



COMMERCE
RESOURCES CORP.



CCE NEWSLETTER

No.02

2009

Blue River Tantalum-Niobium Project

FEBRUARY 2009

Message from the Chairman

This year Dr. Axel Hoppe joined Commerce's management team as Chairman of the Board of Directors. Dr. Hoppe brings with him a depth of knowledge specific to the end use products and marketing side of the tantalum and niobium industry and is a valuable asset to the Commerce team. Dr. Hoppe currently resides in Goslar, Germany, the home of H.C. Starck, one of few companies in the world that has become a leading producer of products made with tantalum and niobium. For over 30 years Dr. Hoppe held numerous positions with H.C. Starck, most recently, Head of Technical Services and Engineering Group and Member of their Executive Board. Dr. Hoppe has a passion for the outdoors and is an avid alpine skier and lover of dogs.

"When I first travelled to Blue River from Kamloops in the fall of 2007, I was deeply impressed with the natural beauty of the landscape. Coming from a small country with a high population density, I was surprised to drive for hours through nature seeing few people and minimal development. Then suddenly the valley opens and a small town appears: Blue River. I was impressed with the tidiness of the town, which appeared to be so far from anywhere. During the investors tour in September 2007 I had the chance to chat with some of the locals, friendly people with a positive attitude towards the Commerce Team and the Blue River Project. This feeling continuously stayed with me during my following visits to the community. The hospitality of the people living there - a very good feeling for me. This, and the potential of the Blue River project, made my decision to join the Commerce team much easier! As a person who loves nature, I can promise you that once a decision is made to develop the Upper Fir deposit, it will be done in an environmentally and socially responsible manner in order not to disturb the beauty of your homeland!"



Jody Dahrouge, Director (left) and Dr. Axel Hoppe, Chairman (right) at Blue River property

EXPLORATION UPDATE

In early February 2008, based on continued positive results from the field work completed in 2007, Commerce began planning a follow-up program for 2008.



Core boxes

In late May, as snow levels receded, the exploration team mobilized in Blue River to begin an intensive program of diamond drilling and regional exploration. This work continued until early November when snow and heavy rain began making access to the site difficult.

Activities in 2008 focused mainly on furthering the geological understanding of the Upper Fir Carbonatite deposit through a program of drilling and the collection of a large sample of carbonatite for metallurgical test work. This additional geological and metallurgical information is required by the technical team tasked with advancing the evaluation of the Upper Fir deposit to the next step, which is to complete an engineering scoping study. The scoping study is an important milestone for Commerce because it will use the known information to evaluate and assess the economic potential of the Upper Fir deposit becoming a mine.

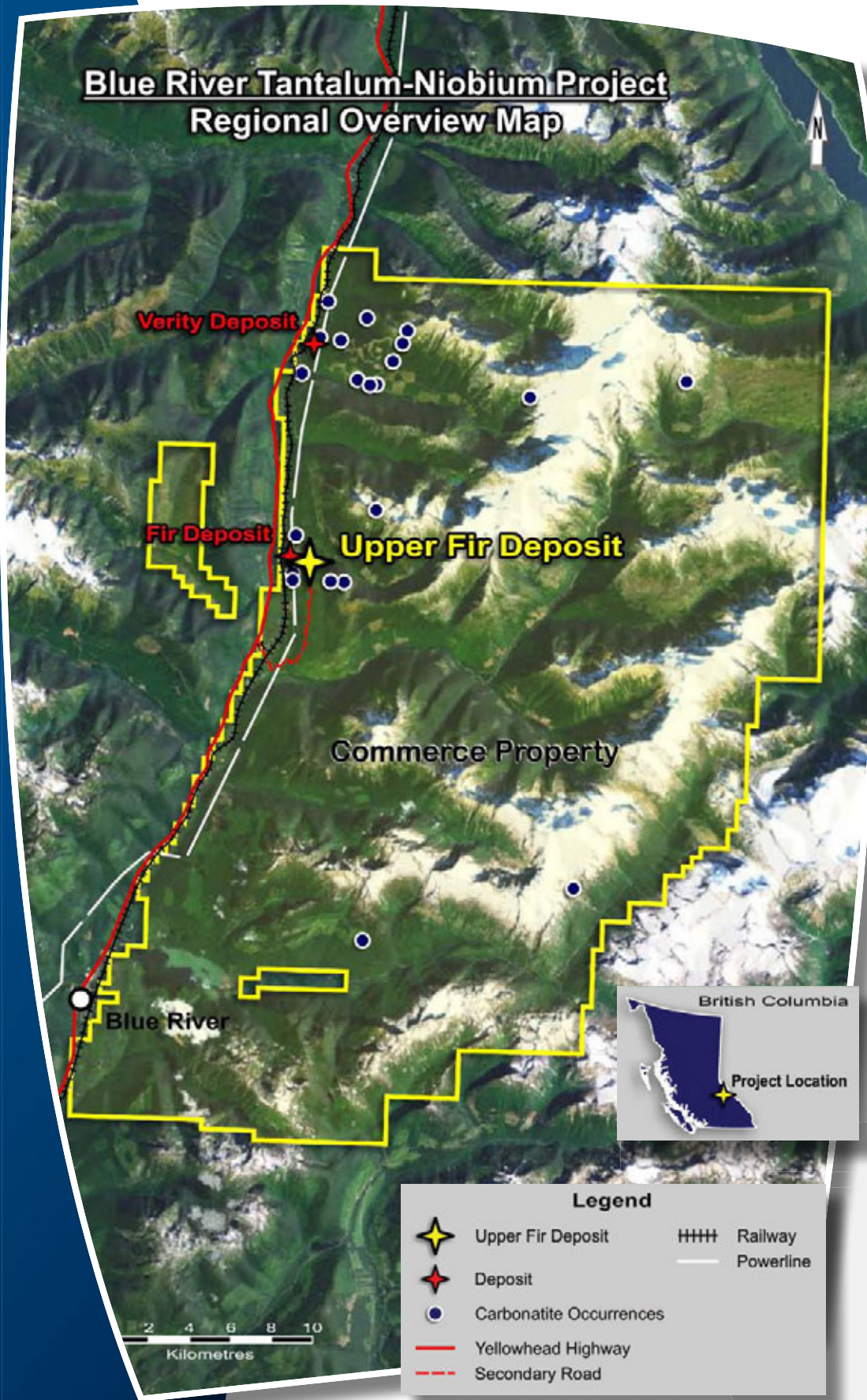
In addition to the detailed work on the Upper Fir deposit, the geological team also continued to explore the remainder of the mineral claims held by Commerce for new carbonatites.

Exploration Highlights:

- 2008 exploration expenditures were approximately \$9.2 million, over 70% of which was on diamond drilling, road building and assaying
- Drilled 118 holes totaling 23,725 metres into the Upper Fir Carbonatite deposit, as well as 2,556 metres on three additional targets which are less advanced
- Assayed over 5,500 drill core samples for tantalum and niobium
- Collected a large sample of carbonatite for conducting metallurgical test work
- Employed a 25-person field crew that included people from as near as Blue River to as far away as Germany
- Discovered two new zones of significant exploration interest
- Collected and donated a world class zircon mineral specimen

ENGINEERING UPDATE

An engineering scoping study will be started in the second quarter of 2009 to evaluate and assess the economic potential of the Upper Fir Carbonatite deposit becoming a mine. This study will consider the size of the Upper Fir deposit, the results from the metallurgical test work, the estimated costs to build and operate a tantalum-niobium mine in Blue River, and the expected prices that products which would be produced from the material mined could be sold for. The results will give Commerce our earliest understanding of whether the exploration project should be moved forward in the evaluation process. The scoping study will also provide important information that will be used to plan our next steps in the economic evaluation of the Upper Fir deposit.



- 1 - Fish studies at Bone Creek.
- 2 - Vegetation survey on Blue River property.



ENVIRONMENTAL UPDATE

An exploration company typically starts an environmental program when geological information signals that the grade and size of the mineralized rock being evaluated may have some economic potential. Commerce has been collecting environmental baseline data since 2006. Baseline data provide a record of the conditions that exist before any disturbance for mine construction and operation.

This data is important because it provides a benchmark. Once construction begins, if environmental monitoring shows a deviation from this benchmark, it gives an indication that the systems in place to protect the environment may not be working as planned and need to be changed or improved. Baseline data can also be used to evaluate and predict potential negative impacts on the environment from a mine project prior to the start of construction and mining. If negative impacts are predicted, management and design strategies can be developed to remove or reduce these predicted impacts. Some baseline environmental information is also used by engineers in their design considerations and can therefore have direct impacts on reducing project costs. And finally, baseline data is required by government regulators to permit a mine.

The various types of environmental baseline data that have been collected to date for the Upper Fir include: meteorological information on temperature, wind directions and speeds, rain and snow accumulation and how these parameters vary seasonally; water quality and quantity; surveys of fish and fish habitat; surveys of wildlife and wildlife habitat; soil surveys; vegetation surveys; metal leaching and acid rock drainage testing; and terrain hazards assessment.

TECHNICAL CORNER

What is metallurgy?

Metallurgy is the process used to extract or remove metals from an ore. In the case of the Upper Fir Carbonatite deposit, the metallurgical process used to remove valuable tantalum and niobium from the carbonatite ore is crushing and grinding, then separating the tantalum and niobium from the carbonatite rock using gravity. The gravity process takes advantage of the different weights of the heavier minerals containing tantalum and niobium, and is based on the same principle used by prospectors when they pan for gold. Conducting metallurgical test work on the large carbonatite sample collected this year will provide answers on how best to recover the tantalum and niobium from the Upper Fir ore. This information will be one of the many pieces used by engineers to evaluate and assess the economic potential of the Upper Fir deposit.

Faces of Commerce Resources 2008



BRANDY ALAIN, BLUE RIVER, BC

Core Shack Manager, Emergency Medical Response Technician (EMR/EMT) and Owner/Operator of SnoWorks Medical Treatment Centre Service

Brandy is a trained EMR/EMT who grew up in Blue River and lives there with her two young sons. While Commerce valued her expertise in emergency medical response, we also appreciated her strong organizational and motivational skills as "Chief Core Wrangler". In this role she coordinated the core shack team to log the incoming diamond drill core, to saw and collect core samples for assaying, record each sample accurately, and to package the samples for timely shipment to the assay lab.

PATRIK SCHMIDT, WEILHEIM, GERMANY

Geological Student

Patrik is a geology student from Germany, a country that does not have a lot of opportunities for geology students to get practical field experience prior to graduation. Patrik is also a Commerce shareholder who decided to contact Dave Hodge, Commerce's President, to ask about opportunities to keep in touch with how his invested money was being spent by working in the field for Commerce.



LAURA RAPP, BLUE RIVER, BC

Emergency Medical Technician (EMT)

In addition to cross shifting with Brandy to provide EMT services, Laura was part of a five-person team which attempted to climb Mt. McKinley, the highest mountain peak in North America at a height of approximately 20,320 feet (6,194 m), in 2008. Although weather was not on their side, one member summited, and the other four turned back on two attempts, 2000 feet from the summit, due to unbearable winds and -40° temperatures. For this upcoming spring, she is contemplating an attempt on Mt. Logan in the Yukon Territory.

DR. FELIX GERVAIS, MONTREAL, QUEBEC

Structural Geologist and Post Doctoral Fellow, McGill University

Felix is a Ph.D. graduate who has specialized in understanding mountain-building processes. He wanted to apply this understanding to the Blue River area so he approached Project Manager, John Gorham, with his idea to carry out research to the southeast of the Blue River project. His fieldwork was successful in identifying a previously unknown carbonatite, which was named Felix in his honour. The area of this find was staked by Commerce and is now part of the Blue River mineral claims. Felix is analyzing the Felix carbonatite and the results will help guide future exploration work.



MINISTER OF STATE FOR MINING VISITS THE BLUE RIVER PROPERTY

On September 15th, Minister of State for Mining, the Honourable Gordon Hogg, accepted Commerce's invitation for a field visit to the Blue River property and the site of the Upper Fir Carbonatite deposit. During Minister Hogg's visit he was provided with an opportunity to hear and learn about geology, mining, environment, and community and First Nations relations, as they relate to the exploration and evaluation of the Upper Fir deposit. Minister Hogg approved of Commerce's efforts to keep the residents of Blue River and the Simpcw First Nations informed of their activities, and Commerce's attention to environmental protection.

COLTAN

Coltan is the African name for tantalum which is mined in the Democratic Republic of Congo (DRC), in east Africa. Mining practices in this part of the world are reported by the United Nations (UN) to often be conducted illegally and to be associated with extreme human rights violations. Additionally, funds from the sale of African coltan are known to support military and tribal violence. It is based on this awareness that there is a movement underfoot for buyers to pay premium prices for "clean" tantalum certified as coming from more ethical sources, such as Blue River, Canada. British Columbia and Canada offer a stable political environment with stable laws that protect human rights and the environment. These are becoming serious considerations for investors and buyers of tantalum and niobium who seek long-term contracts and secure sources of tantalum supply.

DONATIONS AND SPONSORSHIPS

Commerce welcomes opportunities to support worthy local community endeavours and has made financial contributions to several initiatives and events over the past couple years. Some of the more recent include:

- the Raft River Fish Ceremony and Interpretive Science Programs – this is a program coordinated by the Simpcw First Nation, which promotes fisheries resources to the public by having school children participate in learning about salmon and their journey from rivers to the ocean and back again, and the importance of protecting their habitat
- the Clearwater Doctor Recruitment Campaign – an advertising campaign to try to attract doctors to Clearwater
- a collection of carbonatite rocks and mineral specimens have been assembled and sent to the University of British Columbia, University of Alberta, Royal Alberta Museum, and the Royal Ontario Museum (ROM). Carbonatites are uncommon, with only about 500 known worldwide, so having examples of carbonatite rock and mineral specimens to study provides excellent learning opportunities for geologists.

WORLD-CLASS ZIRCON DISCOVERY

On September 1, minutes before his helicopter was scheduled to pick him up, prospector Randy Lord was taking a final look at a known carbonatite showing when he sighted the shiny surface of a large brownish-red zircon crystal lodged within a carbonatite boulder. Zircons are often found with carbonatite, but this was no common zircon. This beauty was a monster, with each crystal face measuring about 1", putting the specimen into the upper size limits of its type. According to Rod Tyson, Senior Geologist on the Blue River project and a knowledgeable Canadian mineral dealer, the zircon is an important find for Canadian minerals, not so much for its size — there were very large zircons found in Ontario in the 1800's — but for its lustre.

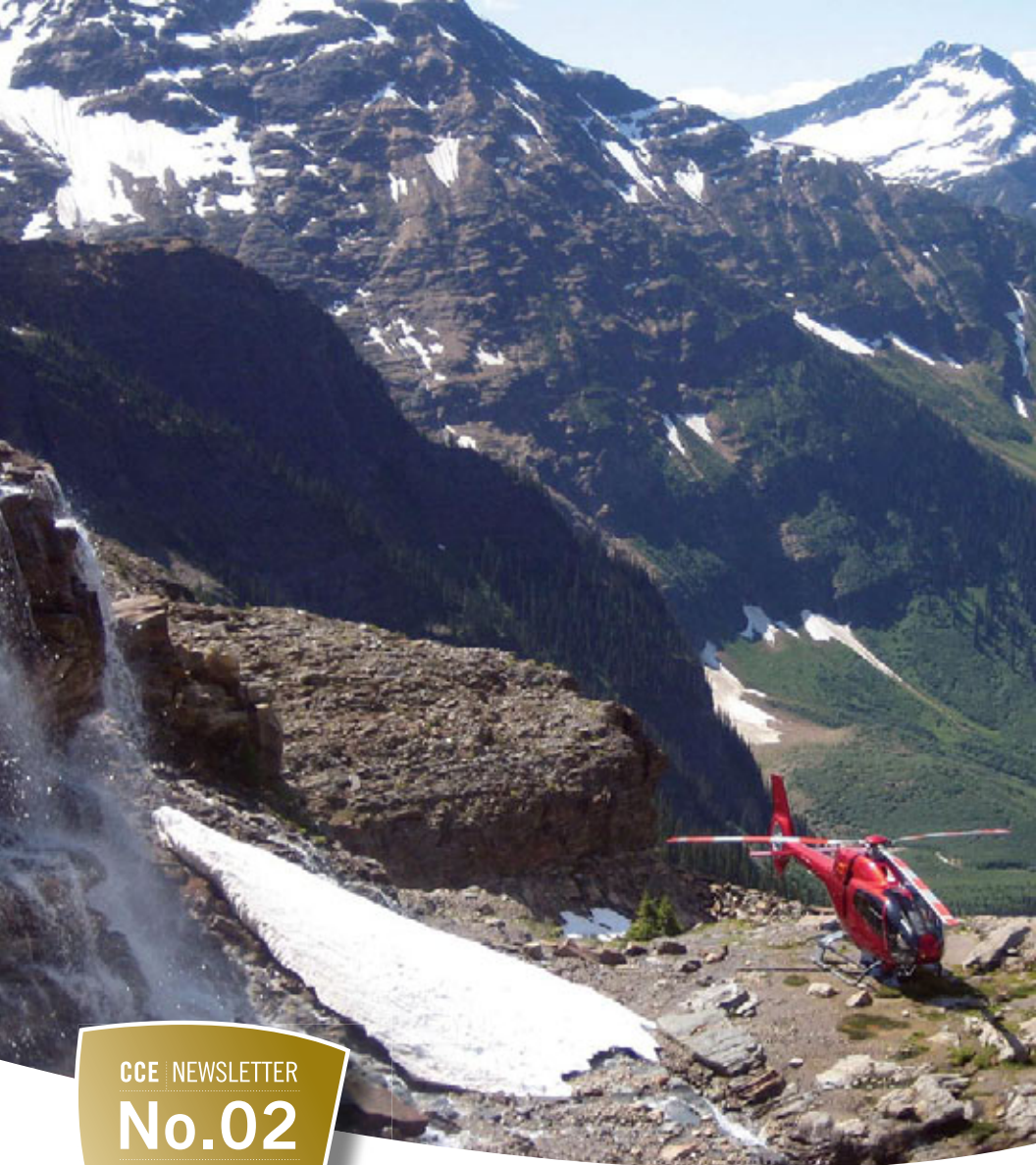
This specimen is one of the more aesthetic museum-quality display pieces he knows of. It is certainly the best zircon specimen that has been found in the last 50 years in Canada. While this specimen is not of gem quality due to its dark brown colour, it is a remarkable mineral specimen – so remarkable that Commerce has donated it to the Royal Ontario Museum.



Prospector, Randy Lord (foreground), and Geologist, Rod Tyson with zircon find.



Cleaned and prepared zircon.



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Thanks for the photos to: Doug McDonagh, Luca Ribetti, Kerry Rae, Rob Bergman, Alasdair Turner, John Gorham and Gartner Lee Ltd (now AECOM).

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