



Developing the Ashram Rare Earth Deposit

April 2016



Forward-Looking Information

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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

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



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.

Financial Summary

Corporate Information

Listings:	TSX-V (Canada):	CCE
	FSE (Germany):	D7H
	OTCQX (USA):	CMRZF
Share Price (April 4, 2016)		\$0.07
52 Week High		\$0.16
52 Week Low		\$0.06
Shares Issued		234.4
Average 90-day Volume		0.10
Market Cap		\$16.4

All amounts in M or CAD\$M except per share amounts.

Analyst Coverage

Dealer	Date	Rating	Target
Secutor Capital Management	April 2014	Buy	\$1.44

Source: Commerce Resources, Capital IQ, Deloitte

Share Performance



Ownership

	% Ownership
Total Institutional Holders	
Marquest Asset Management	4.7%
Zimtu Capital Corp	2.3%
UBS Global Asset Management	1.2%
Zurcher Kantonalbank	0.4%
Total Institutional	8.5%
Total Insiders	0.9%
Total Corporations	0.2%
Total Retail	90.4%
Total Outstanding	100.0%

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

Raised over \$75 Million in the past 10 years



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



Ian Graham
P.Geo, Director

Formerly Chief Geologist with Rio Tinto, Project Generation Group

Track record of moving projects through exploration & development into production

Involved with Diavik Diamond Mine (Canada), Resolution Copper (USA), Eagle Nickel (USA), Lakeview Nickel (USA), and Bunder Diamonds (Africa)



Jody Dahrouge
*P.Geol, VP
Exploration,
Director*

Instrumental in the guidance of company's exploration programs

Upper Fir Tantalum-Niobium Project

Summary Highlights

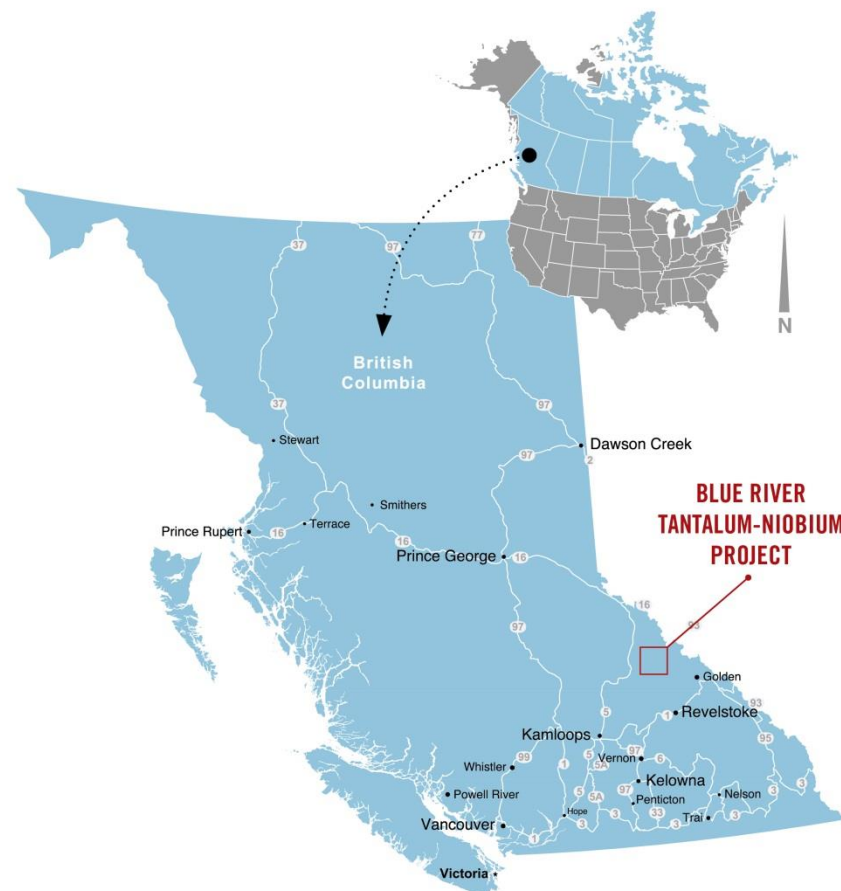
- Tantalum facing a critical supply shortage as demand rises and production declines, down 55% from 2012
- Advanced tantalum and niobium project with significant work completed – CAD\$34M+ spent to date
- Largest potential supplier of conflict-free tantalum globally – +700,000 lbs Ta₂O₅ annually
- Excellent infrastructure in mining-friendly British Columbia

Upper Fir Resource Estimate (2013)

- Indicated resource of 48.4M tonnes containing 9.5M kg Ta₂O₅ and 77.8M kg Nb₂O₅; Inferred resource of 5.4M tonnes containing 1M kg Ta₂O₅ and 9.6M kg Nb₂O₅
- Other historical resources on property (Fir and Verity)

Production scenario for potential large-scale low-cost producer of conflict-free tantalum

- Based on an underground mine, mill and concentrator, and processing facility to produce technical-grade tantalum and niobium oxides
- Most essential infrastructure already existing on site



Clean & Green – the World Following COP21



Prime Minister Justin Trudeau, March 3, 2016, from Vancouver, BC:

“Building on commitments and actions already taken by provinces and territories and the momentum from COP21 in Paris, we are moving toward a pan-Canadian framework for clean growth and climate change that will meet or exceed Canada's international emissions targets, and will transition our country to a stronger, more resilient, low-carbon economy – while also improving our quality of life.”

“For its part, the Government of Canada committed to the following:

- support climate change mitigation and adaptation through investments in green infrastructure, public transit infrastructure and energy efficient social infrastructure;
- work together with the provinces and territories on how best to lever federal investments in the Low Carbon Economy Fund to realize incremental emission reductions;
- **advance the electrification of vehicle transportation, in collaboration with provinces and territories;**
- foster dialogue and the development of regional plans for clean electricity transmission to reduce emissions;
- advance efforts to eliminate the dependence on diesel in Indigenous, remote, and Northern communities – and use renewable, clean energy as a replacement; and
- as part of Canada's participation in Mission Innovation, double investments in clean energy, research and development over five years, and work with global partners to promote cleaner energy and better environmental outcomes.”

Rare Earth Elements – Essentials

REEs are the foundation of the global “green revolution” to reduce greenhouse gas emissions

- Magnets – Electric Vehicles (EV), wind turbines
- At the Paris climate conference (COP21) in December 2015, 195 countries adopted the first-ever universal, legally binding global climate deal.



“Québec is providing a tangible response to one of the major issues of the Paris Climate Conference.”

- Philippe Couillard, Premier of Québec



“Thank you to the people of Quebec. You are becoming known as true heroes in the world's effort to solve the climate crisis.”

- Al Gore, Former Vice President of the United States

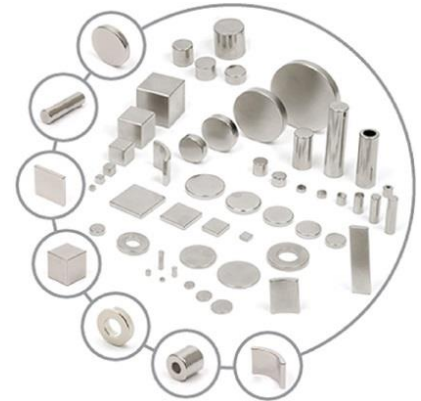


Rare Earth Elements – Green Revolution

REEs form the foundation of the high-tech industry and the accompanying global “green revolution” to reduce greenhouse gas emissions.

Global production estimated at 130k to 150k REO per year, with magnet feed REOs (Nd, Pr, Tb, Dy) comprising the dominant growth market at 8-12% CAGR

The dominant economic driver for the Ashram Deposit Is the magnet feed REEs due to a unique & well-balanced REE distribution focused on those key REEs



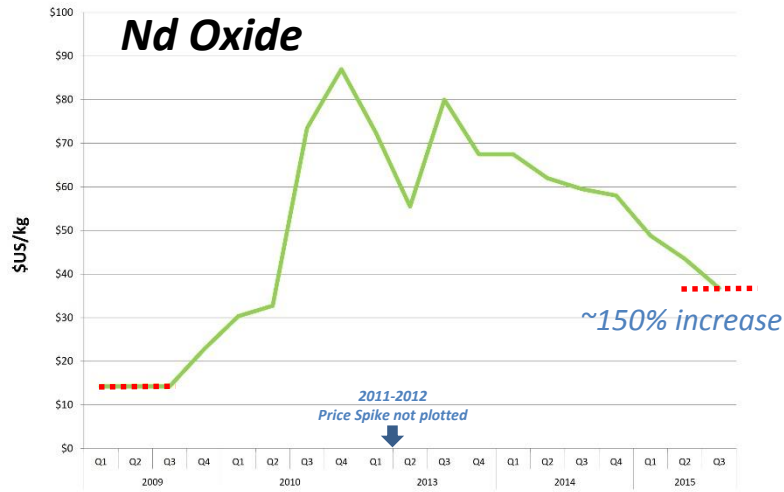
Rare Earth Magnets



Magnet Feed REEs

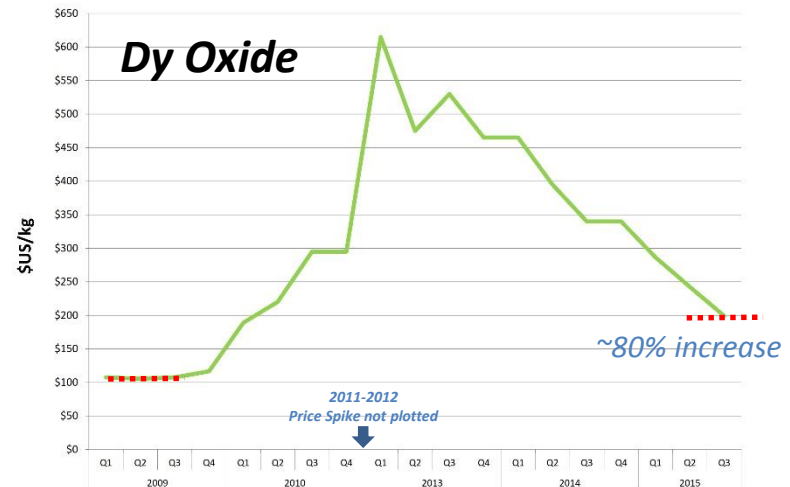
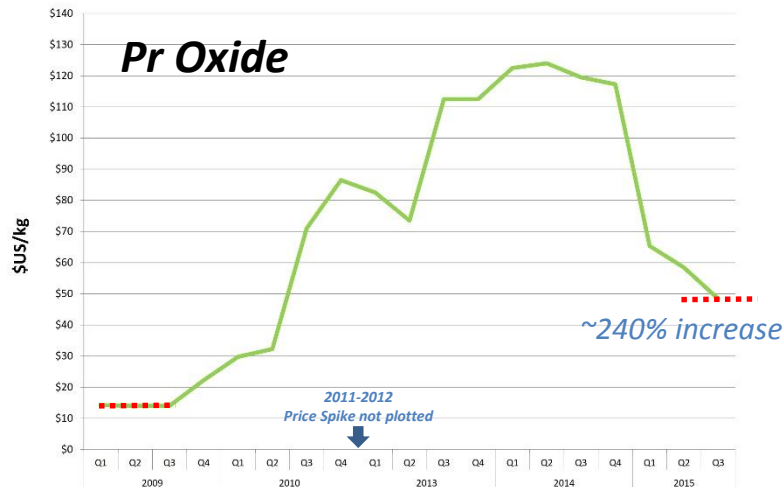


The Anchor Markets: Price History of Nd, Pr, & Dy



Since 2009, prices for Nd, Pr, & Dy have increased significantly

The main economic driver for the Ashram Deposit is Nd, Pr, & Dy. These elements form the project's 'anchor' markets, with a projected long-term CAGR of 8-12%



Introduction to the Ashram Project

Attractive Jurisdiction

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

100% Ownership

- One claim block covering 190 km²
- Control over entire prospective district
 - REE, Nb, Ta, Fluorspar, Phosphate

Advancing Infrastructure

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



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

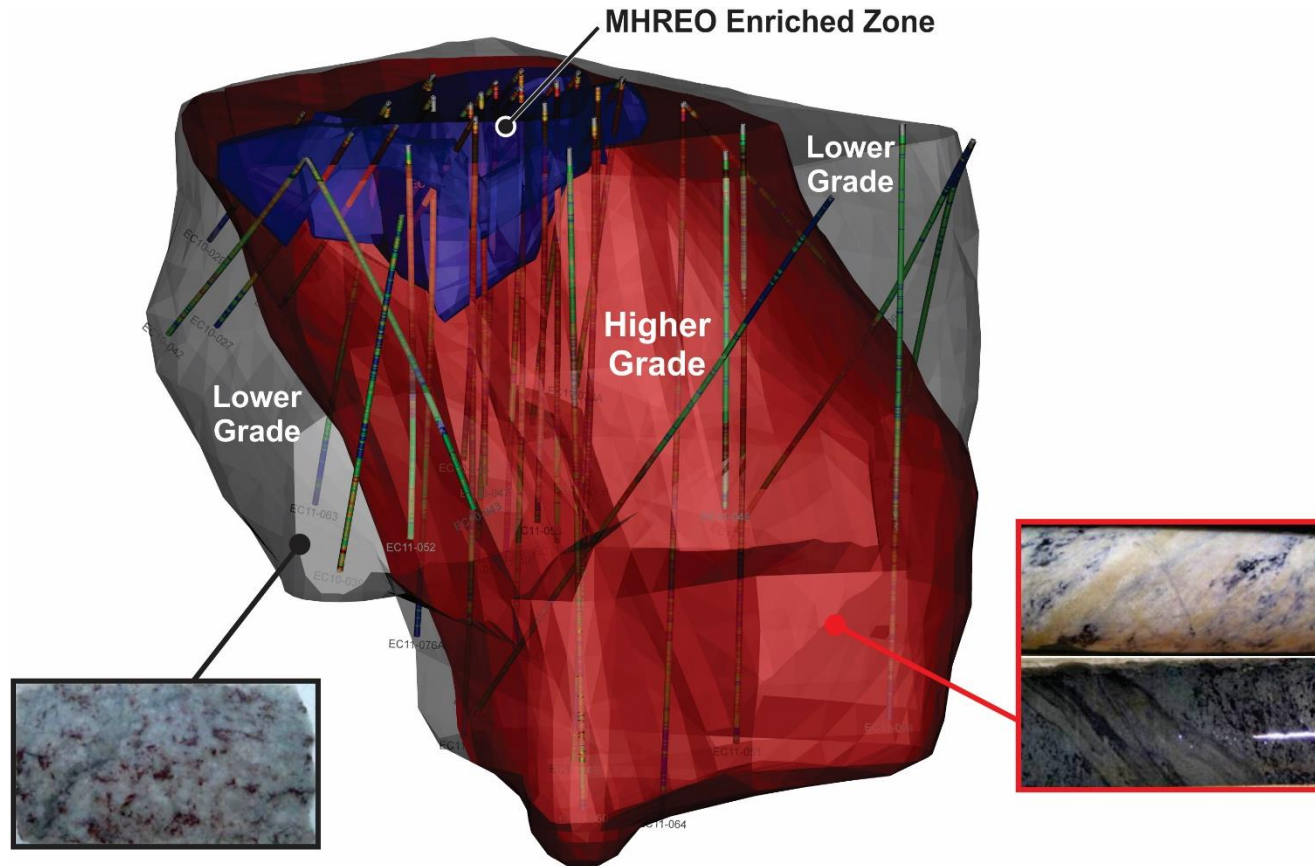
- Quebec consistently ranked as a top destination globally for mining investment
- Société du Plan Nord mandated to invest >\$80 billion between 2011 and 2035 for the development of Quebec's northern resources

Strong management team with expertise in project development and rare metals

- Management and Directors have extensive experience in exploration, development, and rare metal markets

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

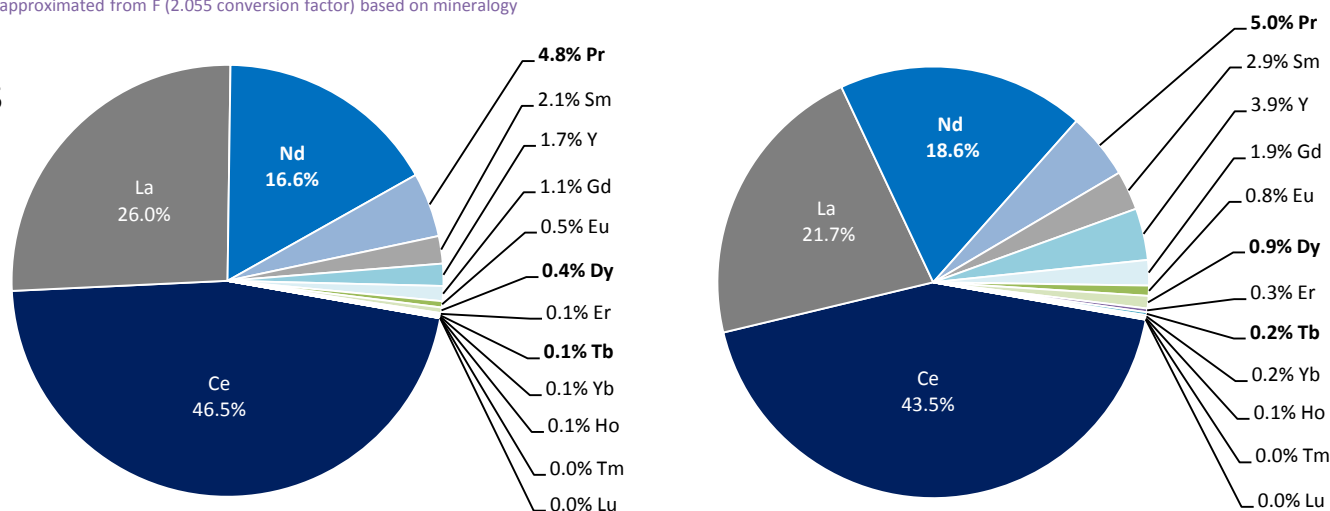
Note: *COG 1.25% TREO (BASE CASE); CaF₂ approximated from F (2.055 conversion factor) based on mineralogy

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

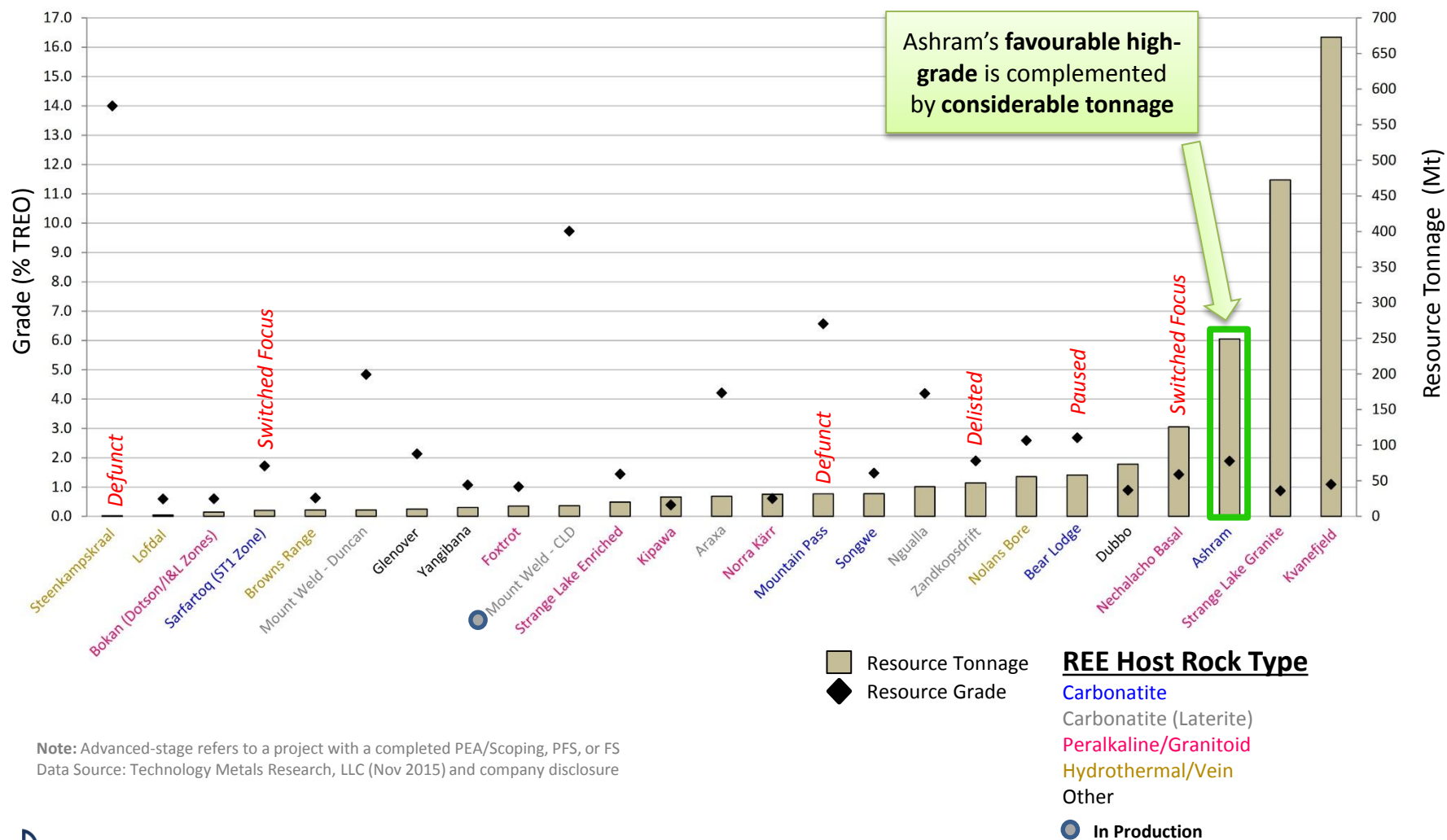
Note: *COG 1.25% TREO (BASE CASE); CaF₂ approximated from F (2.055 conversion factor) based on mineralogy

REE Distributions



Ashram is Large with Favourable Grade

Grade & Tonnage of Mineral Resources for Select Advanced-Stage REE Projects



Note: Advanced-stage refers to a project with a completed PEA/Scoping, PFS, or FS
Data Source: Technology Metals Research, LLC (Nov 2015) and company disclosure

Mineral Processing and Hydromet

Mineralogy is well-known and simple, with all three rare earth-bearing minerals (monazite, bastnäsite, and xenotime) sharing conventional processing techniques

- Mineralized material will be upgraded on site to a rare earth mineral concentrate using conventional flotation techniques
- The mineral concentrate will be further upgraded and subjected to a sulphuric acid bake and purified to produce a mixed rare earth carbonate (REC) product, mixed rare earth oxide (REO) product, or mixed rare earth chloride (RECl) product
- Metallurgical test work at the bench and pilot level is being completed at Hazen Research Inc. in Colorado and UVR-FIA GmbH in Germany
- Advancing towards the production of a 3-4kg of marketable mixed rare earth concentrate for evaluation by potential joint venture or offtake partner

Mineral	Occurrence at Ashram	Concentrating and Processing
Monazite	Primary host to LREE's	High-density mineral that can be concentrated using flotation methods and commonly treated with sulfuric acid or by alkaline processing
Xenotime	Primary host to Middle and Heavy REE's	Commercially processed for M-HREO at facilities in India
Bastnäsite	Secondary host to LREE's	Concentrated using flotation to produce intermediate products at Mountain Pass; have been commercially processed in China

Positive Ashram PEA ¹ Completed

PEA ¹ Highlights

- PEA ¹ indicates the potential to be one of the largest and longest operating REE producers in the world
- Study based on a 4,000 t/d, open-pit operation with 0.19:1 (waste:ore) strip ratio over 25 year mine life
- Base case indicates very robust economics:
 - Pre-tax² NPV of C\$2.3 billion at a 10% discount rate
 - Pre-tax² IRR of 44%
 - Payback period of 2.25 years
- Potential for a low cost operation:
 - Estimated capital cost of C\$763 million (including initial and sustaining capital cost)
 - Estimated operating cost of C\$95.20/tonne treated or C\$7.91/ kg of rare earth oxide produced
- PEA ¹ considers only 15% of the known resource (in its DCF model)
- Average annual production of ~16,850 tonnes of rare earth oxide, including significant amounts of the Magnet Feed oxides (Nd, Pr, Tb, Dy)

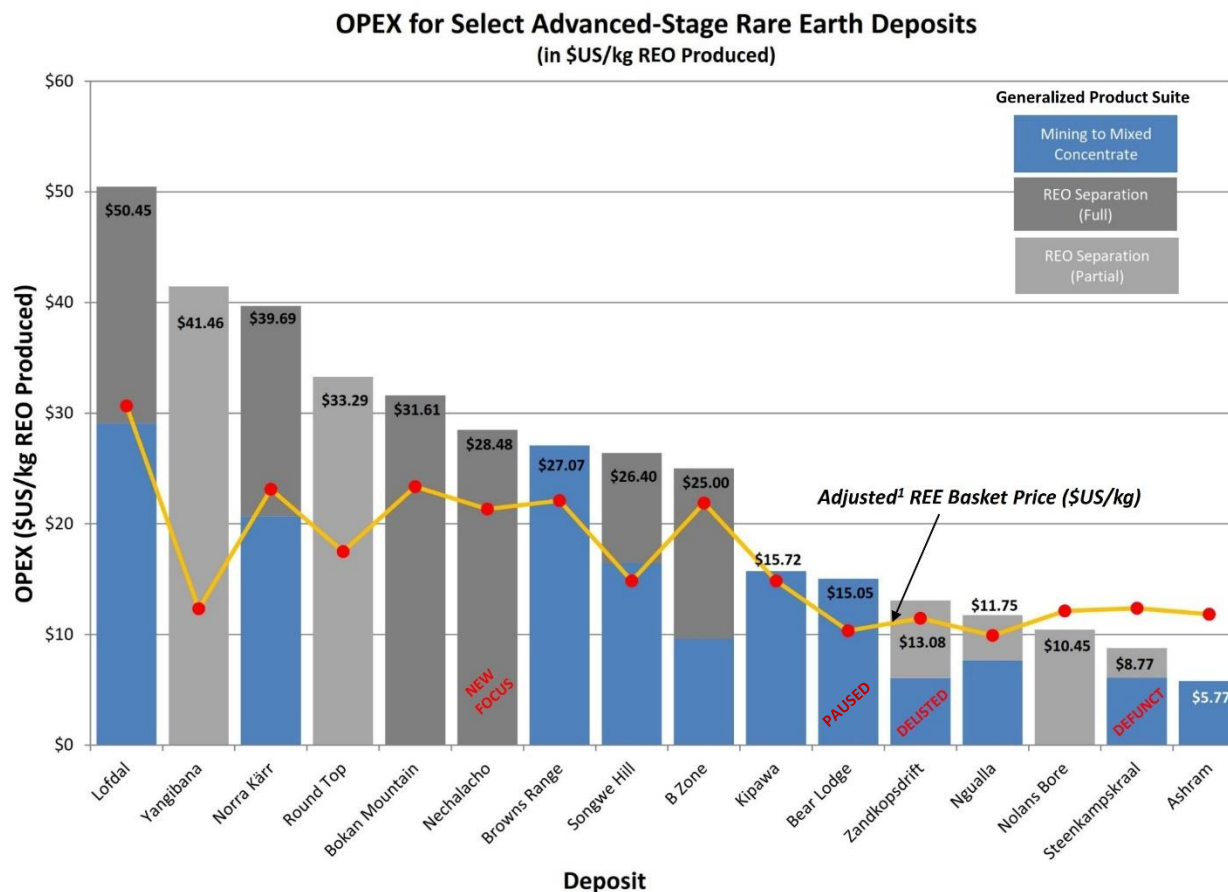
PEA ¹ Summary Information – Base Case	
Pre-tax ² NPV (10% discount)	C\$2.3 billion
Pre-tax ² IRR	44%
Payback period	2.25 years
Mine type	Open pit
Mining / processing rate	4,000 tpd
Strip ratio (waste:ore)	0.19:1
Annual production	16,850 tonnes REO
Mine life	25 years
Capital cost	C\$763 million
Operating cost	C\$95.20/tonne treated C\$7.91/kg REO produced
Product	Mixed rare earth carbonate

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.

Low Operating Costs

Low operating expenses of \$95.20 per tonne of ore treated, or approximately \$7.91 (~US\$5.77) per kg rare earth oxide (REO) produced.

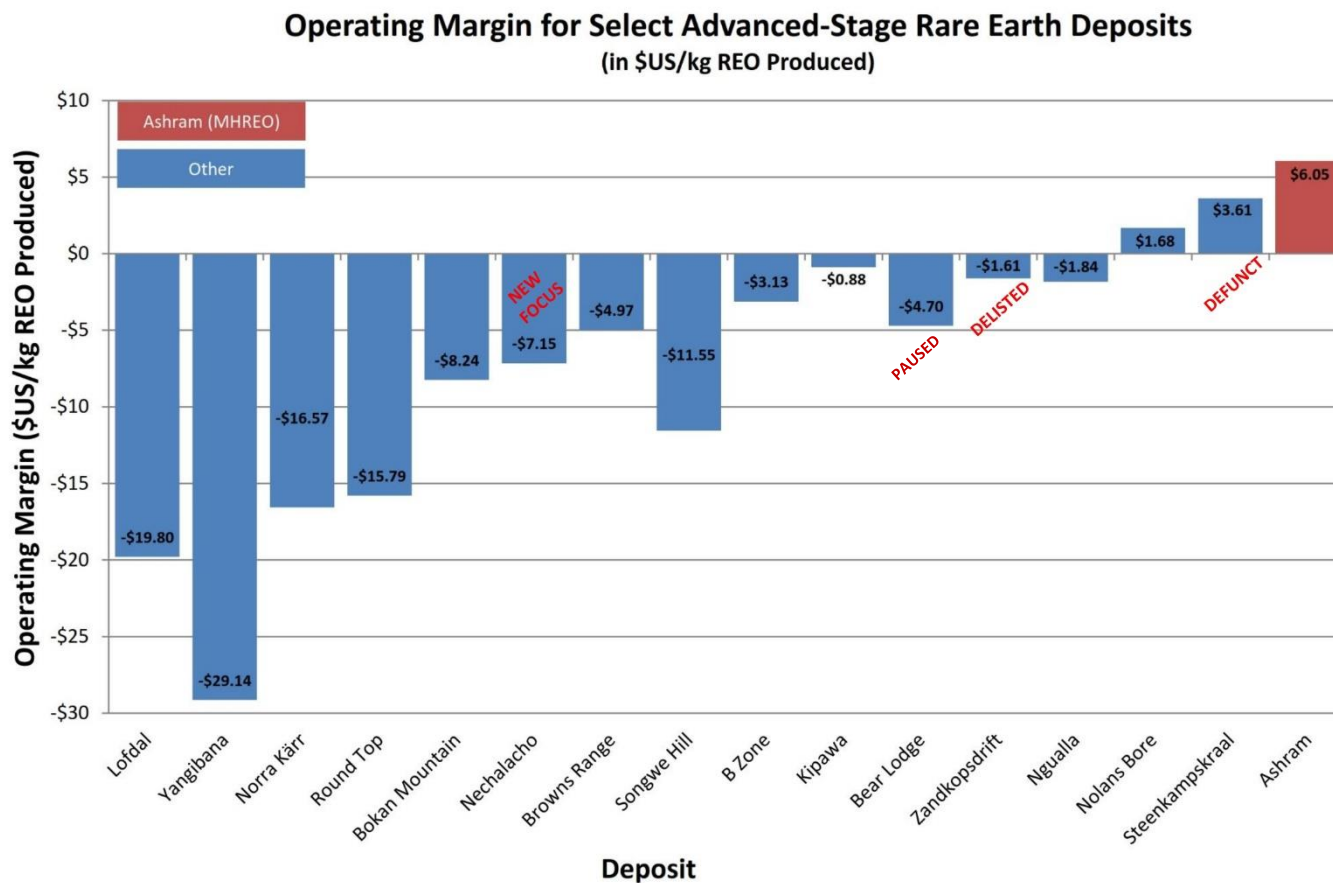


1. Discount of 30% (mixed con), 20% (partial separation), or 0% (full separation) applied to basket price to reflect targeted product suite and allow for approximate, normalized comparison
2. OPEX has been normalized to USD using AUD and CAD exchange rates of 0.73 and 0.72 respectively

Source: Rockstone Research dated December 17, 2015

High Operating Margin

Ashram's relatively low OPEX projects to a favourable operating margin.



Source: OPEX from public company disclosure

1. Operating margin is approximated from Adjusted REE Basket Price (i.e. revenue) minus OPEX (i.e. cost of production)

PFS¹ (Ongoing) – Production Scenario Refined

Following the PEA, additional in-depth analysis of the REE market and value chain was completed, through dialogue with end-users & market experts in addition to internal research, and it was concluded that a reduced production scenario with a modular approach is optimal for the project

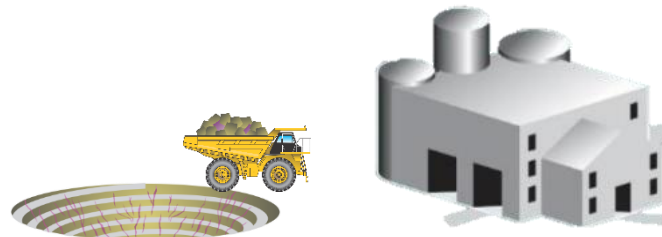
A production scenario of **3,000 to 5,000 tonnes REO per year** is now targeted for the PFS¹

- **Modular approach**
 - Reduce start-up, operational, and future expansion risk
- **Reduced CAPEX**
 - Positioned for more favourable access to financing capital for project development
- **Targeted production scenario range is the REE “sweet spot”**
 - Review of operating facilities globally indicates that this is the most optimal facility size for market

At 3-5kt REO per annum, based on PEA parameters, the estimated production range for the magnet feed REO would be:

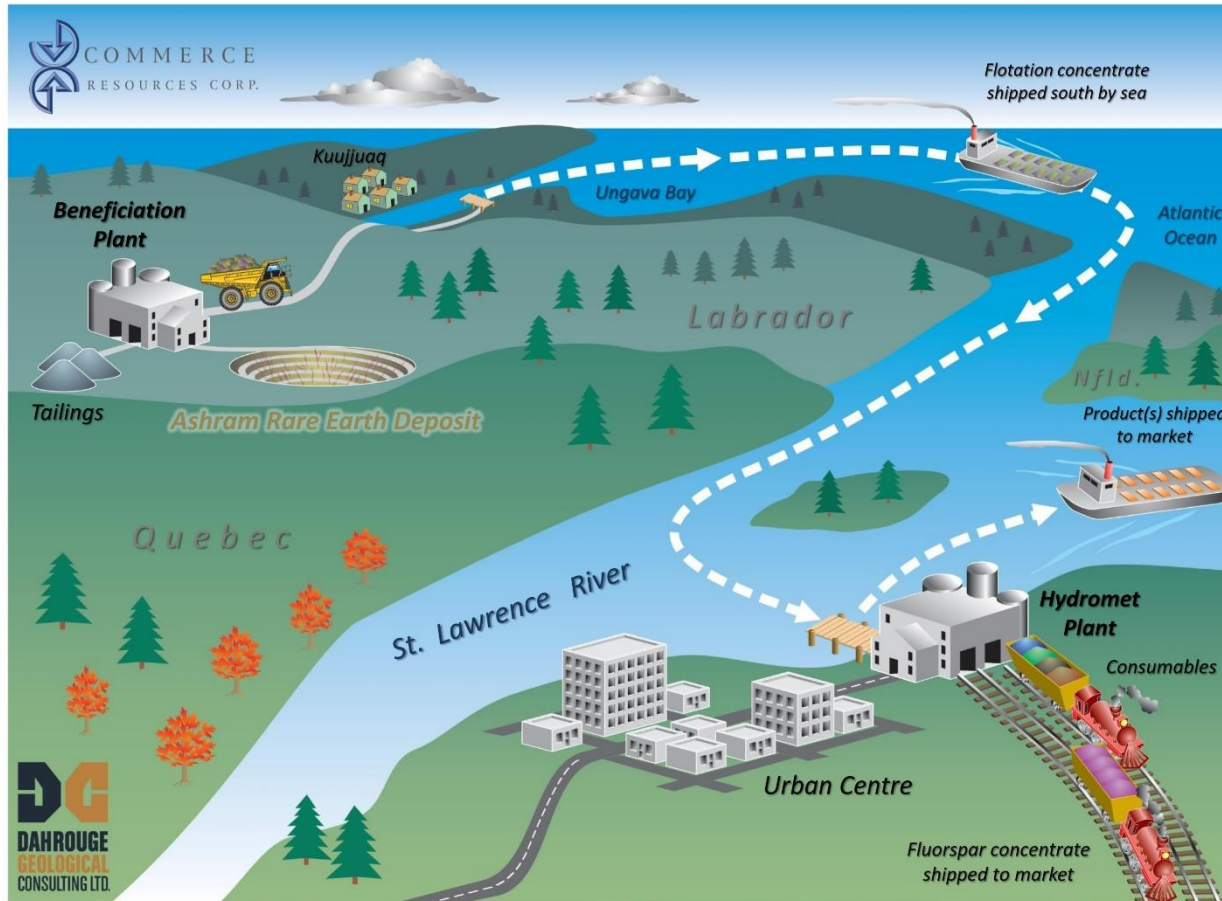
- Nd oxide – 510 to 855 t/a
- Pr oxide – 145 to 245 t/a
- Tb oxide – 4 to 8 t/a
- Dy oxide – 18 to 32 t/a

The revised production scenario will lower the risk profile for the overall project while better position it for success through development



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 on St. Lawrence Seaway
- Flotation concentrate processed at hydromet facility to a high-grade mineral concentrate (~45-50% REO), and through to saleable product(s)

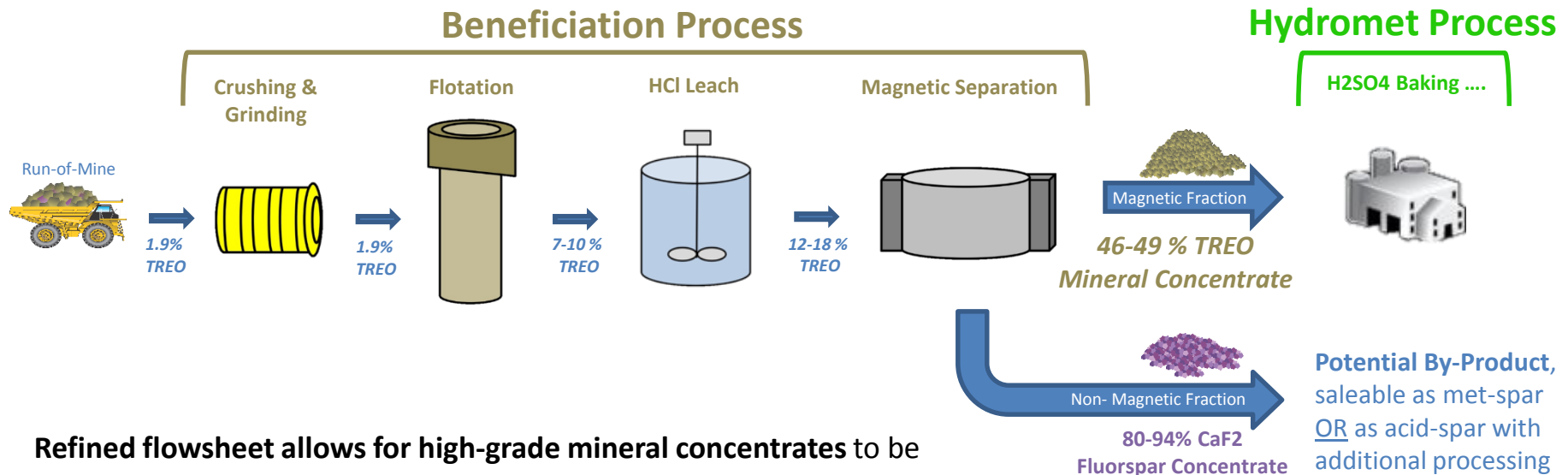
Product Suites being considered

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

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



Refined flowsheet allows for high-grade mineral concentrates 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)

- Refined beneficiation process results in improved grade, from 10% TREO (PEA) to 42-49% TREO, at higher recovery
 - Includes **46% TREO at 71% recovery**, and **42% TREO at 76% recovery**
 - Reduced reagent requirements and a secondary acid leach step removed in the HCl process stage (i.e. cost reductions)
 - **Potential for improvement remains** as Ashram's rare earth mineralogy is amenable to mineral concentrates of >60% TREO

PFS¹ (Ongoing) – Project Advancements Since PEA

Field Work Completed as part of PFS¹

- Additional 72 drill holes for 7,612 m over four drill campaigns
 - Geotechnical sampling, OTV-ATV downhole surveys, hydrogeological testing (packer, slug, etc.)
- Several QP (NI 43-101 Qualified Persons) site visits completed
 - Resource, geotechnical, engineering, metallurgy, & infrastructure
- Environmental field data collection
- Infrastructure field data collection
- Installation of mine-site weather station for continuous monitoring
 - Prevailing winds, cloud cover, temperature etc.

Other Project Work Completed as part of PFS¹

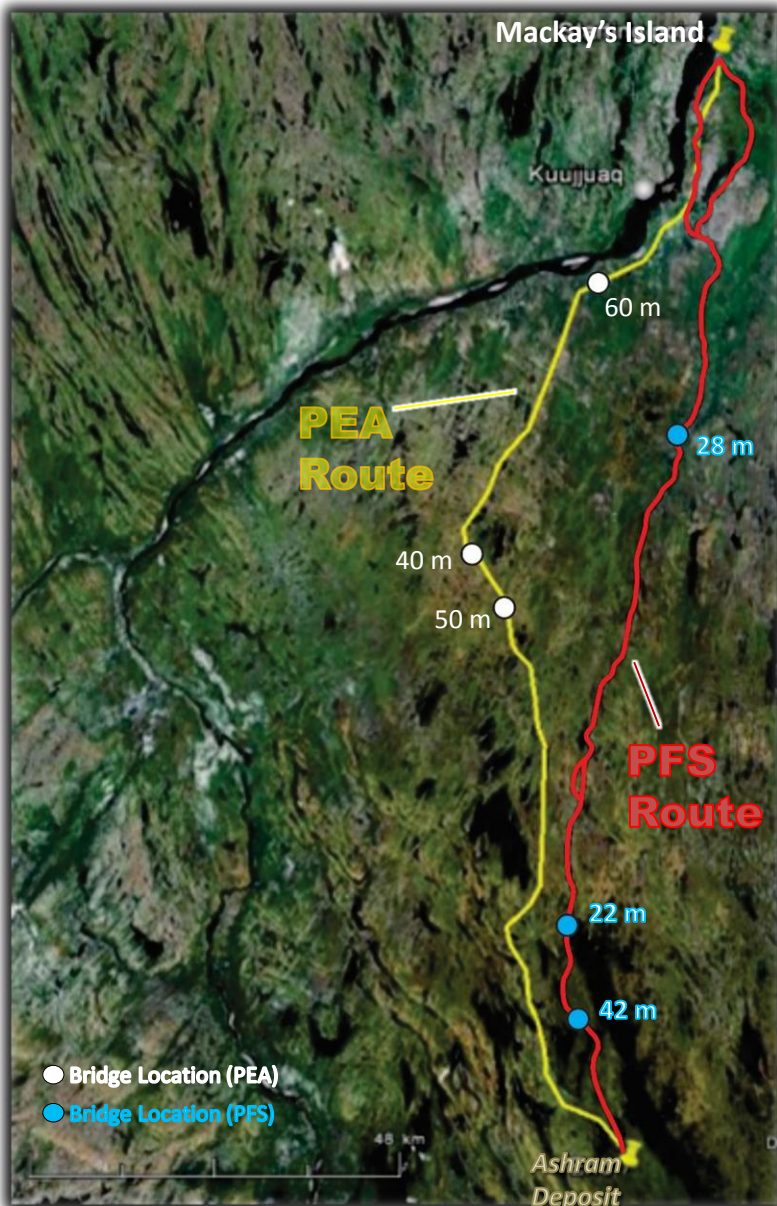
- Significant optimization of Haul Road route (reduced CAPEX)
- Docking Facility (PEA) revised to smaller Barge Facility (reduced CAPEX)
- Mine-site infrastructure layout in advanced stage
 - Tailings facility, process plant, camp, airstrip, etc.
- Environmental studies (hydrology, fish, flora, & fauna)
- Advanced dialogue and engagement with aboriginal community
- Short list of locations determined for proposed hydromet facility
- Significant metallurgical advancements
 - A greater than 4X mineral concentrate grade improvement



Weather Station



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 (Using PEA start/end point)	185 km	162 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
Revised Terminus (North end)	Docking Facility at Mackay's Island assumed	Barge Facility potentially located further north (~15 to 20 km) compared to PEA location
Route Length (Final Estimated)	185 km	175 km to 185 km
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)
Docking/Barge Facility Estimated CAPEX (pre-contingency)	Docking Facility (\$42 M)	Barge Facility (\$20 to 30 M) ¹
Comments	Compared to PEA route, the PFS route is projected to be less geo-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.

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

Samples of various mixed & partial separated rare earth concentrate samples are being produced for companies, including:

Solvay

- Leading processor of REE and specialty metal products worldwide
- 152 year old chemical company with €10.2 billion (US\$9.1 billion) in sales in 2014

Mitsubishi Corporation RtM Japan

- Large metals and minerals trading company
- Subsidiary of Mitsubishi Corporation
- Established in 1947 with JPY¥521 billion (US\$4.3 billion) in sales in 2014

Treibacher Industrie AG

- International company with over 100 years experience in chemistry and metallurgy
- Develops and manufactures ferro alloys for the steel and foundry industries, powders for the carbide industry, materials for high performance ceramics and fine chemicals and special alloys

BASF SE

- Large chemical company worldwide
- Established in 1865 with €74.3 billion (US\$66.3 billion) in sales in 2014

DKK

- Major Japanese automotive catalyst manufacturer

And several companies under Non-Disclosure Agreements



Potential By-Product: Fluorspar

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

- Fluorspar is the industrial name for the mineral fluorite (CaF_2) which may contain up to 49% F
- Global production is estimated at 6.9 Mt per annum in 2014 (USGS)
 - China is leading producer and consumer (is reducing exports) with Mexico also a significant producer
- Two principle commercial grades:
 - **Met-spar** (metallurgical-grade, ~60-85% CaF_2) accounts for roughly one-third of global market
 - Mainly used as a flux in steel making to lower melting temperature & remove impurities (e.g. sulphur & phosphorus)
 - **Acid-spar** (acid-grade, >97% CaF_2) 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% CaF_2)
- 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% CaF_2)
produced from Ashram Deposit*

Commitment to Environmental & Social Responsibility

Recipient of 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



Near-term Milestones

1. **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)
2. Ashram Deposit **Resource Update**
 - Approximately 7,612 m over 72 holes since 2012 resource estimate
3. Final **selection of proposed site for the hydrometallurgical facility**
4. Confirm Project Description
5. **Release of Pre-feasibility Study (PFS)**
 - Well-advanced with all required field data collection complete

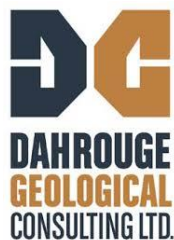


High-grade (46% TREO) rare earth mineral concentrate produced from Ashram Deposit



Summary Highlights

- ✓ **Mixed REC concentrate product targeted with vertical integration to final separate REOs being evaluated**
- ✓ **One of the highest grades of the large tonnage advanced-stage rare earth deposits with mineralization from surface**
- ✓ **Deposit has a very favourable REE distribution containing significant amounts of the Magnet Feed REEs from surface to depth, with a highly enriched MHREO Zone near surface**
- ✓ **Flowsheet currently produces a potentially saleable met-grade fluorspar concentrate (>60% to 94% CaF₂)**



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.

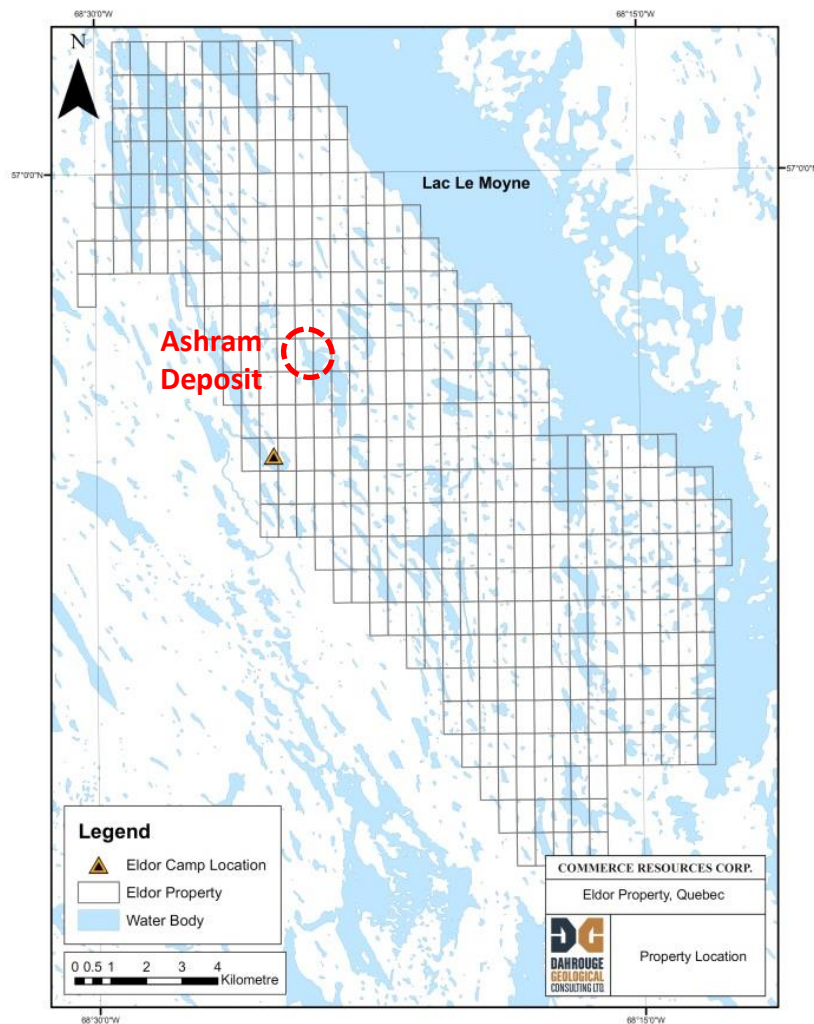
1. Results of the PEA represent forward-looking information. This economic assessment is by definition preliminary in nature and it includes inferred mineral resources that are considered too speculative to have the economic considerations applied to them that would enable them to be categorized as mineral 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.

Appendix

Additional information

The Eldor Property

The Eldor Carbonatite measures at least 7 x 4 km, making it one of the largest carbonatites globally.



2009 Major Discovery: Ashram Deposit

Discovery via prospecting in 2009

- Boulder field identified
- Airborne geophysics (1,000 m x 800 m magnetic low)
- Soil sampling

Traced south to Ashram area

- Mineralized outcrop was found (3%+ TREO)

Followed up with drilling in 2010

- EC10-027 – ‘discovery’ hole
- 1.72% TREO over 215.30 m (3.74 m to 219.04 m)

Significant work continued in 2010 through 2015

- Initial resource estimate defined a large deposit
- Additional drilling confirmed Middle and Heavy Rare Earth Oxide (MHREO) Enriched Zone
- More than C\$30M spent to date on exploration and deposit definition



Ashram discovery outcrop ~2% TREO

Favourable Locale for Mining Investment

Quebec ranked as one of the most favourable jurisdictions globally

- The 2014 survey of mining executives by the Fraser Institute, an independent policy think-tank, ranked Quebec 6 out of 122 global jurisdictions in terms of “attractiveness”
- Quebec’s operating costs are among the lowest in North America
- Company engaged in ongoing dialogue with the Quebec Government and the Société du Plan Nord
- Company has actively engaged and hired from Inuit in Kuujjuaq since 2007
- Aboriginal land claims settled with James Bay and Northern Quebec Agreement (JBNQA)

Investissement Quebec: Financial institution / economic development agency

- Provides loans, loan guarantees, public/private partnerships and working capital to support projects in Quebec
- Currently invested in 11 mining and metals companies (equity and debt)
- The mining and hydrocarbon subsidiary “Resources Quebec” has access to close to \$1.5 billion (Budget 2014-2015) for projects in Quebec

