

Independent Investment Research

Investment Snapshot (September, 2004)

Mineral Exploration & Development

Analyst: Marc Davis

Investment Opinion and Corporate Assessment

Symbol: TSX.V – CCE

Recent Price Cdn. \$0.12

52 Week High \$0.22
52 Week Low \$0.07

Shares Outstanding (f. diluted) 21.1 Million
25.0 Million

Market Cap Cdn. \$2.32 Million

Fiscal Year End Oct. 31

Target Minerals Tantalum & Niobium

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Commerce Resources Corp. (TSX.V-CCE) is focused on the exploration and development of two highly prospective tantalum and niobium deposits that sit at the heart of an expansive, 100%-owned, 49-square-kilometer land package in central British Columbia, Canada. Together known as the Blue River Project, the Verity Deposit and Fir Deposit are believed to host significant enough quantities of these rare metals to warrant a near-term pre-feasibility study (a preliminary blueprint for a mine).

A positive outcome for this pivotal economic appraisal promises to have a dramatic impact on Commerce's fortunes. In essence, it would present this small, Vancouver-based junior exploration company with favourable odds in support of commercializing a low-cost, prospectively lucrative mining operation. Such a scenario would no doubt act as a catalyst to significantly higher price valuations for Commerce.

Beyond this milestone threshold, Commerce's prospects for continued success will be dependent on small scale infill drilling to support the delineation of an ore-grade mineral inventory. Moreover, it must be of sufficient size and scope to be amenable to cost-efficient mining methods. To this end, Commerce benefits from the convergence of a number of compelling dynamics which paint a favourable logistical picture in support of a profitable mining venture. These issues will be discussed at length within the body of this research report.

However, it must be realized that the Blue River Project constitutes the sole value driver for Commerce's share price during 2004. In short, Commerce is exclusively a results-dependent company. Its share price is not likely to be carried higher by the updraft of a secular bull market in metal commodities prices. Whereas investors are once again pouring their money into gold, platinum and silver exploration stocks, Commerce has been largely overlooked. Unlike junior gold and diamond explorers, a company exploring for tantalum does not tend to attract many headlines. Unfortunately, investors have historically shied away from projects involving exotic metals such as tantalum for which spot prices are not even available. This is the foremost reason why Davis & Associates Capital Corp. believes that Commerce Resources deserves closer attention.

Indeed, we firmly believe that Commerce has the opportunity to outperform most of its peers in the junior mining sector during the next 12 months. To do so, Commerce needs to successfully complete a positive Cdn. \$250,000 pre-feasibility study, which is scheduled for the fall of 2004. With the successful realization of just this benchmark development, and the fact that metallurgical work has shown the deposit amenable to low cost recovery methods, Commerce could become a prime takeover target for a major producer or tantalum/niobium processor. Meanwhile, the tantalizing longer-term prospect of commercializing a high-grade tantalum/niobium mine clearly offers early-stage Commerce shareholders considerable 'home run' potential.

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Corporate Overview

...growing industrial demand for tantalum is beginning to outstrip its long-term supply.. Hence, significant premiums are already built into the price of tantalum.

Tantalum is so sought after that any meaningful new discoveries are now welcomed with open arms by tantalum-dependent end users, namely the global high tech industry.

This reality is now underscored by the surprise August, 2004 announcement the Australia-based Sons of Gwalia, which supplies over half of the world's tantalum supply, is running into production problems.

Commerce Resources is an anomalous situation among Canada's 1,000-plus mining juniors. Commerce is one of only a handful of companies that has chosen to stake its reputation on the exploration and development of such 'rare earth minerals' as tantalum and niobium. This has proven to be a shrewd choice, however. On the one hand, Commerce's share price is therefore not beholden to the vagaries of spot metal prices. By contrast, many gold juniors that greatly benefited from the yellow metal's strong performance in 2003 are now languishing as it continues to idle in mid 2004.

On the other hand, growing industrial demand for tantalum is continuing to outstrip its long-term supply. Hence, significant premiums are already built into the price of tantalum. It trades at approximately US \$150 a pound of pure tantalum (as opposed to concentrate which trades at around US \$40-50 a pound.) As for niobium, its global supply is largely dependant on the output of just three mines in Brazil. However, it is not in short supply and therefore trades at around US \$6-8 a pound. (In a United States-dominated marketplace for 'rare earth minerals', prices are customarily quoted in pounds, rather than kilograms).

The importance of finding new supplies of such rare 21st century industrial metals as tantalum cannot be overstated. Tantalum is so sought after that any meaningful new discoveries are now welcomed with open arms by tantalum-dependent end users, namely the global high tech industry. This reality is now underscored by the surprise August, 2004 announcement that Australia-based Sons of Gwalia, which supplies about half of the world's tantalum supply, is running into production problems. Specifically, the dominant tantalum producer is now hinting that prices are likely to continue to rise because near-surface, high-grade ore at one of its two mines is virtually mined out. Now Sons of Gwalia says it will have to raise at least U.S. \$9 million to access deeper, inferior-grade supplies in order to sustain its production levels. This development has potentially unnerving implications for an industry that is dependent on the assurance of uninterrupted, long-term supplies of this new-age metal.

The high tech industry is so dependent on its tantalum usage that primary processors are motivated to mitigate any potential supply interruptions by way of securing long-term contracts with processors and producers. Interestingly, a tangible example of how fragile the supply chain for this rare metal can be is illustrated by the fact that a temporary production shortfall led to a scarcity of the much-awaited Playstation 2 platforms during the Christmas holidays of 2000. However, this scenario is fraught with risk as some of the world's tantalum mines are in such politically unstable nations as Rwanda and the Congo where the industry's standard long-term supply contracts are not enforceable.

Thus, the prospect of commercializing a tantalum mine in a politically stable environment such as Canada gives the company a key strategic advantage. Specifically, Canada's renowned legal framework would reinforce the viability of any long-term supply contracts that Commerce enters into with foreign tantalum processors. It is important to note that the world's small handful of tantalum processors typically refrain from doing business with mining companies that cannot guarantee the uninterrupted delivery of tantalum over the duration of long-term contracts. Therein lies the considerable appeal to processors of having access to a new, untapped supply of Canadian tantalum.

Tantalum Industry Recognizes Potential of Commerce's Discoveries

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A globally-recognized authority on tantalum, the Geological Survey of Western Australia, recently gave special consideration to the Verity and Fir Deposits. In an in-depth overview of the world's tantalum industry that was published earlier this year, the report referred to these "two most notable exploration sites" as being "rich in tantalum-niobium minerals."

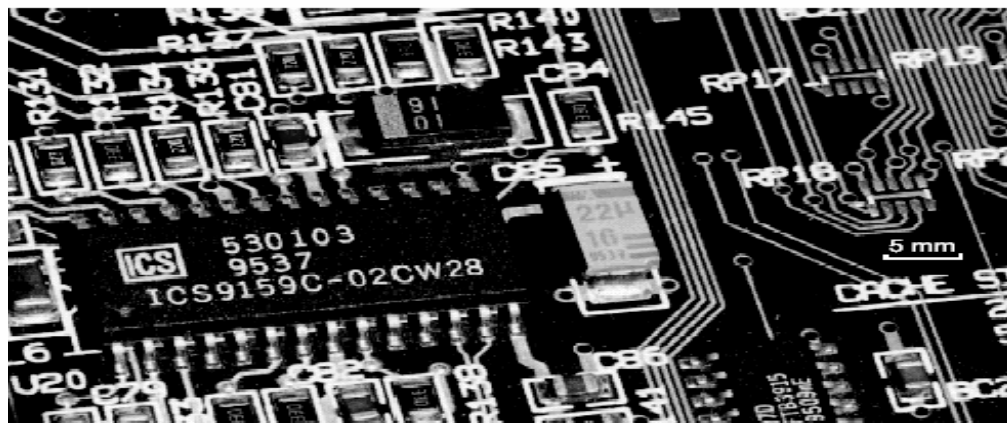
The report also notes that Canada has considerable untapped potential, especially since only one small tantalum mine exists throughout the whole of the country. However, tantalum is so relatively rare that this Manitoba mine accounts for approximately 8% of the world's total reserves. Therefore, the implications for the economic development of the Fir Deposit (and also possibly the Verity Deposit) would surely be profound.

Tantalum – A Brief Overview

Though many investors have never heard of tantalum before, it is more than likely that they unwittingly depend on tantalum for many every-day activities. During the last 30 years, the demand for tantalum has skyrocketed with the evolution of miniaturized electronics. Due to its unique electrical properties, tantalum is used primarily in the production of tiny capacitors which power cellular telephones, pagers, personal computers, video cameras, video game recorders and automotive electronics. Hence, its price has appreciated over 2,000% in value since the 1950s -- eclipsing all other metals, including gold and platinum.

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Tantalum capacitor incorporated in a computer circuit. The capacitor (centre rectangle) rapidly discharges small electrical charges to regulate power distribution around the integrated circuit chip (left centre).

However, tantalum also has other unique properties, including a very high melting point, malleability, and resistance to corrosion by acids. These characteristics lend it to other industrial applications. For instance, it is also used in super-alloys in jet engines, weapons systems and nuclear reactors. Tantalum is even used in the manufacturing of insecticides and pharmaceuticals, as well as prosthetic limbs. Its newest use involves the coating of fibre optic lines.

Tantalum – A Brief Overview (continued)

Commerce's ability to honour such long-term contracts (in the eventuality of a mine becoming a reality) would make the company appealing to processors or end users.

As for niobium, it is highly sought after in the manufacturing of specialized stainless steel products, as well as space-age alloys, because of its heat resistant and anti-corrosion qualities. As a super-conductor, it is also used in the manufacturing of super-conductive magnets. Niobium is also used in pacemakers and dental fixtures. This silvery metal is also growing in popularity in the manufacturing of jewelry.

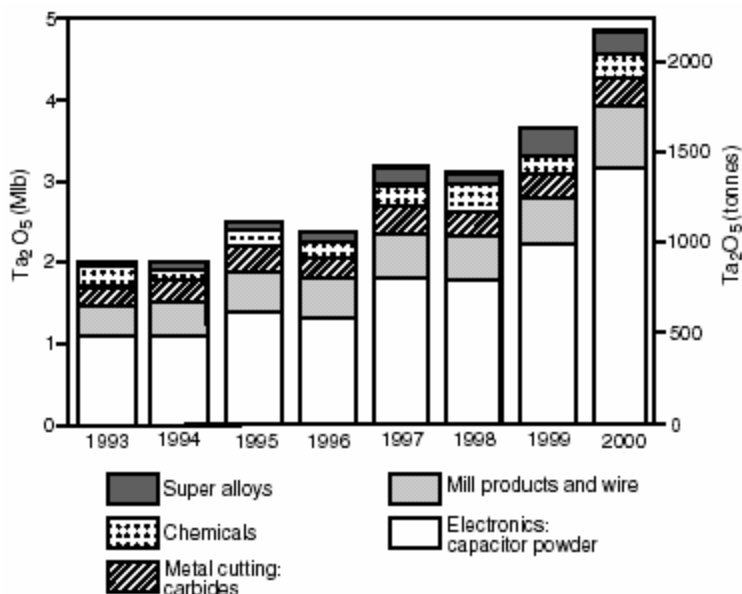
Tantalum and niobium are not traded in an auction-style commodities market. Instead, prices are negotiated on a per-contract basis between suppliers and processors or end users. For a growing number of industrial/manufacturing companies that particularly rely upon tantalum, buying this 'rare earth' metal typically involves signing long-term supply contracts at fixed prices. Again, Commerce's ability to honour such long-term contracts (in the eventuality of a mine becoming a reality) would make the company appealing to processors or end users. In turn, this would surely also make Commerce an attractive takeover candidate.

Global Economic Recovery Spurs Increased Demand For Tantalum

In statistics recently published by Deutsche Bank, demand for the specialty metal has dramatically improved to within 5% of its 2000 peak.

As of June 2004, surging demand for tantalum, fueled primarily by the electronics industry, has propelled ore concentrate prices to about US \$40 to US \$50 per pound from low of US \$15 in 2002. In statistics recently published by Deutsche Bank, demand for the specialty metal has dramatically improved to within 5% of its 2000 peak. And long-term demand is expected to edge the metal's price closer to US \$60 a pound as the global economic recovery gathers momentum.

Microchip production targets from the semiconductor industry imply an incremental increase in demand of 20% to 25% by 2007. This accelerating trend is being driven by increasing demand for miniaturized electronic components such as tantalum capacitors. This includes new-generation computer memory chips and processors, as well as new electronic applications for the automotive industry. All of this is in addition to the 6% to 8% annual demand growth that is expected from other end user markets.



Global Tantalum Consumption by Industry (1993-2000)

Blue River Project: Location and Logistics

All of the claims were staked by Commerce Resources Corp. between February and October 2000, and are owned 100% by Commerce with no underlying royalties.

The Blue River Project takes its name from the nearby town of Blue River, which lies some 30 kilometres to the south of the Fir Deposit and about 40 kilometres south of the Verity Deposit. The nearest major city, Kamloops, is approximately 300 kilometres to the south of the Blue River Project.

The company's Verity tantalum-niobium property, which encompasses the Verity Deposit, consists of 13 contiguous (interconnected) claims totaling 325 acres. The main line of the Canadian National Railway (CNR) passes through the western parts of the property, while the rail-siding at Lempriere Station is located a few kilometres to the north. In addition, a B.C. Hydro line passes through the western part of the Verity claim group. Year-round access to the property is via an active logging road which is well-maintained during summer months.

The Fir Property, which hosts the Fir Deposit, consists of 12 contiguous claims totaling 1,725 hectares/acres. This property is also accessible from a logging road that branches from Highway 5, only about 23 kilometres north of Blue River. The same railway line that crosses the Verity Deposit also passes through the western parts of the Fir Property. In addition, a B.C. Hydro line passes through the central part of the Fir claim group.

All of the claims were staked by Commerce Resources Corp. between February and October 2000, and are owned 100% by Commerce with no underlying royalties.

Fir Property/Deposit

Exploration to date at the Fir Deposit has outlined a drill indicated/inferred resource... approximately twice the grade of most small tantalum deposits.

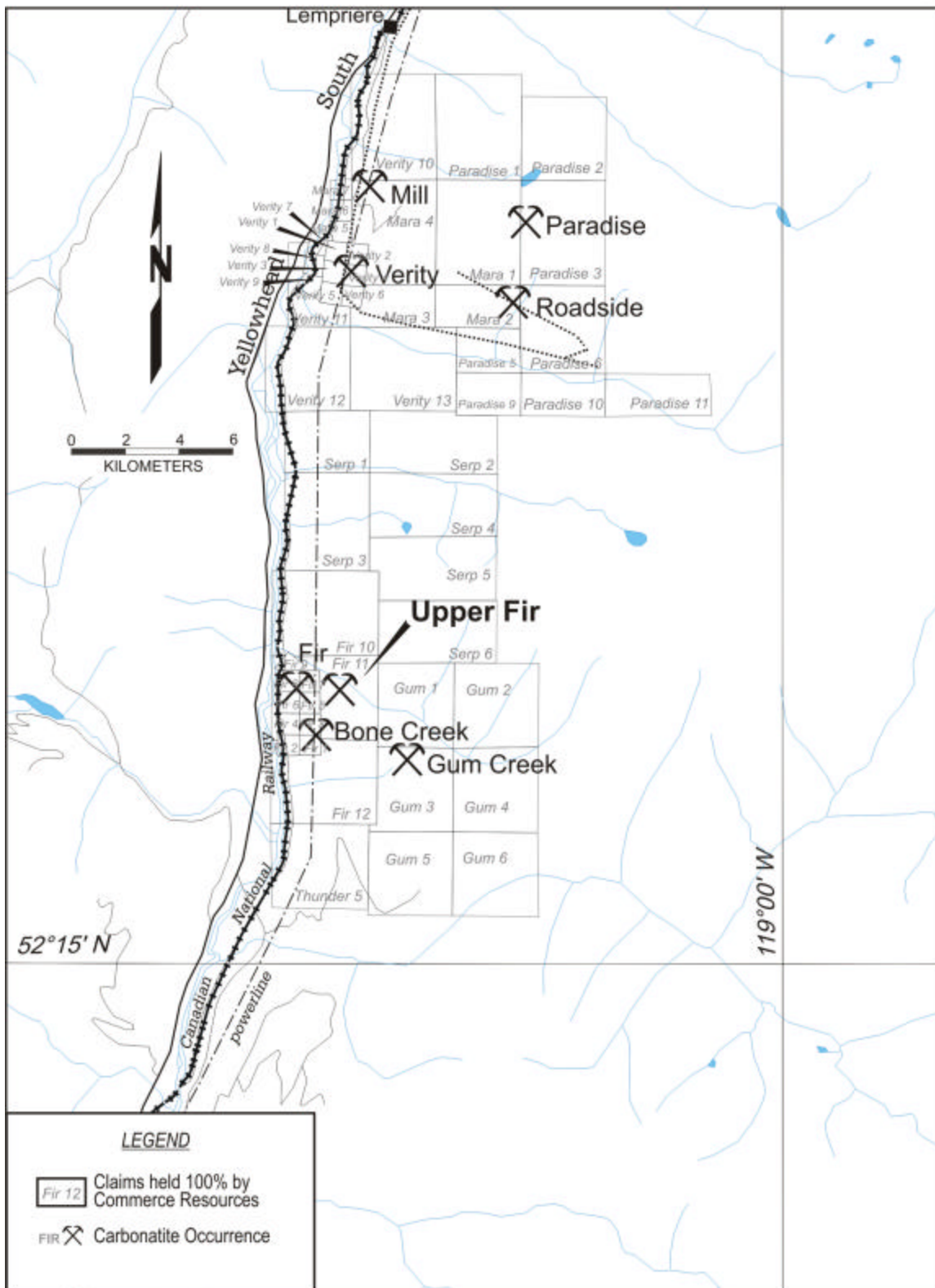
Exploration to date at the Fir Deposit has outlined a drill indicated/inferred resource of 12.39 million tonnes grading 203 grams per tonne (g/t) of tantalum (approximately twice the grade of most small tantalum deposits) and 1,047 g/t of niobium, of which 5.65 million tonnes is categorized as drill indicated. The remaining 6.7 million tonnes falls into the inferred category. This independent evaluation was commissioned by Commerce in 2003 and was completed by Ruben Verzosa, P. Eng.

The Fir Deposit is not only the larger of Commerce's two adjacent deposits but it also hosts the highest grades. Significant prior drill results for the Fir Carbonatite include 8.2 metres of 318 g/t tantalum, 1,400 g/t of niobium and 3.15% phosphate. Further in-fill drilling also offers the potential for additional exceptional grades and increased tonnage, according to an independent geological report that was undertaken by Jim McCrea, P. Geo.

The Fir Carbonatite is up to 75 metres thick and near flat-lying. It has been intersected by 15 drill holes and traced on surface along a known strike for at least 400 metres in length. During the 2004 exploration season, Commerce intends to determine if this strike length extends at least another 1,200 metres to connect to the more recent Upper Fir Carbonatite discovery zone.

Significant prior drill results for the Fir Carbonatite include 8.2 metres of 318 g/t tantalum, 1,400 g/t of niobium and 3.15% phosphate.

To date, Commerce has outlined a drill-indicated resource by way of a total of 15 drill holes that were completed between 2001 and 2002. Historically, a total of four holes were drilled by the property's previous owner, Anschutz Mining Ltd. in the 1980s. These exploratory holes encountered similar grades to those revealed by Commerce's more recent drilling, which consisted of six holes in 2001 and five more the following year. Notably, the resources outlined to date do not account for the deposit's full potential. In fact,



Locations of Carbonatite Discoveries, Including The Fir and Verity Deposits, Near Blue River, British Columbia

Fir Property/Deposit (continued)

“It is therefore, not unreasonable to speculate on the possible presence of volumes of mineralized carbonatite at least four times that contained in the drilled area, representing a potential resource of 50 million tonnes.”

mineralization in this relatively small but high-grade deposit remains ‘open’ (continuous) for expansion in three directions.

Commerce is particularly encouraged by the discovery of the Upper Fir Carbonatite in 2002. It is situated approximately 1,200 meters from the Fir deposit and therefore represents a possible continuation of the strike length of the Fir Deposit’s main mineralized horizon to the west. On the same note, Ruben Verzosa also postulates in his 2003 report on the Fir Deposit that:

“Geological interpretations strongly suggest the persistence of the Fir Carbonatite zone along strike and up dip towards the Upper Fir that outcrops 1,200 metres east of the drilled area,” he states.

“It is therefore, not unreasonable to speculate on the possible presence of volumes of mineralized carbonatite at least four times that contained in the drilled area, representing a potential resource of 50 million tonnes.”

The Fir claim blocks were originally staked by Commerce Resources Corp. for their exploration potential in 2001. As Commerce has 100% ownership of this 1,725 hectare land holding, the property is not subject to any royalties, back-in payments or other agreements.

Verity Property/Deposit

Notably, parts of the deposit represent a potentially ‘open pitable’ resource that is amenable to very cost-efficient mining.

The Verity Deposit is host to an inferred resource of 3.06 million tonnes grading 196 grams per tonne of tantalum and 646 grams per tonne of niobium with phosphate credits running as high as 3.2%. This estimate is based on data from 30 drill holes conducted by Anschutz Mining Ltd. in the 1980s. A total of five holes were drilled by Commerce in 2001 that successfully corroborated the unusually high-grade results that were originally reported by Anschutz. According to an independent geological report that was prepared for Commerce in 2001 by Jim McCrea, P. Geo, the Verity Deposit also remains ‘open’ (continuous) for expansion in three directions. Notably, parts of the deposit represent a potentially ‘open pitable’ resource that is amenable to very cost-efficient mining.

The deposit consists of a carbonatite sill that is 15-30 metres thick with an estimated 5,500-metre surface strike length that Commerce believes likely connects to the Paradise Carbonatite mineralized complex to the east. Numerous outcrops, trenches and pits have been mapped and sampled along the estimated strike length.

Infrastructure

The Blue River project benefits from excellent infrastructure...

The Blue River Project benefits from excellent infrastructure -- a key logistical factor as the ready availability of water, power and paved roads can go a long way towards containing a mine’s operating costs. The Yellowhead Highway, Canadian National Railway, and B.C. Hydro power lines actually cross Commerce’s property. Such infrastructure can contribute to making the Blue River Project a low-cost producer. Indeed, the less infrastructure there is that needs implementing, the fewer capital expenditures are required to build a mine.

Tonnage & Grade Resource Calculations

...metallurgical testing...indicated that a gravity concentrate can be produced with recoveries of approximately 85-93% of the contained tantalum and niobium minerals (a much higher figure than the industry norm).

The relatively soft host rock for Commerce's two key tantalum discoveries is known as carbonatite. This is significant in that crushing the ore leaves the tantalum and niobium minerals largely intact, translating into a very high rate of recovery (a key benefit in containing mining costs).

Furthermore, metallurgical testing for the Fir Carbonatite – conducted by an independent technical research consultancy firm – recently indicated that a gravity concentrate can be produced with recoveries of approximately 85-93% of the contained tantalum and niobium minerals (a much higher figure than the industry norm). These tests were conducted as part of a mini bulk sample analysis of 800 kilograms of high grade mineralization that was taken from the Fir Deposit. Significantly, these multi-faceted tests also confirmed the consistency of grade in the Fir Deposit – a very positive factor in determining the likely viability of a mining operation.

Mine Revenues Forecast

...if both the Verity and Fir deposits were to be mined at a rate of 3,000 tons per day, this would translate into a production of one million tons of ore per year...

All told, Commerce's preliminary estimations suggest that if either the Verity and Fir deposits were to be mined at a rate 3,000 tonnes per day, this would translate into a production of one million tonnes of ore per year with a daily production rate of 1,133 pounds of tantalum and 5,600 pounds of niobium. It is estimated that this would be achieved by way of open pit mining at the Verity Deposit and with the use of room and pillar mining techniques at the Fir Deposit. In turn, the mined material would be concentrated with simple gravity and magnetics. Thus, it can be assumed that the cost to this stage would be favorable to Commerce.

The next stage is hydrometallurgical processing which is designed to add further value to the material. While not yet conclusive, initial hydrometallurgical test work completed by SGS Lakefield Research for Commerce has proved encouraging. Dr. Joe Ferron, Vice President, Metallurgical Technology at SGS Lakefield reported, "The upgraded Fir samples responded very well to traditional HF leaching protocols and showed a reasonable HF consumption. This is a promising first step for such an ore." Dr. Ferron is well regarded in the tantalum industry for his extensive experience in test work and research.

...the gross annual revenue figure translates into a projected Cdn. \$24.3 million.

Meanwhile, the company stated in a news release, "Commerce Resources was encouraged that the hydrofluoric acid additions used in this test program, of 860 – 1,200kg HF(48%) acid per tonne of gravity concentrate, were less than that reported by a commercial operation employing similar processing technology."

Accordingly, initial production costs suggest the prospect of a low-cost producer. Based on a production level of 3,000 tonnes per day, with an anticipated 300 days of production per year, the output translates into approximately 340,000 lbs Ta₂O₅ and 1,700,000 lbs Nb₂O₅. Commerce is also predicting a mine life of at least 13 to 16 years. With the pre-feasibility study completing a 'preliminary blue-print' of the methods for extracting and processing the concentrate, and providing recommendations for defining further resources, it is highly probably that Commerce would become an attractive takeover target.

Commerce's Tantalum Production Plans Receive Major Boost

Probably the greatest single reason for Commerce's lowly share price to date has been the challenge of climbing a wall of skepticism...

However, Commerce believes that the recent successful realization of a major benchmark development will go a long way towards winning over its doubters.

These two deposits, which are 10 kilometres apart, are surrounded by geologically-fertile mineral claims that are also wholly owned by Commerce.

Probably the greatest single reason for Commerce's low share price to date has been the challenge of climbing a wall of skepticism among the investment community and the mining industry, alike, regarding the economics of this project. In short, the consensus of opinion has been that if the major players in the tantalum industry were sufficiently impressed with Commerce's prospects, they would already be courting the tiny exploration and development company. Alternatively, dominant industry tantalum processors such as U.S.-based Cabot Corp and Germany's H.C. Starck would at least be hedging their bets by aggressively acquiring the company's excessively cheap stock.

However, Commerce believes that the recent successful realization of a major benchmark development will go a long way towards winning over its doubters. Specifically, the world-renowned Canadian metallurgical testing firm, SGS Lakefield Research, reported to Commerce this summer that it has established that tantalum ore from the Fir Deposit can be converted from concentrate to oxide metals at a significant discount to the originally anticipated cost. This represents considerable projected cost savings in a crucial step towards the production of commercially viable tantalum oxide – the raw product that is used in the manufacturing of tantalum-reliant high tech products.

On this basis, Commerce believes that the company could successfully mine up to one million tonnes per year, which would yield approximately three pounds of tantalum and niobium oxide per tonne. Accordingly, Commerce's contribution to the global supply of tantalum would be significant. Moreover, the favourable economics of a relatively inexpensive mining operation at the Fir Deposit and Verity Deposit would allow Commerce's operation to become extremely competitive on a worldwide basis. Accordingly, Davis & Associates Capital believes that this would attract a joint venture partner for developing the project, or make Commerce an obvious near-term takeover candidate.

Other Carbonatite Prospects

These two deposits, which are 10 kilometres apart, are surrounded by geologically-fertile mineral claims that are also wholly owned by Commerce. In fact, prior exploration at the Blue River Property has identified five other distinct tantalum/niobium bearing carbonatites. They include the Upper Fir, Bone Creek, Gum Creek, Paradise, Serpentine and Mill complexes.

As previously discussed, the Paradise Carbonatite is a particularly prospective target zone as it may well represent a significant extension of Verity Deposit. The presence of a number of soil anomalies and a key geophysical signature add credence to this theory. Additionally, Commerce is encouraged by the 2003 discovery of the Roadside Carbonatite. Notably, it is situated only a short distance from both the Verity and Paradise discovery zones, suggesting that all three complexes may be contiguous (connected). The possibility that these carbonatites may outline the parameters of a large mineralized structure is expected to be better investigated during the 2004 exploration season. Furthermore, both the Serpentine and the Gum Creek Carbonatites have not seen any meaningful exploration work to date. Thus, they too offer Commerce 'blue sky' potential.

'Grass Roots' Gold Projects

Commerce also has a 100% interest in several 'grass roots' gold projects.

With the historic discovery of at least one copper skarn mineralized structure and a gold vein complex, Commerce's management believes that the property still exhibits untapped potential.

Grab samples of magnetite-rich, intrusive breccia have averaged 8 g/tonne of gold with values running as high as 630 g/t gold.

Commerce also has a 100% interest in several 'grass roots' gold projects. However, the company is not interested in diluting its working capital at this time. Therefore, it is unlikely that these properties will be the focus of any serious exploration activity in 2004 unless Commerce finds one or more joint venture partners. Regardless, these projects deserve a brief mention.

They include the Au Property, which is located about 30 kilometers southeast of the city of Merritt, B.C. and within the Nicola Mining Division. This expansive property has been worked intermittently as far back as the 1930s with various drilling, trenching and soil sampling, as well as geophysical surveying programs leading to the discovery of a number of both gold and copper occurrences.

This includes the discovery in the early 90s of a well-mineralized gold-bearing quartz vein. However, last round of exploration activity in the mid to late 1990s fizzled out with the onset of a protracted bear market in the mining sector. With the historic discovery of at least one copper skarn mineralized structure and a gold vein complex, Commerce's management believes that the property still exhibits untapped potential.

Commerce has also entered into an option agreement with Lalo Ventures Inc. to explore the Aubyrd, Comm and Commerce gold projects, which are all located approximately 60 kilometres southeast of the town of Fernie in southeastern British Columbia.

Collectively known as the Crowsnest Projects, they encompass 124 claim units, or approximately 31 square kilometers. The Aubyrd Project is contiguous with and immediately south of the Crowsnest Property of Eastfield Resources Ltd, where exploration has outlined a system of alkaline intrusions with broad exploration potential. Grab samples of magnetite-rich, intrusive breccia have averaged 8 g/tonne of gold with values running as high as 630 g/t gold.

To date, Commerce has outlined a shallow-source magnetic anomaly immediately south of Eastfield's property boundary, which may represent the center of a magnetite-rich, alkaline plutonic system. Gold mineralization within the region is tentatively identified as a prolific class of gold deposits known as high-level alkaline intrusive related deposits.

Meanwhile, the Comm and Commerce gold/silver/copper projects encompass 20 square kilometers approximately 5 kilometers east of the Aubyrd claims. Previous exploration in the area outlined three mineralized areas with anomalous gold, copper and silver values. A historic sampling program revealed gold values running as high as 34.28 g/tonne of gold.

A number of airborne geophysical anomalies have been outlined in recent years on the two properties. Several of the circular magnetic highs are coincident with resistivity lows and weak electromagnetic conductors which are bedrock sourced and may represent near surface alteration and/or mineralization of the intrusives. Moreover, a regional stream geochemistry survey conducted in 1991 identified significant gold anomalies from most major drainages originating on Commerce Peak.

Blue River Project: History of Exploration

The following is a summary of prior work conducted at the Fir Property/Deposit and the Verity Property/Deposit between 2000 and 2004:

Year	Description
2004	Metallurgical test work at the Fir Deposit has confirmed the projected recoveries for tantalum and niobium of 85-93% of contained metal values. Also, independent laboratory tests suggest that tantalum ore from the Fir Deposit can be converted from concentrate to oxide metals at a significant discount to the originally anticipated cost.
2003	Company commissions initial bulk sample gravity separation test using material from the Fir Property.
2003	Drill indicated resource estimate for the Fir Property. The Fir Carbonatite contains drill indicated resource of 5.65 million tonnes.
2003	Updated inferred resource estimate for the Fir Property. The Fir Carbonatite contains a potentially open pitable inferred resource of 6.74 Million tonnes.
2003	Company releases conclusions to Phase 1 metallurgical investigations which recommend a large scale bulk sample program at the Fir Property.
2002	New Discovery -- exploration and sampling leads to the discovery of the Upper Fir Carbonatite 1.2 km east of the main Fir deposit.
2002	Company releases assay results from the 2002 work program with results that confirm the large tonnage potential of the Fir Property.
2002	Company releases preliminary cost assessment studies on the processing and beneficiation of the tantalum and niobium rich carbonatites from the Fir & Verity properties.
2002	Company processing 300 kg bulk sample of carbonatite from the Fir Property at Knelson Concentrators of Langley, British Columbia. The sample was designed to produce a large enough sample of 'gravity concentrate' to allow the testing of multiple methods of upgrading the tantalum and niobium concentrate.
2002	Inferred resource estimate for the Fir Property. The Fir Carbonatite contains a potentially open-pitable inferred resource of 5.2 Million Tonnes grading 194 g/t Ta ₂ O ₅ , 897 g/t Nb ₂ O ₅ , and 3.50% P ₂ O ₅ .
2001	Diamond drilling at Fir, estimated to be 1200 m in 6 holes.
2001	Diamond drilling at Verity, total of 404 m in 5 holes; mapping and sampling. Assay results confirmed those previously by Anschutz Mining (Canada) Ltd.
2001	Ground geophysical surveys, prospecting, stream sediment sampling, preparation for drilling.
2000	Prospecting of new occurrences in recently logged areas, sampling of specimen pit for mineralogy.



Fast Facts

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- The pressing need to develop new global supplies of tantalum in a politically stable nation like Canada makes Commerce's two adjacent deposits very attractive to the tantalum industry.
- Exploration to date at the Fir Deposit has outlined a drill indicated/inferred resource of 12.39 million tonnes grading 203 grams per tonne (g/t) of tantalum (approximately twice the grade of most small tantalum deposits) and 1,047 g/t of niobium, of which 5.65 million tonnes is categorized as drill indicated. The remaining 6.7 million tonnes falls into the inferred category.
- An independent evaluation suggests that the Fir Deposit may host up to 50 million tonnes of ore with additional exceptional grades.
- The extensively drilled, high-grade Verity Deposit is host to an inferred resource of 3.06 million tonnes grading 196 g/t tantalum and 646 g/t of niobium. It also exhibits untapped potential for expansion and parts of the deposit are amenable to very cost-efficient 'open pit' mining.
- Both the Verity and Fir Deposits benefit from excellent infrastructure. Together, they also exhibit very favourable economics for the development of a small to medium-sized, high-grade mine.
- The odds supporting a positive near-term economic appraisal (likely including a Cdn. \$250,000 pre-feasibility study) for a mine received a recent major boost. This involves an independent metallurgical study that suggests that tantalum ore from the Fir Deposit can be converted from concentrate to oxide metals at a significantly lower price than originally anticipated.
- Independent metallurgical test results have further enhanced this emerging favourable economic picture supporting a possible mine. Specifically, it has now been demonstrated that a gravity concentrate can be produced with recoveries of approximately 85-93% of the contained tantalum and niobium minerals (a much higher figure than the industry norm).
- Demand for tantalum is rising steadily, as is its price. The Australian supplier of half the world's tantalum is now running into production problems. This underscores the importance of Commerce's two deposits to tantalum-hungry processors.
- In this demand driven resource-hungry industry, it is highly probable that Commerce could become a takeover target. This scenario clearly offers early-stage investors 'home run' potential.
- Commerce has 100% ownership of the Verity and Fir Deposits. The properties are not subject to any royalties, back-in payments or other agreements.

Disclosure Statement

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