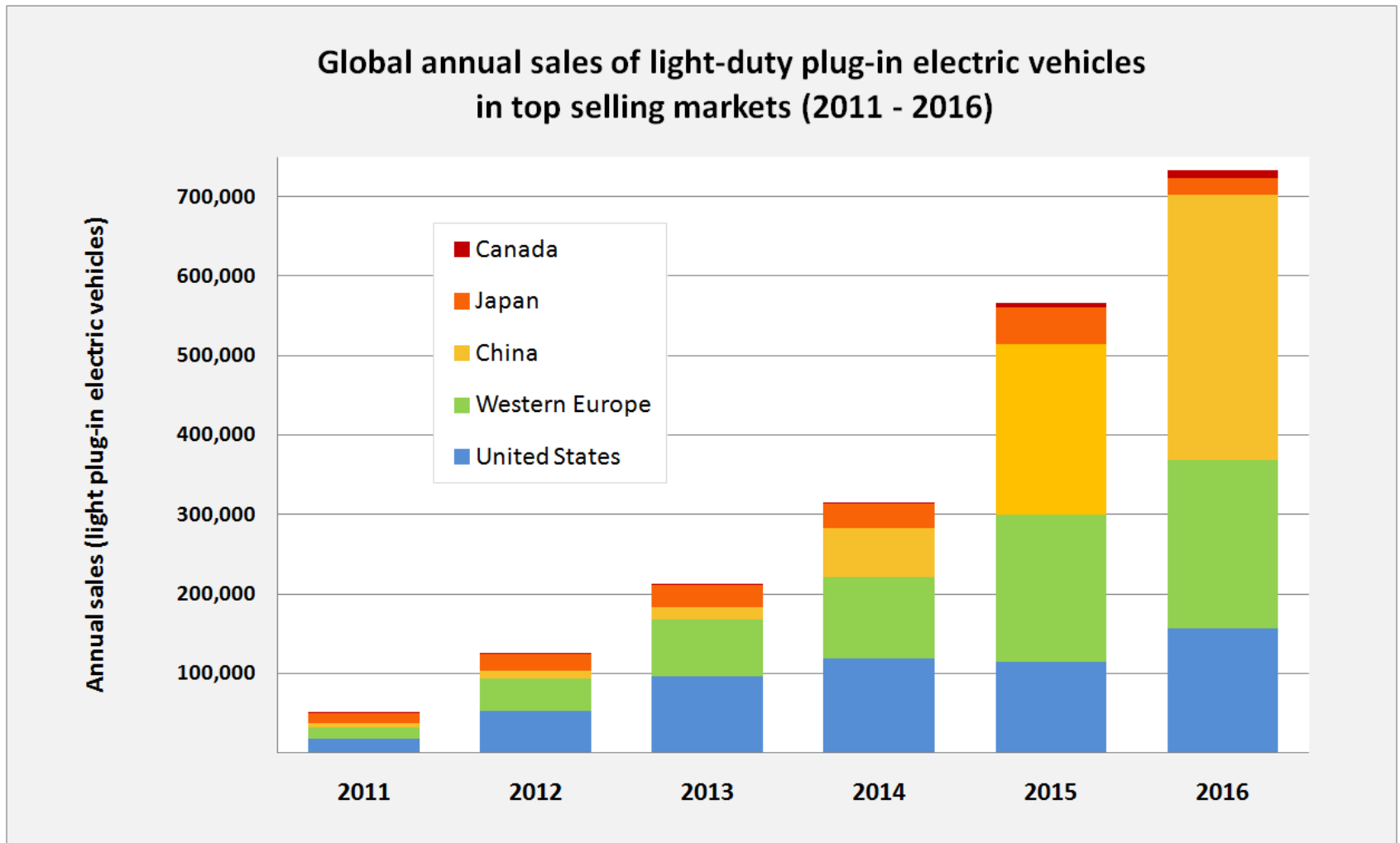
The Western World – No appreciable REE production, outside of Lynas

- Higher cost of labour. However, innovation continues to develop more efficient means of production, thus reducing costs
- Environmental standards are well-established, thus, costs & project impacts are general well-known
- Security of supply is a major concern



As Chinese costs increase from several fronts, the western world's innovation continues to reduce its own, thus narrowing the global gap of competitiveness to where production of raw materials and manufacturing output in the western world is becoming that much more appealing

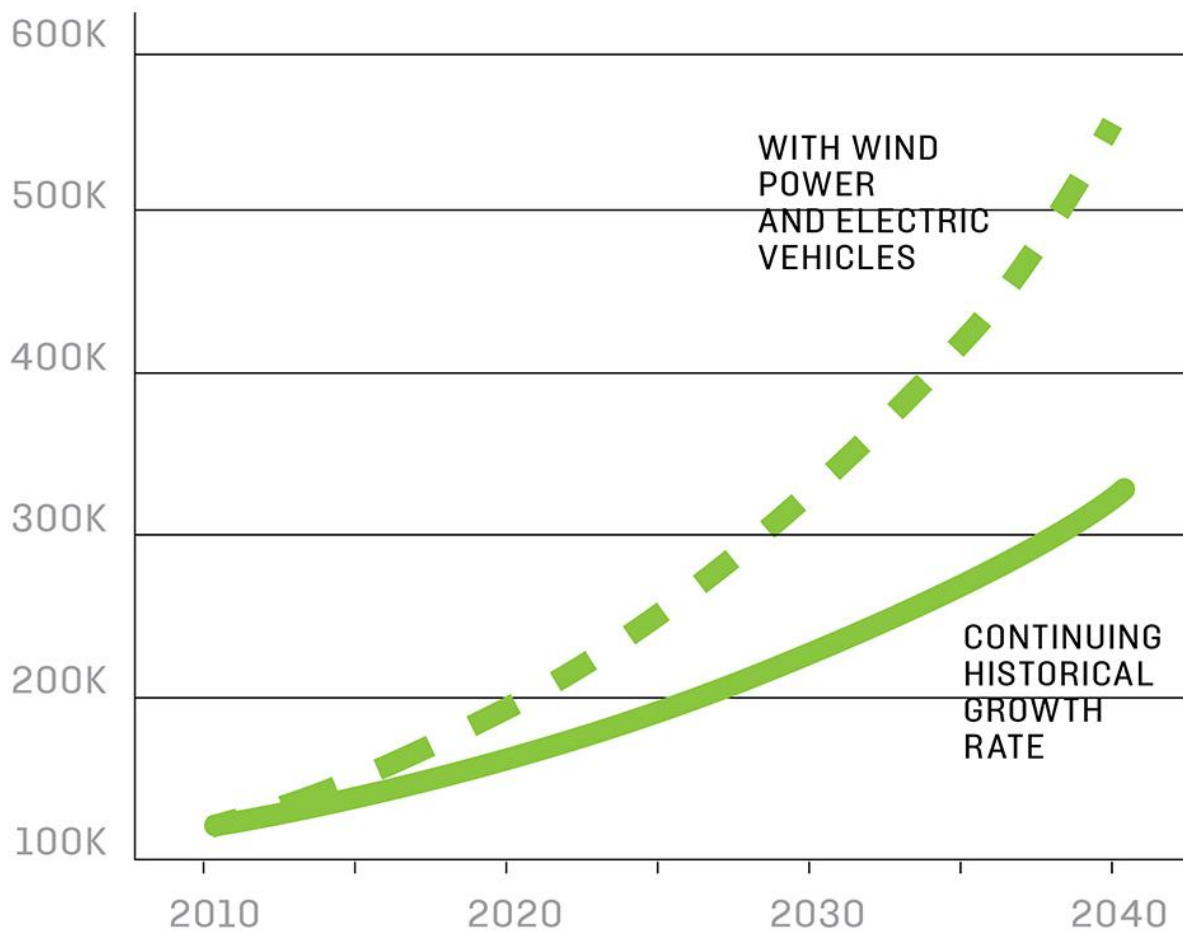
REE - Electric Vehicle Sales



Argonne National Laboratory, Argonne, US Dept.of Energy, February 2016

REE Overall Demand

Projections of Demand (tons)



Source: BMPA 12 July 2016

REE - Western Production Advantages

A major paradigm shift in technology is underway in the industrialized world, and REEs are centrally positioned to benefit from such technological advancements

Transportation of Goods – Electric transport trucks in active development by several companies (Tesla, Nikola, Mercedes-Benz, BMW, ETF) with short-haul already in commercial use

- Potential to dramatically reduce the cost of commercial transportation

Transportation of People – Electric vehicles are experiencing explosive growth in production and a corresponding decrease in cost

- High speed rail using magnetic levitation (Maglev)

Development of Infrastructure – Co-operative, Europe-wide infrastructure build of high speed charging stations – Daimler, Porsche, BMW, Audi, Volkswagen, & Ford



ETF Mining Equipment



HEV car battery
(La, Ce)



Transrapid 09 Maglev train, designed for speeds up to 500 km/hr (Nd, Pr, Tb, Dy)

REEs are used in many of the components that are making this paradigm shift a reality

REE Upward Price Pressure - Current

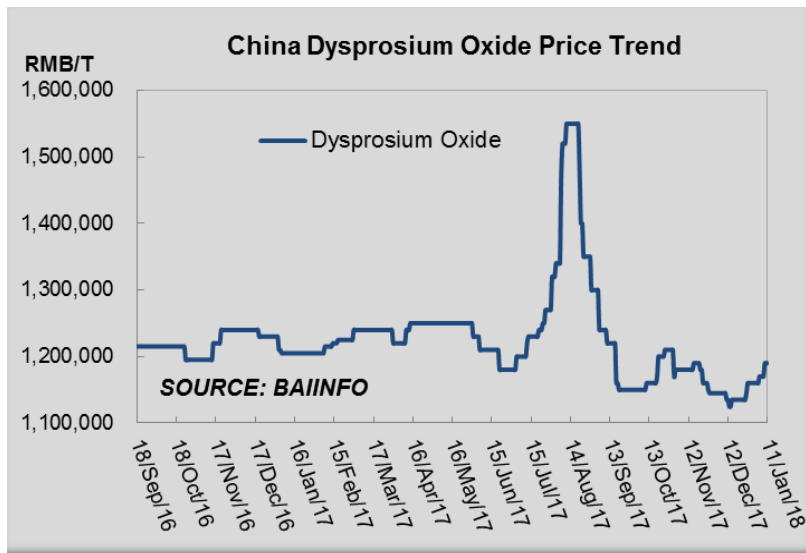
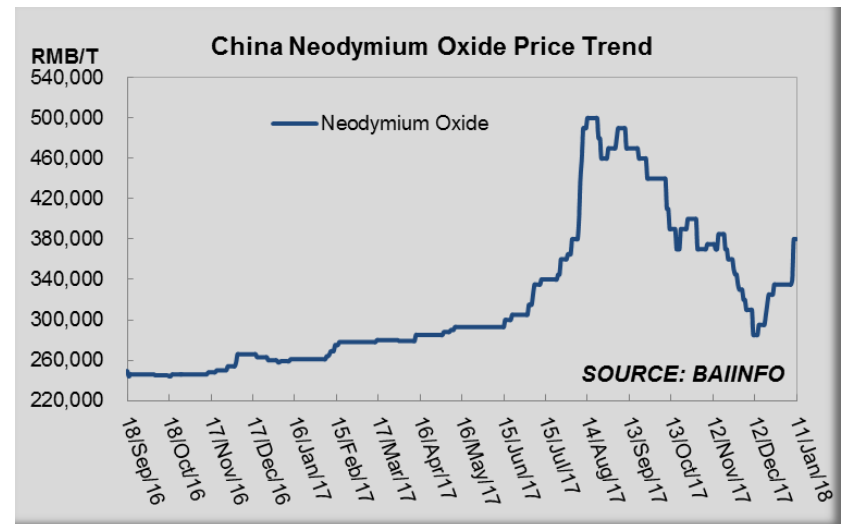
Due To:

- Increased global demand from EV's, wind turbines, robots etc.
- Chinese government crackdowns on polluters and illegal miners
- Rising labor costs in China, and
- lack of viable, economic substitutes found in seven years since Senkaku Boat Incident

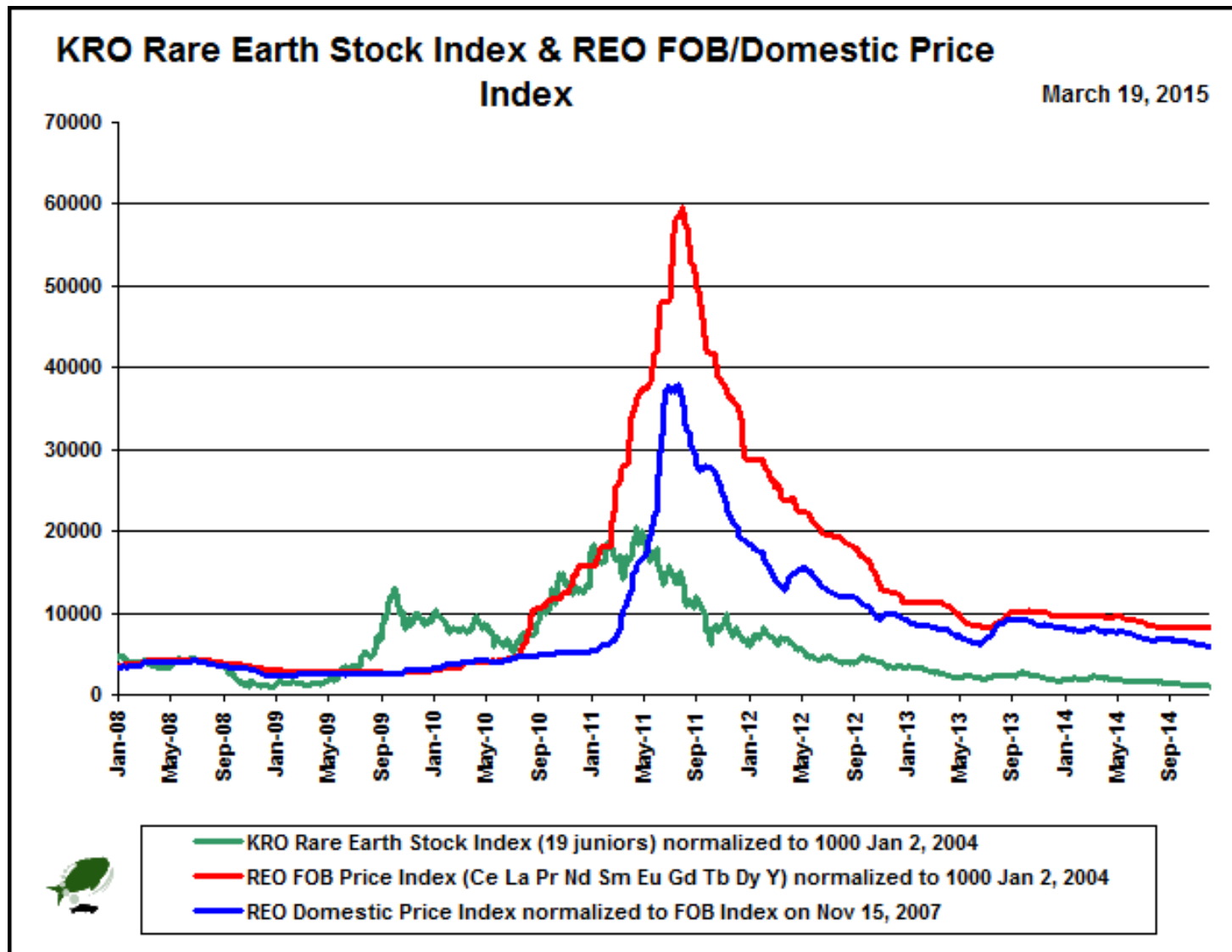


REE Upward Price Pressure - Current

“Hereinto, lanthanum and cerium prices remained stable, whereas praseodymium and neodymium prices surged up.”



REE Upward Price Pressure - History



REE Upward Price Pressure - History



Senkaku Boat Incident , September 2010

Crisis - What crisis?



Supplies REE's **TO** China.....

....Sources REE's **FROM** China.

President Trump Executive Order 20 Dec. 2017



Introduction to the Ashram Project

Attractive Jurisdiction

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

100% Ownership – One Claim Block (115 km²)

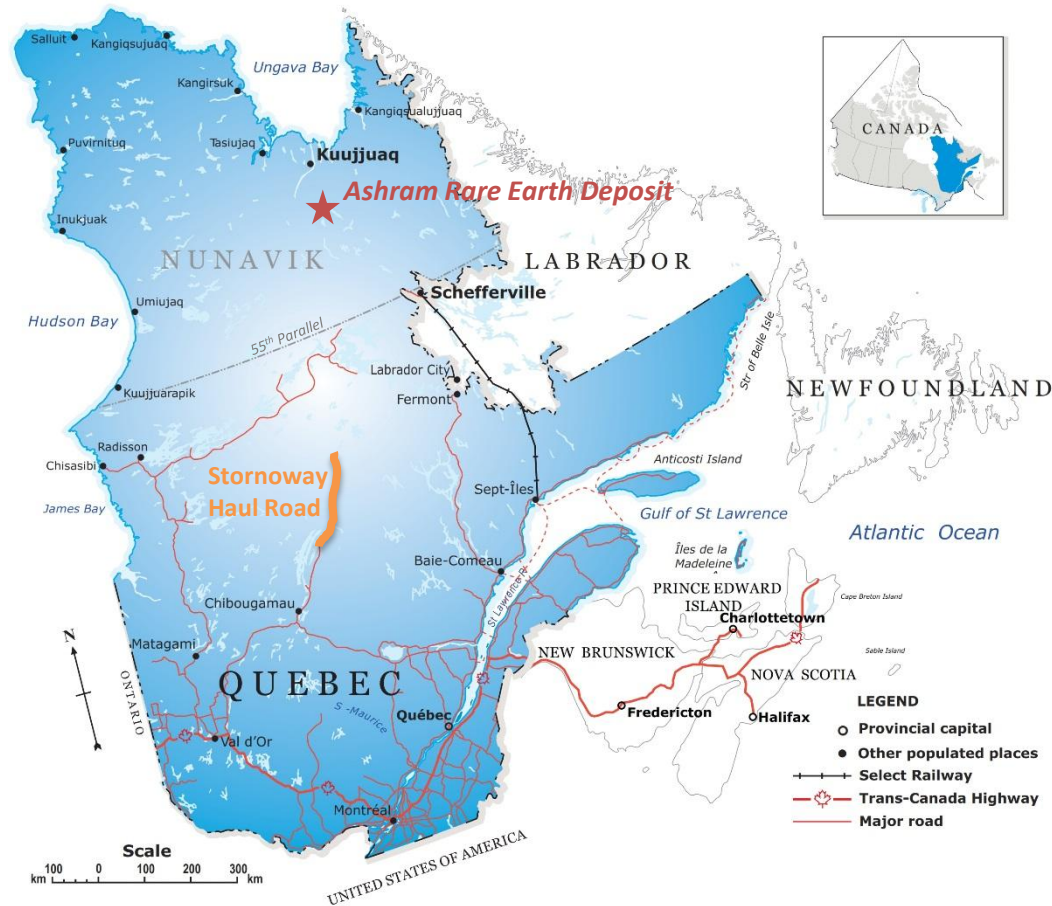
- Control over entire prospective district
 - REE, Nb, Ta, Fluorspar, Phosphate

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)¹ completed in May 2012

- Pre-tax² 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

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%)



High-grade (46% TREO) rare earth mineral concentrate produced from Ashram Deposit

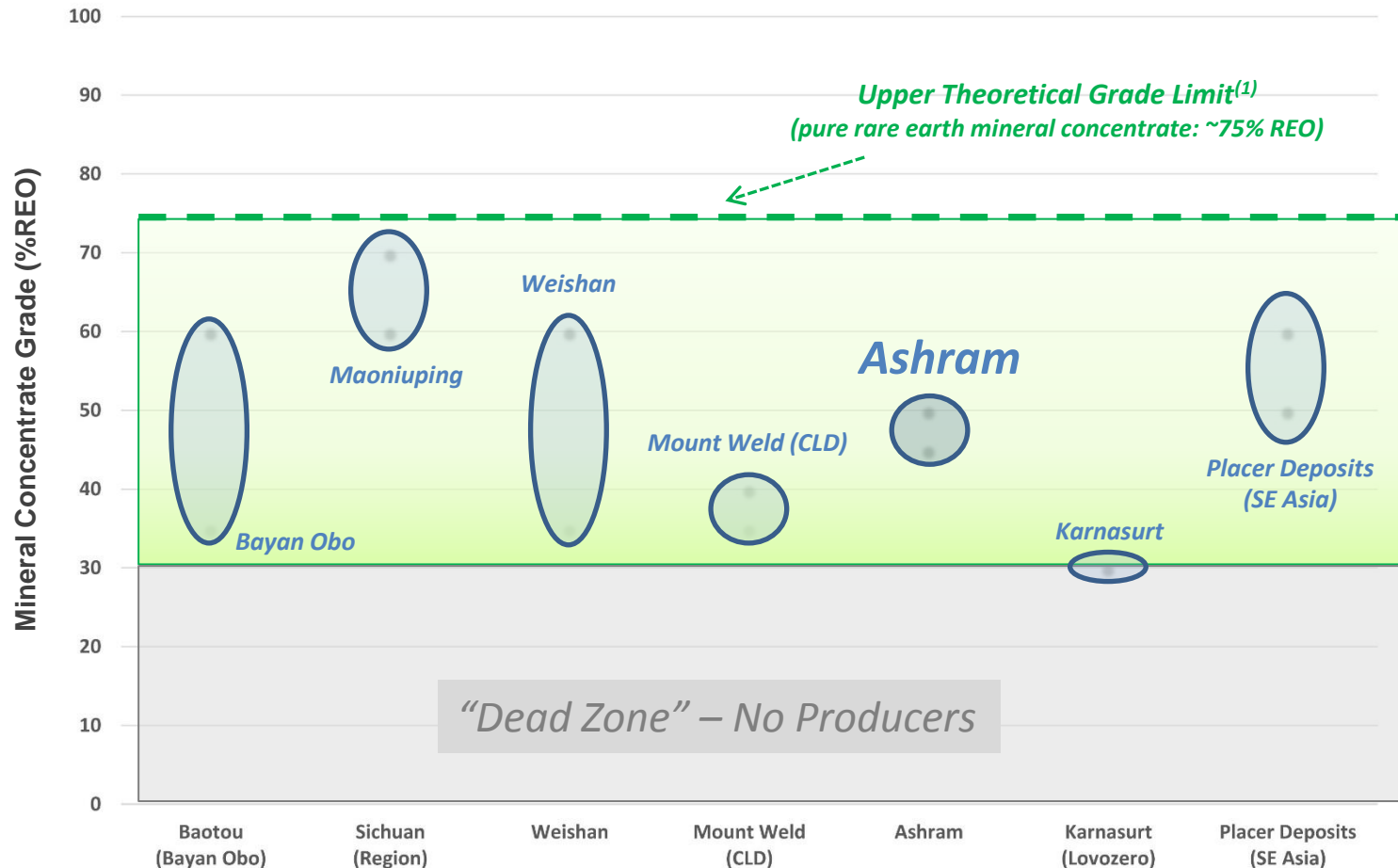
Global REO Producers and the Ashram Deposit

Simple Rare Earth Mineralogy is Fundamental to Production

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

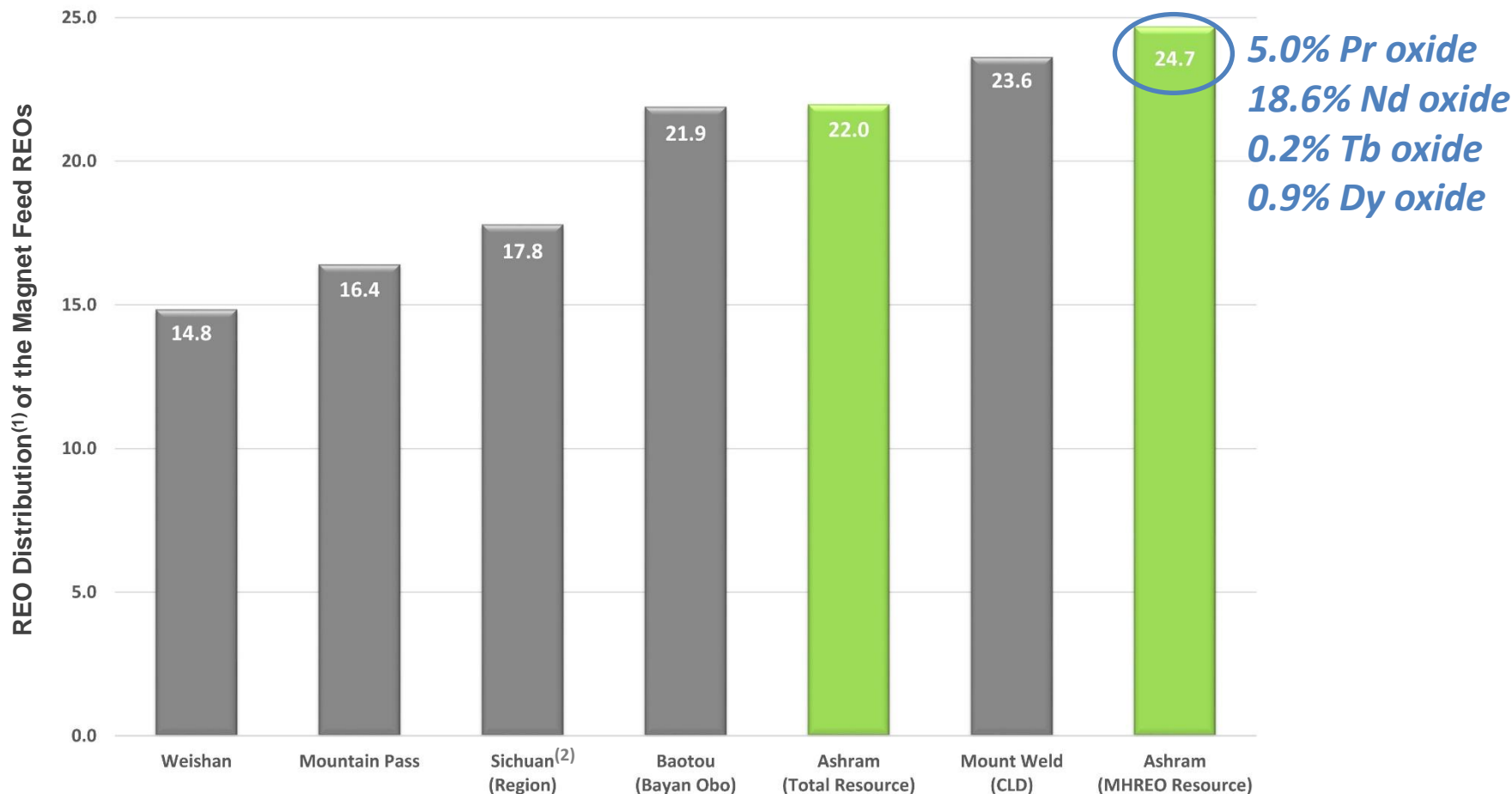
High-Grade Mineral Concentrate Essential for Production

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



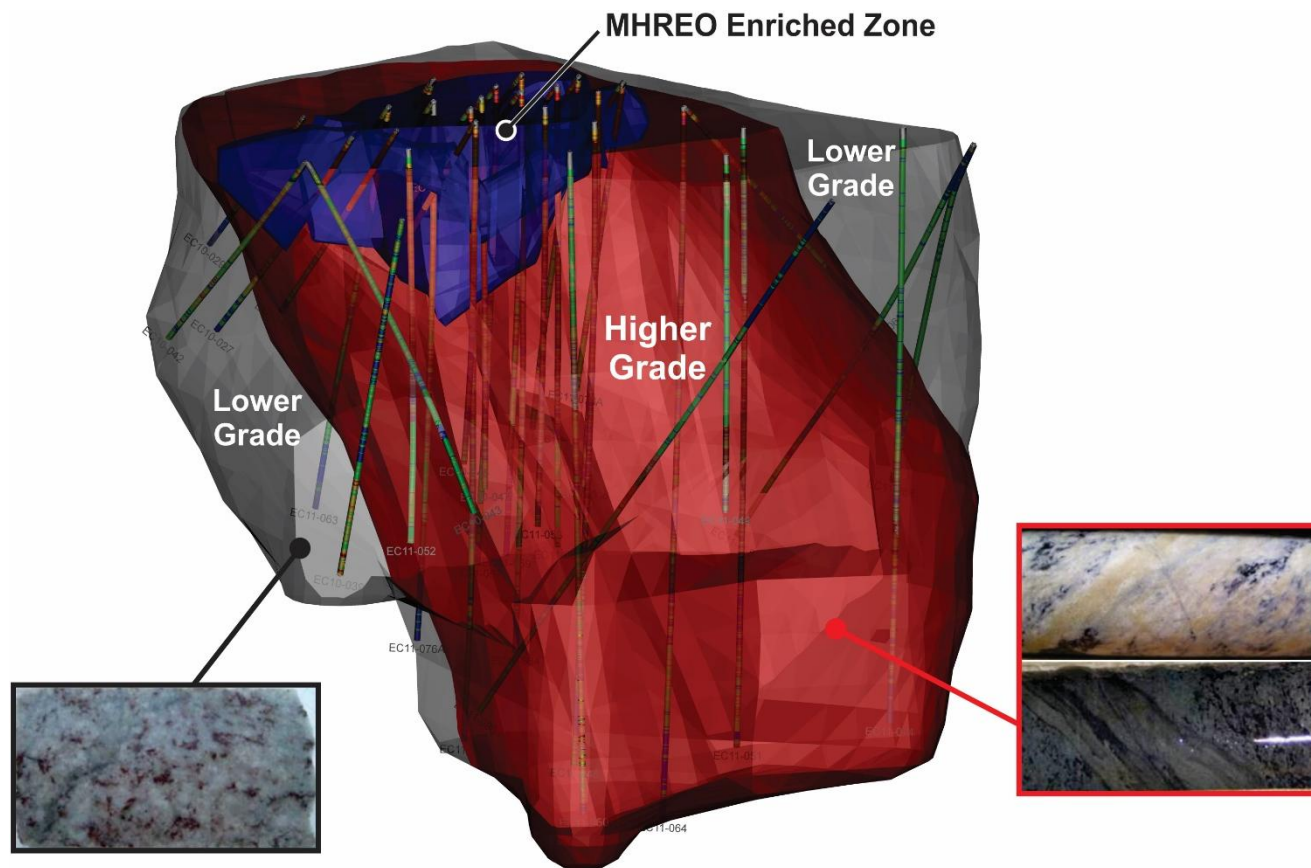
Magnet Feed REO Distribution

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



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

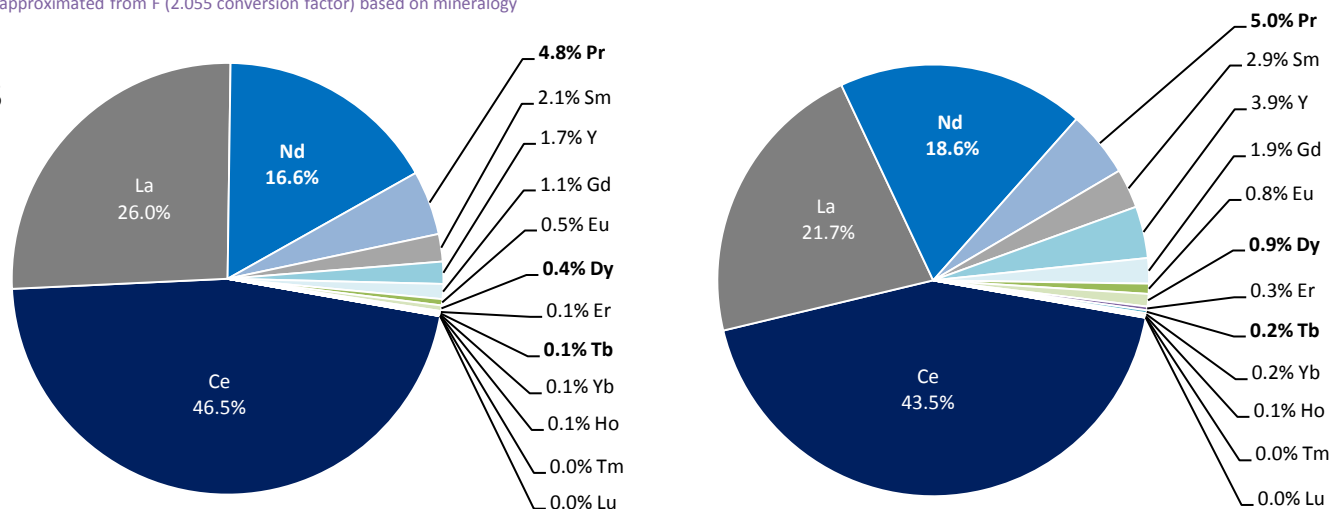
Note: *COG 1.25% TREO (BASE CASE); CaF₂ approximated from F (2.055 conversion factor) based on mineralogy

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); CaF₂ approximated from F (2.055 conversion factor) based on mineralogy

REE Distributions



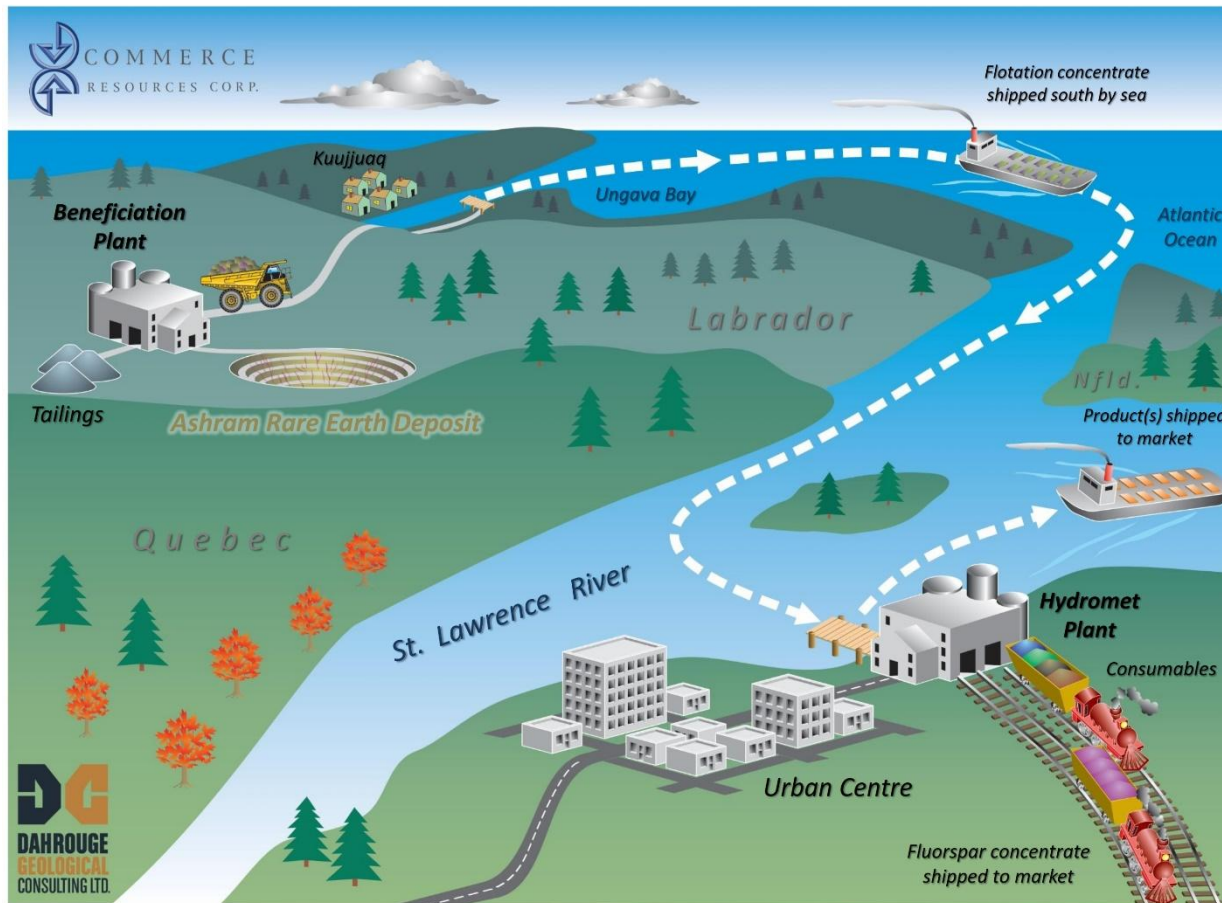
Disclosure Notice – Ongoing PFS

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.

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

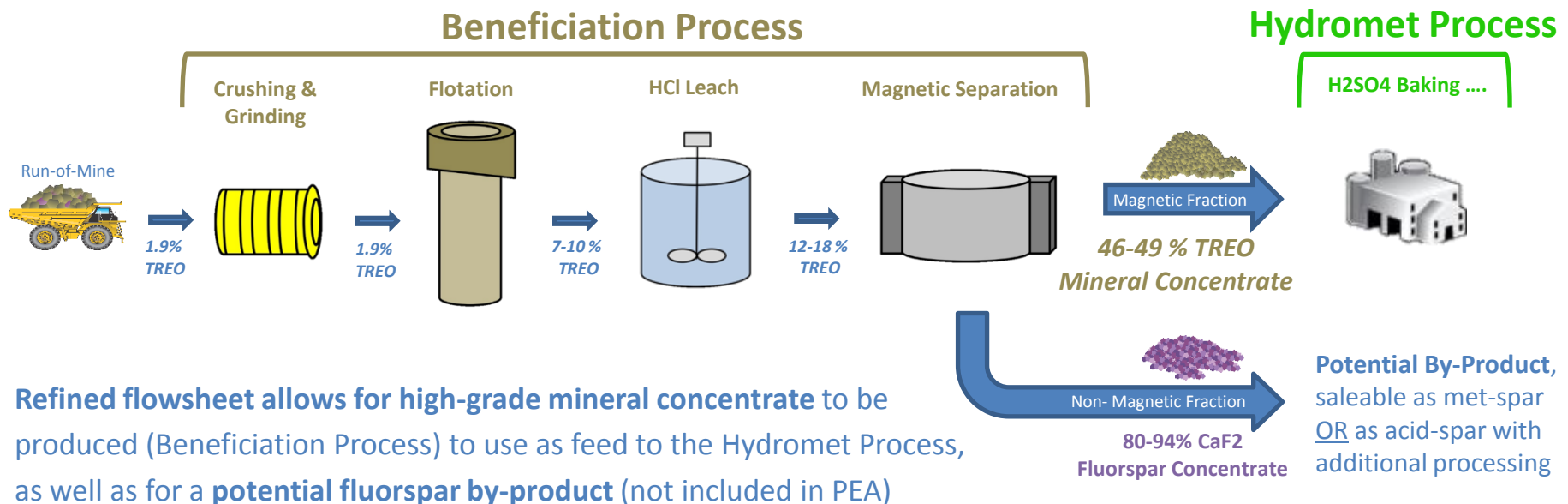
1. Mixed rare earth carbonate (REC)
2. La-Ce depleted mixed REC, La oxide, Ce carbonate
3. Nd-Pr oxide, La oxide, Ce carbonate, SEG-HRE carbonate
4. Separated REOs via strategic Partner

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

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

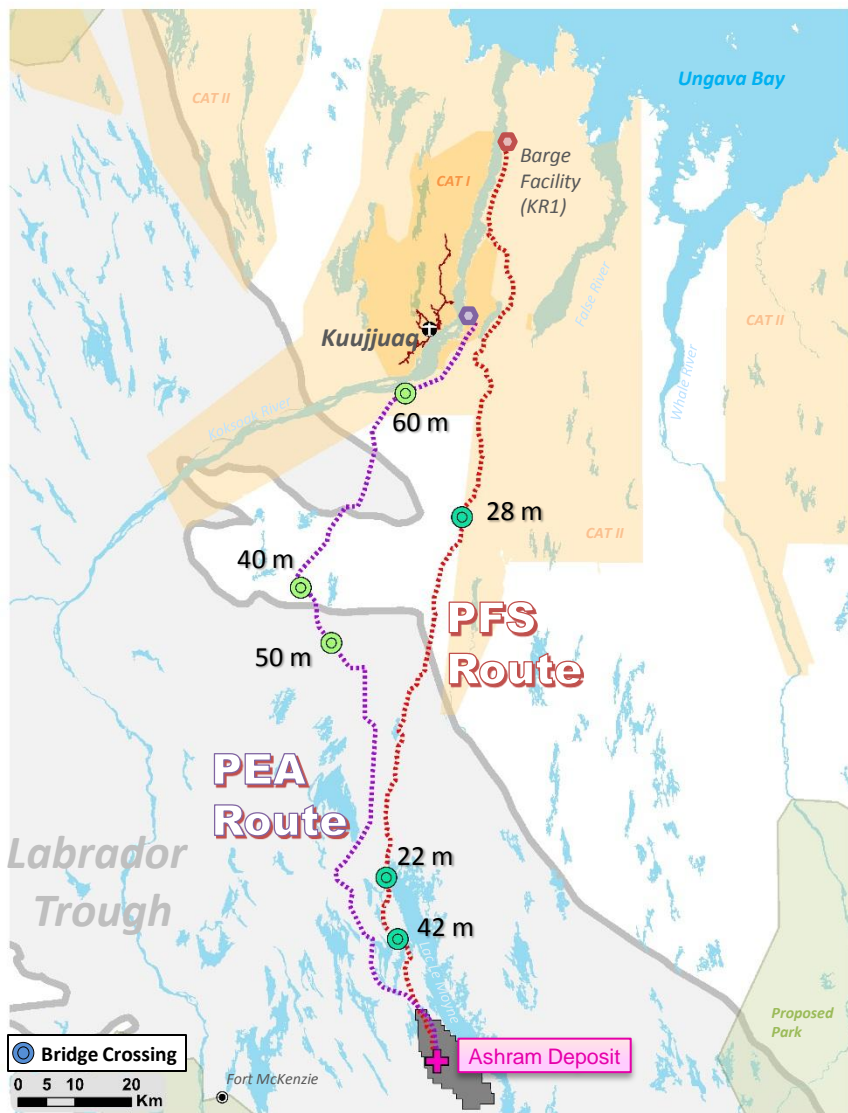


PFS¹ (Ongoing) – Haul Road Route Optimization

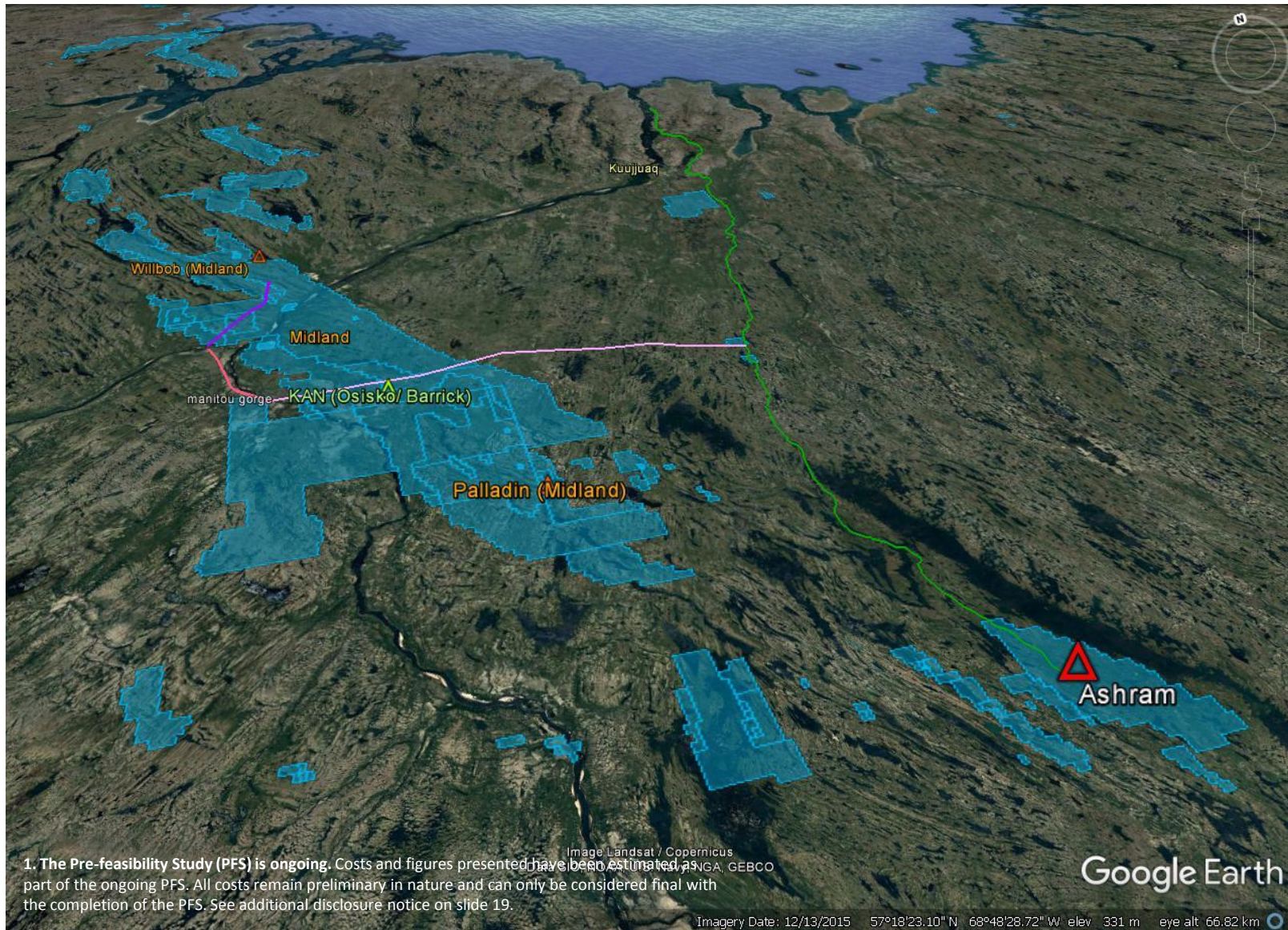
Considerable optimization of haul road route has been completed as part of the ongoing PFS¹

	PEA	PFS ¹
Route Length (Approximate)	185 km	180 km
Bridges (> 10 m)	3 (40 m, 50 m, 60 m)	3 (22 m, 28 m, 42 m)
Study Diligence	Google Earth	Air photos, satellite imagery, helicopter fly-over, ground truthing
Terminus (North end)	Docking Facility at Mackay's Island	Barge Facility at KR1, located ~16 km north of Mackay's Island
Haul Road Estimated CAPEX (pre-contingency)	\$204 M (\$1.1 M per km)	\$135 to \$165 M ¹ (\$0.74 M to \$0.89 M per km)
Loading Facility Estimated CAPEX (pre-contingency)	Docking Facility (\$42 M)	Barge Facility (\$20 to 30 M) ¹
TOTAL ESTIMATED CAPEX	\$246 M	\$155 M to \$195 M
Comments	Compared to PEA, the PFS route is projected to be less technically challenging, and less costly to construct	

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 19.



Hypothetical Haul Road Extensions



An Unstoppable Paradigm Shift- Wind Power

February 28, 2017

Commerce Resources Corp. and TUGLIQ Energy Co. Sign MOU for the Definitive Assessment of Wind Power Potential for the Ashram Rare Earth Project

- A measurement tower will be installed near the deposit to collect wind data for technical and economic studies to assess the potential viability further.
- Wind power for northern mining projects is currently operating successfully at the Diavik Mine (9.2 MW) and at the Raglan Mine, Nunavik, (3 MW).
- Work is partially funded through the ÉcoPerformance grant provided for by the ministère de l'Énergie et des Ressources naturelles (MERN)



Glencore/Tugliq Raglan Turbine 2014

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



PFS¹ (Ongoing) – Pilot Plant Operations

Pilot Plant Testwork

- Pilot plants for the Flotation and HCl leach beneficiation circuits successfully completed in 2015
 - Scale up successfully demonstrated using 3 inch, 6 inch, and 12 inch flotation column cells
 - >5 tonnes of bulk sample flotation piloted, and ~500 kg of flotation concentrate leach piloted
 - Magnetic separation stage to be piloted in the near-term using HCl leach pilot residue



*Outcrop Bulk Sample Site used
for flotation pilot feed*



3 inch column flotation Pilot



Continuous HCl Leach Pilot



Continuous HCl Leach Pilot

Full demonstration of flowsheet now underway, using bench and pilot scale testwork, through to the production of several kilograms of rare earth concentrate (mixed and partially separated)

- La-Ce depleted mixed REC, La oxide, Ce carbonate, & mixed RECl targeted to be produced

Pilot Plant Concentrate Samples Requested

Solvay/Rhodia

Mitsubishi Corporation RtM Japan

Treibacher Industrie AG

BASF SE

DKK



USA Requests

Albermarle, Blue Line (TX), Ucore Rare Metals (UT), Rare Earth Salts (NB), Texas Rare Minerals / K-Tech (FL), University of Tennessee, Tufts University (MA)

Additional potential partnerships with end-users seeking REE sources outside of China:

Samsung

Indian Rare Earths

Shin-Etsu

Noble Resources

Potential By-Product: Fluorspar

Ongoing testwork has identified a fluorspar potential by-product not included in the PEA

- Two principal commercial grades – Met-spar (~60-85% CaF₂) and Acid-spar (>97% CaF₂)
 - **Acid-spar** is the premium fluorspar product and accounts for roughly two-thirds of global market
 - Mainly used in aluminum production and in the manufacture of hydrofluoric acid (key ingredient in fluorochemicals)

Ashram Fluorspar Concentrate

- Flowsheet currently produces a potentially saleable met-grade concentrate (>60% to 94% CaF₂)
- No additional cost to produce as the met-grade fluorspar is the final tails product of the primary REE recovery process
- Potential for a reduced volume of tailings, and thus, size of tailings facility, if the fluorspar is confirmed to be saleable by-product
- No negative impact on REE flowsheet or recoveries
- Test program is being designed to evaluate the potential for upgrading the met-grade fluorspar concentrate to acid-grade

Ashram's potential contribution to the fluorspar market will be evaluated as part of the ongoing PFS



Met-spar grade concentrate (~69% CaF₂) produced from Ashram Deposit

Strategic supply relationship with NorFalco Sales

In April 2016, the Company announced it had entered into 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 Project
 - Binding agreement with **highly competitive market rates and terms**
- NorFalco is a division of Glencore Canada Corporation, a major global commodities trader
- The agreement is a significant first step in ongoing discussions regarding the project
 - Glencore has a vested interest in seeing the Ashram Project advance

GLENCORE



Near-term Milestones

1. 2016 drilling program completed with assays pending

- 14 holes – infill and step out totaling 2,014 m

2. Office in Quebec City

3. Ashram Deposit Resource Update

- Approximately 9,625 m over 86 holes since 2012 resource estimate

4. Demonstration of entire flowsheet (bench/pilot level) through to the production of several kg's of marketable mixed (or partially separated) rare earth concentrate for evaluation by potential joint venture or offtake partner

- Targeting La-Ce depleted mixed REC, La oxide, Ce carbonate, & mixed RECI
- Complete magnetic separation pilot plant
- Complete additional flotation pilot plant(s)

5. Final selection of proposed site for the hydrometallurgical facility

6. Confirm Project Description

7. Release of Pre-feasibility Study (PFS)

- Study in the advanced stages

1. Subject to Notice regarding ongoing Pre-Feasibility Study (page 19)



High-grade (46% TREO) rare earth mineral concentrate produced from Ashram Deposit



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 fluorspar 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

