COMMERCE RESOURCES CORP.

51-102F3 Material Change Report

1. Name and Address of Company

Commerce Resources Corp. (the "Company")
Suite 1450 – 789 West Pender Street
Vancouver, BC V6C 1H2

2. Date of Material Change

December 4th, 2013

3. News Release

Pursuant to section 7.1 of National Instrument 51-102, the news release was disseminated by CNW Newswire and Stockwatch on December 4th, 2013.

4. Summary of Material Change

Commerce Resources Corp. Produces Rare Earth Mineral Concentrate of 43.6% TREO at 70.7% Recovery from the Ashram Rare Earth Deposit, Northern Quebec

5. Full Description of Material Change

Please see Schedule "A" attached.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

7. Omitted Information

Not Applicable.

8. Executive Officers

David Hodge, Director
Telephone: 604.484.2700

9. Date of Report

December 14, 2013

COMMERCE RESOURCES CORP.

SCHEDULE "A"

Commerce Resources Corp. Produces Rare Earth Mineral Concentrate of 43.6% TREO at 70.7% Recovery from the Ashram Rare Earth Deposit, Northern Quebec

December 4, 2013 – Commerce Resources Corp. (TSXv: CCE, FSE: D7H, OTCQX: CMRZF) (the "Company" or "Commerce") is pleased to announce significant advancements in the metallurgical flowsheet for the Ashram Rare Earth Deposit. Highlights are as follows:

Highlights

- Production of a **43.6% Total Rare Earth Oxide** (TREO) mineral concentrate at a **recovery rate of 70.7%** with a **mass reduction of 96.9%** (3.1% mass pull), using conventional processing steps,
- Advancement of the hydrometallurgical flowsheet, and
- Confirmation that a high grade fluorite concentrate can be produced using the same flowsheet process as that of the rare earth minerals.

Company President David Hodge states, "Over the last few months the metallurgical work on the Ashram Deposit has focused on recovery rates. Through this work we can now produce a high grade TREO mineral concentrate with the highest recovery rates to date, and with a significant mass reduction. This is an important milestone for the Ashram Deposit where mineralogy and metallurgy are paramount in determining production potential."

Mineral Concentrate Production

Hazen Research Inc., through collaboration with Gerhard Merker and UVR-FIA GmbH, has successfully produced a 43.6% TREO mineral concentrate at 70.7% recovery with a total mass reduction of 96.9%, as well as a fluorite concentrate (94% CaF_2, based on fluorine analysis of 45.5%) without additional processing.

This conventional flowsheet provides for higher recovery through each stage of upgrading while improving TREO grade. The upgrading consists of a one-stage beneficiation and flotation circuit followed by a weak hydrochloric (HCl) acid leach to remove carbonate, and finally Wet High Intensity Magnetic Separation (WHIMS) to remove fluorite. The following illustration and table outline the flowsheet for upgrading to a high grade rare earth mineral concentrate.

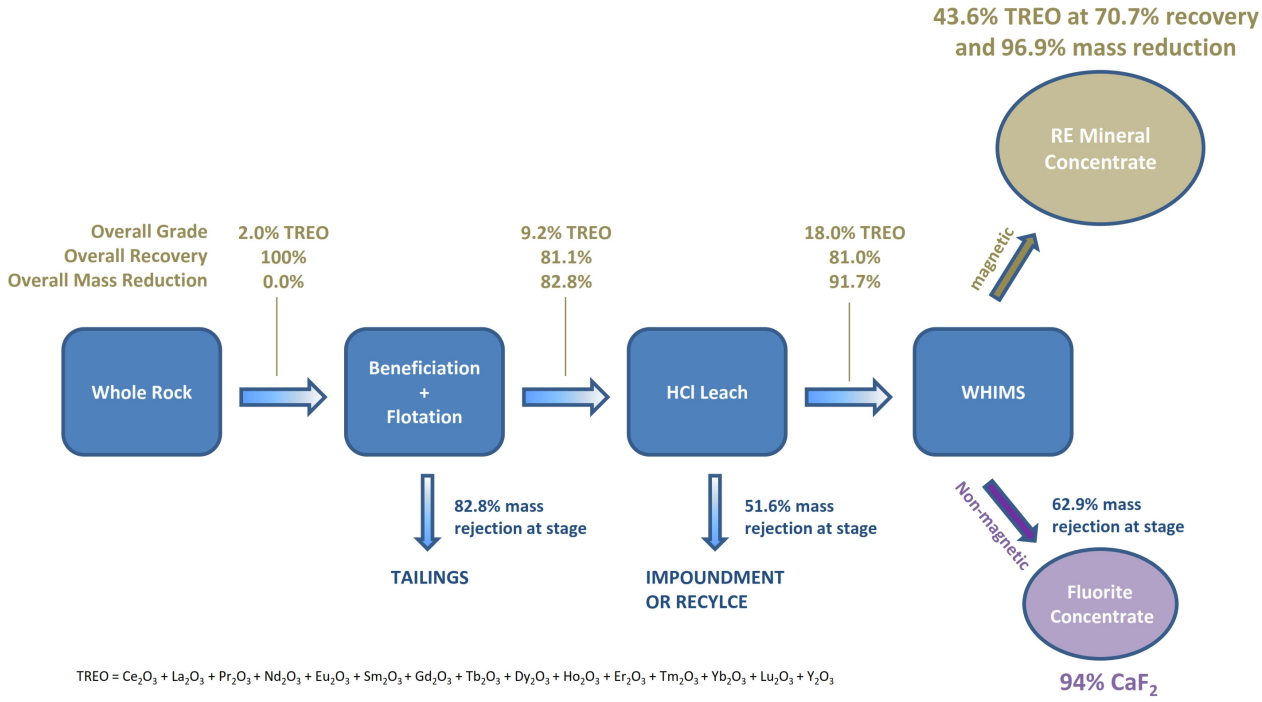


Figure 1: Simplified Ashram Flowsheet for the Production of Rare Earth Mineral Concentrate (actual test result shown)

Table 1: Stage Production of Rare Earth (RE) Mineral Concentrate (actual test results shown)

	Whole Rock Material	RE Flotation Concentrate	RE Flotation Concentrate (post HCL Leach)	FINAL MINERAL CONCENTRATE (post HCl Leach + WHIMS)
TREO Grade(1)	2.0%	9.2%	18.0%	**43.6%**
Upgrade Ratio Between Stage	*4.6 times (81.1%recovery, 82.8% mass reduction*			
		1.9 times (99.9% recovery, 51.6% mass reduction)		
			2.4 times (87.3% recovery, 62.9% mass reduction)	
	21.8 times total upgrade from whole rock (70.7% recovery, 96.9% mass reduction)			

(1) TREO and recovery are fully quantitative and derived from ICP analysis of Ce_2O_3 + La_2O_3 + Pr_2O_3 + Nd_2O_3 + Eu_2O_3 + Sm_2O_3 + Gd_2O_3 + Tb_2O_3 + Dy_2O_3 + Ho_2O_3 + Er_2O_3 + Tm_2O_3 + Yb_2O_3 + Lu_2O_3 + Y_2O_3.

The flotation concentrate was produced using a conventional one-stage beneficiation process followed by flotation using commercially available

reagents. The multi-stage beneficiation process followed by flotation, that has been demonstrated to significantly increase grade, is still being evaluated for improved recovery.

The addition of the HCl leach following flotation allows for considerable mass to be removed, thereby increasing grade prior to the WHIMS stage.

The WHIMS was completed at a commercially practical intensity of 5,000 gauss, with no additional stage optimization (cleaners/scavengers). Based on prior test results, it is anticipated that additional scavengers will improve recoveries further with only minor decrease in grade. Up to 97% recovery at the WHIMS stage has been demonstrated during prior test work (see news release dated August 13, 2013); another series of WHIMS tests will utilize a larger batch of feed material to confirm.

The 43.6% TREO mineral concentrate is now undergoing sulphation roasting where, based on prior results, 95%+ recovery of the rare earth elements from the WHIMS concentrate into solution is anticipated. Further, the recently produced high-grade concentrates will reduce the throughput and associated capital costs of the sulphation and leaching plant.

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

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

About Hazen Research Inc.

Hazen Research Inc., located in Colorado U.S.A, is an industry leader in metallurgical processing including rare earths. Their expertise extends across many commodities including base, precious, and rare metals, as well as pilot plant level studies.

Over their 50+ year history, extensive experience in the metallurgy of rare earths has been developed via direct involvement on many rare earth projects having varying ore and gangue mineralogy. They are therefore, very well-known to industry, within and outside North America, as a leader in mineral beneficiation and hydrometallurgical processing of raw materials, including rare earth mineralized material.

Hazen is the primary metallurgical facility focused on defining the beneficiation and hydrometallurgical flowsheet for the Ashram Deposit.

About UVR-FIA GmbH

UVR-FIA GmbH, located in Freiberg Germany, is a mineral processing and research facility with roots dating back to 1954. The surrounding region has a history of over 800 years of mining and smelting with Freiberg hosting the world oldest university of mining and metallurgy in the world (Freiberg University of Mining and Technology, established in 1765).

R. Gerhard Merker, a mineral processing engineer (Dipl.-Ing.) and leading expert in flotation of carbonate and fluorite-bearing bastnaesite ores, is consultant and manager of the Ashram Deposit's test work at UVR. Mr. Merker has over 30 years' experience in the raw material and recycling industry including several years studying the Dong Pao Rare Earth Deposit in Vietnam and other rare earth deposits.

UVR-FIA is working in tandem with Hazen Research to complete the Ashram Deposit`s flowsheet with a focus on fluorite separation from the rare earth minerals.

About the Ashram Rare Earth Element Deposit

The Ashram Rare Earth Element (REE) Deposit is a carbonatite within the Eldor Property, located in north-eastern Quebec. The Deposit has a measured and indicated resource of 29.3 million tonnes at 1.90% TREO and an inferred resource of 219.8 million tonnes at 1.88% TREO. The deposit boasts a well-balanced distribution with enrichment in the light, middle and heavy rare earth elements including all five of the most critical elements (neodymium, europium, dysprosium, terbium, and yttrium).

The REEs at Ashram occur in simple and well-understood mineralogy, being primarily in the mineral monazite and to a lesser extent in bastnaesite and xenotime. These minerals dominate the currently known commercial extraction processes for rare earths.

A Preliminary Economic Assessment, completed in May of 2012 by SGS-Geostat of Montreal (Blainville) (see news release dated May 24, 2012), outlines robust economics for the Ashram Deposit. The PEA is based on a 4,000 tonne per day open-pit operation with an initial 25-year mine life (300 years at economic cut-off if open-pit + underground development), a pre-tax and pre-finance Net Present Value (NPV) of $2.32 billion at a 10% discount rate, a pre-tax/pre-finance Internal Rate of Return (IRR) of 44%, and a pre-tax/pre-finance payback period of 2.25 years.

The company continues to advance the Ashram Deposit with metallurgical programs at both UVR-FIA and Hazen Research.

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

Upper Fir Tantalum and Niobium Deposit in British Columbia and the Ashram Rare Earth Element Deposit in Quebec.

For more information on Commerce Resources Corp. visit the corporate website at http://www.commerceresources.com or email info@commerceresources.com.

On Behalf of the Board of Directors
COMMERCE RESOURCES CORP.

"David Hodge"
David Hodge
President and Director
Tel: 604.484.2700
Email: dhodge@commerceresources.com

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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 the focus of the metallurgical work, the results of the on-going metallurgical programs the reported grades and potential cost reductions; the multi-stage beneficiation process is being evaluated for improved recovery, it is anticipated that additional scavengers will improve recoveries; WHIMS testing to be confirmed by larger batch feed; 95%+ recovery of REE's from the WHIMS concentrate is anticipated; recently produced high-grade concentrates will reduce throughput and associated capital costs of the sulphation and leaching plant; all reference to and information contained in the pre-feasibility study; recoveries are expected to improve. These forward-looking statements are based on the opinions and estimates of management and its consultants at the date the information is disseminated. They 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 the ability to finance ongoing exploration, development and metallurgical programs, changing costs for mining and processing; changing forecasts of mine production rates; 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 test work; the availability of labour, equipment and markets for the products produced; market pricing 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.