



## Commerce Resources Corp. Reports Significant Increase in Resources and Grade at the Ashram Rare Earth Element Deposit, Northern, Quebec

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### Highlights

- SGS Geostat has determined a base case Inferred mineral resource of 219.8 million tonnes containing 1.88% TREO, an Indicated mineral resource of 27.7 million tonnes containing 1.90% TREO, and a Measured mineral resource of 1.6 million tonnes containing 1.77% TREO
  - The deposit includes a near-surface zone of middle and heavy rare earth element enrichment; most significantly in neodymium, europium, terbium, dysprosium, and yttrium. Defined resources are presented herein
  - The selected base case resource model provides the foundation for a Preliminary Economic Assessment, which is nearing completion under the direction of SGS Geostat
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**March 6, 2012 - Commerce Resources Corp.** (TSXv: CCE; FSE: D7H; OTCQX: CMRZF) (the “Company”) is pleased to announce an updated National Instrument 43-101 compliant resource estimate for the Ashram Rare Earth Element Deposit at the Eldor Project in Quebec. The Eldor Project is located in northeastern Quebec approximately 130 kilometres south of the community of Kuujjuaq. The resource estimate was completed by SGS Canada Inc. – Geostat (SGS Geostat) of Montreal (Blainville).

SGS Geostat used a total of 43 drill holes comprising 15,604 metres of NQ and BTW size drill core to develop the mineral resource estimate. Table 1 below shows the sensitivity of the Ashram mineral resources to different cut-off grades.

**Table 1:** Ashram Deposit Sensitivity of Cut-off Grades

| Cut-off     | Confidence       |                    | Density<br>(t/m <sup>3</sup> ) | TREO<br>(%) | LREO<br>(%) | MREO<br>(%)  | HREO<br>(%)  | MHREO<br>(%) | F (%)       | MH/T<br>Ratio |
|-------------|------------------|--------------------|--------------------------------|-------------|-------------|--------------|--------------|--------------|-------------|---------------|
|             | Category         | Tonnage (t)        |                                |             |             |              |              |              |             |               |
| 0.50        | Measured         | 1,980,000          | 3.04                           | 1.55        | 1.40        | 0.079        | 0.074        | 0.15         | 3.18        | 9.9%          |
|             | Indicated        | 37,200,000         | 2.99                           | 1.61        | 1.49        | 0.065        | 0.050        | 0.11         | 2.35        | 7.1%          |
|             | Inferred         | 383,560,000        | 2.96                           | 1.45        | 1.35        | 0.058        | 0.042        | 0.10         | 1.64        | 6.9%          |
| 0.75        | Measured         | 1,600,000          | 3.07                           | 1.77        | 1.60        | 0.089        | 0.084        | 0.17         | 3.75        | 9.8%          |
|             | Indicated        | 30,130,000         | 3.01                           | 1.83        | 1.70        | 0.071        | 0.054        | 0.12         | 2.72        | 6.8%          |
|             | Inferred         | 336,610,000        | 2.97                           | 1.56        | 1.46        | 0.061        | 0.043        | 0.10         | 1.75        | 6.6%          |
| 1.00        | Measured         | 1,600,000          | 3.07                           | 1.77        | 1.60        | 0.089        | 0.084        | 0.17         | 3.75        | 9.8%          |
|             | Indicated        | 28,680,000         | 3.01                           | 1.88        | 1.75        | 0.072        | 0.055        | 0.13         | 2.81        | 6.7%          |
|             | Inferred         | 259,400,000        | 2.99                           | 1.76        | 1.65        | 0.065        | 0.044        | 0.11         | 2.02        | 6.2%          |
| <b>1.25</b> | <b>Measured</b>  | <b>1,590,000</b>   | <b>3.07</b>                    | <b>1.77</b> | <b>1.60</b> | <b>0.089</b> | <b>0.085</b> | <b>0.17</b>  | <b>3.76</b> | <b>9.8%</b>   |
|             | <b>Indicated</b> | <b>27,670,000</b>  | <b>3.02</b>                    | <b>1.90</b> | <b>1.77</b> | <b>0.073</b> | <b>0.056</b> | <b>0.13</b>  | <b>2.89</b> | <b>6.7%</b>   |
|             | <b>Inferred</b>  | <b>219,800,000</b> | <b>3.00</b>                    | <b>1.88</b> | <b>1.77</b> | <b>0.068</b> | <b>0.045</b> | <b>0.11</b>  | <b>2.21</b> | <b>6.0%</b>   |
| 1.50        | Measured         | 1,320,000          | 3.07                           | 1.85        | 1.68        | 0.088        | 0.084        | 0.17         | 3.88        | 9.3%          |
|             | Indicated        | 25,420,000         | 3.01                           | 1.95        | 1.82        | 0.072        | 0.054        | 0.13         | 2.88        | 6.5%          |
|             | Inferred         | 210,590,000        | 3.00                           | 1.91        | 1.79        | 0.069        | 0.045        | 0.11         | 2.22        | 5.9%          |
| 1.75        | Measured         | 815,400            | 3.05                           | 1.99        | 1.83        | 0.083        | 0.076        | 0.16         | 3.77        | 8.0%          |
|             | Indicated        | 20,937,600         | 3.01                           | 2.01        | 1.89        | 0.071        | 0.051        | 0.12         | 2.80        | 6.0%          |
|             | Inferred         | 164,109,100        | 3.00                           | 1.98        | 1.86        | 0.070        | 0.044        | 0.11         | 2.26        | 5.8%          |

\* Base case is in bold.

\* LREO (Light Rare Earth Oxides) = La<sub>2</sub>O<sub>3</sub> + Ce<sub>2</sub>O<sub>3</sub> + Pr<sub>2</sub>O<sub>3</sub> + Nd<sub>2</sub>O<sub>3</sub>

\* MREO (Middle Rare Earth Oxides) = Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub>

\* HREO (Heavy Rare Earth Oxides) = Tb<sub>2</sub>O<sub>3</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub>

\* MHREO (Middle and Heavy Rare Earth Oxides) = MREO + HREO

\* MH / T = MHREO / TREO, expressed as a percent

A complete listing of mineral resources at the various cut-off grades, along with individual oxide values, will be posted shortly on the Company's website.

The updated resource represents a near 100% increase in tonnage and 8% increase in grade over the initial NI 43-101 compliant inferred mineral resource estimate (see News Release dated March 3, 2011). Further, pervasive enrichment in the middle and heavy rare earth oxides (MHREO) remains prevalent throughout the deposit with an average of 6.1% MHREO (% of TREO) providing a well-balanced and favourable distribution that is highly unusual for carbonatite hosted REE systems.

The rare earth mineralized footprint at Ashram extends approximately 700 metres along strike, over 500 metres across, and to depths exceeding 600 metres. Mineralization remains open to the north, south, at depth, and is not fully constrained to the west and east.

### **Middle and Heavy Rare Earth Element Oxide Zone**

Within the overall defined resource, there exists a zone of Middle and Heavy Rare Earth Oxide enrichment that extends from surface. This mineralized zone has been included in the overall mineral resource calculation and its details are in Table 2 below:

**Table 2:** Ashram Deposit Middle and Heavy Rare Earth Oxide Zone (MHREO Zone)

| Confidence |         | Tonnage (t) | Density (t/m3) | TREO (%) | LREO (%) | MREO (%) | HREO (%) | MHREO (%) | F (%) | MH/T Ratio |
|------------|---------|-------------|----------------|----------|----------|----------|----------|-----------|-------|------------|
| Category   | Zone    |             |                |          |          |          |          |           |       |            |
| Measured   | Central | 1,140,000   | 3.10           | 1.69     | 1.50     | 0.098    | 0.099    | 0.20      | 4.18  | 11.6%      |
| Indicated  | Central | 5,420,000   | 3.10           | 1.62     | 1.44     | 0.091    | 0.091    | 0.18      | 3.90  | 11.3%      |
| Inferred   | Central | 2,790,000   | 3.10           | 1.57     | 1.39     | 0.085    | 0.088    | 0.17      | 3.43  | 11.1%      |

\* The mineral resource estimate is supported by a base case TREO cut-off grade of 1.25%.

\* LREO (Light Rare Earth Oxides) = La<sub>2</sub>O<sub>3</sub> + Ce<sub>2</sub>O<sub>3</sub> + Pr<sub>2</sub>O<sub>3</sub> + Nd<sub>2</sub>O<sub>3</sub>

\* MREO (Middle Rare Earth Oxides) = Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub>

\* HREO (Heavy Rare Earth Oxides) = Tb<sub>2</sub>O<sub>3</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub>

\* MHREO (Middle and Heavy Rare Earth Oxides) = MREO + HREO

\* MH / T = MHREO / TREO, expressed as a percent

The grade and distribution (% of TREO) of europium oxide within the central MHREO Zone is 123 ppm and 0.76% respectively, and currently ranks second (0.77% ranking 1<sup>st</sup>) out of all 27 deposits being explored or under development (with NI 43-101 / JORC compliant resources >0.25% TREO) as currently listed by Technology Metals Research. (<http://www.techmetalsresearch.com/metrics-indices/tmr-advanced-rare-earth-projects-index/>).

Europium is primarily used as a phosphor to produce the red colour in various lighting and display applications with no acceptable substitutes, thus demanding one of the highest of all REO prices. In addition to europium, the central MHREO Zone is also enriched in neodymium, terbium, dysprosium, and yttrium, all of which are facing short term and long term supply issues.

This type of MHREO enrichment is unique to Ashram as it extends from surface with significant tonnage and grade (6.55 Mt at 1.63% TREO of measured and indicated, and 2.79 Mt at 1.57% TREO of inferred) along with a well-balanced distribution. As the enrichment includes neodymium (18.6 % of TREO) along with appreciable grades of cerium, lanthanum, and praseodymium, the distribution remains favourable over all of the light rare earth oxides (LREO), middle rare earth oxides (MREO), and heavy rare earth oxides (HREO). This is in contrast to most alkaline and per-alkaline deposits which are typically enriched only in the HREO's while strongly deficient in the LREO's (Ce, La, Pr, Nd) and MREO's (Sm, Eu, Gd), and especially the highly sought after neodymium and europium.

### Resource Classification & Methodology

The mineral resource estimate has been completed using three-dimensional wireframe modelling followed by block model interpolation methodology. Three wireframe models (outer, inner, central) were created based on lithology, mineralogy, geochemistry, and various other parameters. The wireframe model was interpreted by Commerce under the supervision of SGS Geostat.

The block model was defined by a block size of 10 metres long by 10 metres wide by 10 metres thick, and covers 750 metres in the east-west direction and 740 metres in the north-south direction to a maximal depth of 650 metres below surface. The interpolation process was conducted using ordinary kriging and assay composites of three metres in length. The mineral resources were estimated using the software SectCad version 5.5.41. No capping was applied to the assays. Results are presented undiluted and in situ. Classification was attributed to individual blocks. A drill grid of 25 m is considered as measured, a grid of 50 m is considered indicated. Some areas contain inferred resources up to about 150 m from drill hole information. A bulk density between 2.9 and 3.1 tonnes per cubic metre was used depending on the mineralization. The bulk densities were chosen from a total of 2,533 specific gravity measurements taken from core samples. The information is summarized in Table 3.

**Table 3:** Ashram Deposit Bulk Densities

| Zone    | Number of Density |         | Chosen for Resource |
|---------|-------------------|---------|---------------------|
|         | Samples           | Average | Estimation          |
| Central | 260               | 3.12    | 3.10                |
| Inner   | 1,339             | 3.02    | 3.00                |
| Outer   | 934               | 2.92    | 2.90                |

### **Geological Setting**

The Ashram Deposit is central to the Eldor Carbonatite Complex, lies within a magnetic low, is marked by a gravity anomaly, and appears to be bordered by an earlier staged calcio-carbonatite and various ‘glimmerite’ related units. Currently, the deposit’s geometry and geology can best be described as a moderate to steeply NE dipping ovoid or sheet, with simple rare earth mineralogy (monazite, bastnaesite, xenotime) yet texturally complex with multiple episodes of dolomitic carbonatite emplacement, brecciation, and low temperature (hydrothermal) overprinting.

### **2012 Work Program**

In 2012, the Company intends to further expand its knowledge on the size and grade of the deposit with further drilling, in addition to tighter-spaced diamond drilling in the MHREO enriched zone. A program of expanded mineralogical and metallurgical testing and more detailed engineering is also planned in preparation for an anticipated Prefeasibility Study. Details will follow based on recommendations arising from SGS Geostat’s PEA.

"The SGS Geostat Resource Estimate for the Ashram Deposit is further confirmation that we are defining one of the largest rare earth element deposits in the world," said Mr. Dave Hodge, President. "With the delineation of a middle and heavy rare earth zone from surface, we are excited by the potential of the project to provide light, middle, and heavy rare earth oxides to the market. We are eagerly awaiting the results of SGS Geostat’s PEA."

### **NI 43-101 Disclosure**

Yann Camus, Eng. is an employee of SGS Geostat and is the Qualified Person responsible for the mineral resource estimate above. Mr. Camus has read and approved the contents of this news release with respect to the resource estimate.

Darren Smith, M.Sc., P.Geol., of Dahrouge Geological Consulting Ltd., a Qualified Person, read and approved the disclosure of the technical information in this news release with respect to the exploration. A Technical Report compliant with National Instrument 43-101 standards describing the resource estimation and providing details of the 2010-2011 drilling and sampling as well as the associated QAQC review will be filed on SEDAR ([www.sedar.com](http://www.sedar.com)) within 45 days.

### **About Commerce Resources Corp.**

Commerce Resources Corp. is an exploration and development company with a particular focus on tantalum, niobium and rare metal deposits with potential for economic grades and large tonnages. The Company is focused on the development of its Upper Fir Tantalum and Niobium Deposit in British Columbia, and Eldor Rare Earth Project in northern Quebec.

For more information please visit the corporate website at <http://www.commerceresources.com> or contact Investor Relations at 1.866.484.2700 or [info@commerceresources.com](mailto:info@commerceresources.com).

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