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## Commerce Resources: Company Update

**I COVERED COMMERCE RESOURCES** (TSXv: CCE) (FSE: D7H) about this time last year. Since then, they, and the market, have taken us on an enormous rollercoaster ride. The stock has given savvy traders an excellent opportunity to make money. I started covering Commerce for its tantalum merits and I still like the Upper Fir deposit the company has been developing for a number of years. This has been a hold-and-wait game as the production of a preliminarily economic assessment (PEA) has taken a little longer than expected but I think the wait is coming to an end.

The tantalum market, though it hasn't caught fire per se, has picked up in price over the 2010 calendar year. It has actually gone from 40 dollars (US) to about 75 dollars (US). I had expected it to be higher by this point, but it's moving in the right direction at a steady pace. Frankly, if the tantalum market had run to the moon too early, I don't think it would have been much benefit as Commerce's PEA hasn't been released yet. I was planning a project tour as a follow-up about a month ago and, due to the forest fires and the amount of work being done in order to complete the PEA, it was postponed. After being updated on the amount of work underway at Blue River, I am confident that the PEA is chugging along quite nicely.

The tantalum market itself is in great shape. The price has nearly doubled partly due to the increased action being

taken against conflict materials deriving from the Democratic Republic of Congo (DRC). The Dodd-Frank financial reform bill, which will require end-users to demonstrate that their raw materials do not come from so-called "conflict" zones, is making the tantalum market heat up again. This bill will require end-users of their products to certify that the raw materials they purchase are not from conflict areas like the DRC where they use forced child labour to keep the costs down. Once end-users have to declare where their raw materials such as tantalum come from, then we will see the price move up drastically as the use of conflict metals will be extremely damaging to a company's reputation. You can find tantalum in most electronic gadgets such as Apple's popular iPad and Research in Motion's Blackberry. In addition to the actions in the United States, the issue of conflict minerals is gaining momentum in Europe which I believe will raise the tantalum price over the 100 dollar mark.

All of the above is not the only reason for the buzz around the Commerce Resources office. Another is their recent drill results on their 100% owned Eldor Rare Earth project in Quebec. The company reported a discovery hole, not too long ago, of 215.3 m of 1.72% TREO (total rare earth oxides). Rare earths are very common on the earth's crust but they are not commonly found in this concentration. The heavy to light distribution was not fully indicated on the press release issued by the

company but what was indicated was the neodymium percentage of 16% and the fact that the grades were rather consistent over the length of the hole. This is more desirable than an average being constructed from a couple of high-grade portions. The consistency will make the economics much easier. The company has several other holes to report on that are still in the lab and that will be what really shows if the project "has legs". My suspicion is that we should see some sort of similarity in the other holes.

Commerce Resources is very well capitalized right now at 14 million dollars in their treasury. There are 130 million shares outstanding. There are nearly 30 million warrants at \$1.50. Some see this as a detriment, but I see it as a free 45 million dollar financing. These warrants expire in the middle of 2011 so if we make it there, we have all just made 4 times our money. Congratulations to Dave Hodge and his team for the recent successes and we look forward to seeing further developments.

*Source: Green Dollar Report*

For further details on **Commerce Resources Corp.** visit the corporate website at: [www.commerceresources.com](http://www.commerceresources.com), or contact Chris Grove, Corporate Communications at: Tel: (604) 484 2700 Toll Free: (866) 484 2700 or via email: [cgrove@commerceresources.com](mailto:cgrove@commerceresources.com)

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