



Commerce Resources Corp. Announces Mineral Resource Update for Upper Fir Tantalum and Niobium Deposit, Blue River, British Columbia

Highlights

- Study results show Indicated Mineral Resources totalling 48.4 million tonnes at 197 ppm Ta₂O₅ and 1,610 ppm Nb₂O₅ and Inferred Mineral Resources totalling 5.4 million tonnes at 191 ppm Ta₂O₅ and 1,760 ppm Nb₂O₅.
 - Changes result from improved geological interpretation of the mineralized carbonatite host, the grade distribution found in 2011 infill diamond drilling and the increase in Ta metal price over time.
 - Approximately 90% of the tantalum and niobium reside in Indicated resource category.
 - AMEC's "Blue River Tantalum-Niobium Project, British Columbia, Canada, NI 43-101 Technical Report on Mineral Resource Update", with an effective date of June 21, 2013, will be filed for public disclosure (www.SEDAR.com) within 45 days following this news release.
 - With the significant milestone of this resource update successfully achieved, AMEC has recommended a \$13.9M program to support a pre-feasibility level study on the Upper Fir deposit.
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July 11, 2013 – Commerce Resources Corp. (TSXv: CCE; FSE: D7H; OTCQX: CMRZF) has delineated a significant Ta- and Nb-rich carbonatite deposit near the community of Blue River in central eastern British Columbia, and is pleased to announce the completion of a National Instrument (NI) 43-101 compliant Mineral Resource update that incorporates drilling and other exploration results to the end of 2012 for the Upper Fir Tantalum-Niobium Deposit. A technical report prepared by independent consultants, AMEC Americas Limited ("AMEC") supports the findings of the Mineral Resource update and also includes summaries from a Preliminary Economic Assessment ("PEA") study completed on the Blue River Project and reported in an NI 43-101 compliant Technical Report with an effective date of September 29, 2011 (2011 PEA- see Commerce news release dated November 3, 2011). The results from the 2011 PEA have not changed in terms of their outcomes as their underlying assumptions remain reasonable.



AMEC constructed the updated carbonatite hosted resource model using a total of 271 holes comprising 59,110m of HQ diameter core and 15,512 samples. Most holes were at a nominal spacing of 50m with dips typically between -60 degrees to sub-vertical. The composite body extends more than 1,450m in a north-south direction and as much as 800m in an east-west direction. Tantalum and niobium are contained in the minerals ferrocolumbite and pyrochlore.

The 2011 PEA was developed assuming a sub-level open stoping method with no backfill and no pillar recovery using a processing rate of 7,500 tonnes per day for the Mineral Resource estimation and conceptual design of an underground mine for the Blue River Project. A mineral processing method using a standard-grind flotation process to make a concentrate of ferrocolumbite-pyrochlore was assumed for the Upper Fir material using a proposed process similar to that being used commercially at Iamgold's Niobec Mine in Quebec. The concentrate would be further processed to produce marketable separate oxides of tantalum and niobium. The proposed processes are mature and already in use industrially.

Mineral Resource Statement

The Mineral Resource update is summarized in Table 1.

Table 1: Blue River Project Estimated Mineral Resource: Effective Date 21 June 2013, Tomasz Postolski, P.Eng, Qualified Person

Ta price [US\$/kg]	Confidence Category	Tonnes	Ta ₂ O ₅ [ppm]	Nb ₂ O ₅ [ppm]	Contained	Contained
					Ta ₂ O ₅ [1000s of kg]	Nb ₂ O ₅ [1000s of kg]
381	Indicated	48,410,000	197	1,610	9,560	77,810
	Inferred	5,400,000	191	1,760	1,000	9,600

Notes:

1. Assumptions include commodity prices of US\$381/kg Ta, US\$46/kg Nb, process recoveries of 65.4% for Ta₂O₅ and 68.2% for Nb₂O₅, US\$27/tonne bulk mining cost and US\$48/tonne selective mining cost, US\$15/tonne process and refining cost, US\$3/tonne G&A cost.
2. Mineral resources are amenable to underground mining methods and have been constrained using a "Stope Analyzer".
3. An economic cut-off was based on the estimated operating costs assuming either the bulk or selective mining method. The block unit value cut-off was either US\$45/t (bulk) or US\$66/t (selective).
4. No allowances were made for mining losses or external dilution; planned internal dilution within the minimum stope size is included.
5. In situ contained oxide reported. Discrepancies in contained oxide values are due to rounding.

This Mineral Resource estimate is constrained by a base case price assumption of US\$381/kg Ta, representing a 20% increase over the Ta₂O₅ metal price used to constrain previous Blue River Mineral Resource estimates. The US\$381/kg base case price is approximately equal to the current price for Ta metal scrap and represents approximately a \$100/kg premium on tantalite



concentrate. The higher price for Ta metal scrap compared to the price of Ta₂O₅ in concentrate is considered to be a proxy to the added value Commerce could recognize by refining a Blue River concentrate into a high purity Ta₂O₅. Nb metal prices remain unchanged from 2010. The operating cost assumptions used to support the 2013 Mineral Resources reflect an average escalation of 12% over costs assumptions established for the project in 2010.

Table 2 shows the sensitivity of the Blue River Mineral Resources to tantalum metal price. Sensitivities are based on a fluctuating metal price but could also represent fluctuating mining or processing costs or metallurgical recoveries or a combination of all of these factors.

Table 2: Blue River Project Sensitivity of Estimated Mineral Resources to Ta Price: Effective Date 21 June 2013 Tomasz Postolski, P.Eng. Ta price was varied and all other assumptions remained the same.

Ta price [US\$/kg]	Confidence Category	Tonnes	Ta ₂ O ₅ [ppm]	Nb ₂ O ₅ [ppm]	Contained	
					Ta ₂ O ₅ [1000s of kg]	Contained Nb ₂ O ₅ [1000s of kg]
564	Indicated	56,570,000	191	1,460	10,800	82,350
	Inferred	6,600,000	187	1,670	1,200	11,000
470	Indicated	54,400,000	193	1,490	10,500	81,250
	Inferred	6,200,000	189	1,690	1,200	10,500
381	Indicated	48,410,000	197	1,610	9,560	77,810
	Inferred	5,400,000	191	1,760	1,000	9,600
317	Indicated	41,189,000	201	1,760	8,280	72,670
	Inferred	4,600,000	194	1,870	900	8,500
272	Indicated	35,138,000	203	1,910	7,130	67,240
	Inferred	3,800,000	196	1,990	700	7,600
238	Indicated	29,916,000	204	2,030	6,110	60,740
	Inferred	2,800,000	198	2,060	600	5,800

Notes: **Base case is in bold.**

Since underground mining methods are envisioned, the mining recovery may vary from 65% to 85% depending on the success in which pillars can be mined on retreat and/or fill is utilized.

Resource Classification and Methodology

The Mineral Resource is classified in accordance with the 2010 Canadian Institute of Mining, Metallurgy, and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into NI 43-101.



Geological interpretations were provided by Commerce to AMEC in the form of electronic three dimensional (3D) solid wireframes. Capped drill core assays were composited down the hole to a fixed length of 2.5m respecting lithological boundaries. Exploratory data analysis (EDA) was performed on the composites. The coefficients of variation are low and support the use of linear grade interpolation methods such as inverse distance methods. Blocks within the model were coded by lithology solids. Specific gravity values were assigned by lithological unit. Ta₂O₅ and Nb₂O₅ grades were estimated in the carbonatite using an inverse distance to the power of 3 (ID3) interpolation method. A four-pass interpolation approach was used with each successive pass having greater search distances. The block model grades were validated by visual inspection comparing composites to block grades on-screen, declustered global statistics checks, local biases checks using swath plots, and finally model selectivity checks.

The criteria are the same as those used in the June 22, 2012, Mineral Resource. The current model also incorporates the most recent drill hole spacing studies completed by AMEC, and composites data statistics and variography which show little change from those used in the prior Mineral Resource. Resource classification is restricted to Indicated or Inferred, based on the following:

- Confidence limits in drill hole spacing studies;
- Concerns over analytical precision and provisional accuracy for the sample dataset from 2005 to 2008; and
- Required metallurgical test work on the final stage of the proposed metallurgical process is still ongoing to support proof-of-concept.

To assess reasonable prospects for economic extraction AMEC assumed that the Upper Fir deposit would be mined utilizing self-supported, underground bulk mining methods under a conceptual scenario that considers mining and processing at a rate of 7,500 tonnes per day.

2011 PEA Outcomes and the Mineral Resource Update

Commerce completed a Preliminary Economic Assessment of the Blue River Project in 2011 (2011 PEA). The findings of the 2011 PEA are summarized in an NI 43-101 compliant Technical Report prepared by AMEC and dated September 29, 2011. The present 2013 Mineral Resource estimate includes greater tonnes but has similar grades compared with the Mineral Resource estimate used to support the 2011 PEA.



The 2011 PEA conceptual mine plan is based on a subset of the 2013 Mineral Resource estimate that remains essentially unchanged since 2011. Capital and operating costs likely have increased since 2011 but AMEC is assuming that any increase in costs have been offset by the increase in the Ta price over the same period. Overall AMEC concluded the 2011 Preliminary Economic Analysis (2011 PEA) outcomes remain reasonable and valid in 2013.

The PEA was prepared to define an overall proof of concept for further development of the Blue River Project. It indicated that the deposit can be developed economically as an underground mine and recommended future studies to support an eventual pre-feasibility level assessment of the project. The PEA included geological and mineral resource modeling, preliminary mine planning, a description of metallurgical test work and process design, a summary of environmental baseline work to date, and estimates for capital and operating costs. As well, it determined the economics to develop the project as an underground mine with process facility, and included an estimate of the direct cash costs to produce tantalum contained in a technical grade oxide product. Readers are encouraged to review the entire PEA Technical Report which is available for viewing at www.sedar.com. A link is also available on the Company web site at www.commerceresources.com.

In preparing the 2013 Mineral Resource update AMEC reviewed the 2011 PEA. AMEC considers that the following work and outcomes of the 2011 PEA remain reasonable as any cost escalation is considered to be offset by increases in long term Ta price:

- Underground mining at 7,500 tpd using bulk mining with a variation of sublevel open stoping.
- Total estimated capital cost to design and build is CAD\$379M.
- Operating costs over the life of mine are estimated at CAD\$38.44/t milled.
- Cash costs of tantalum metal of CAD\$24.91/kg contained in a technical grade chloride product (after credit for the niobium contribution).
- Production estimated at 2.7M t/a of mineral resources, over 9.3 years.
- Estimated Internal rate of return: 9.1% (before tax). If the project is developed it will be subject to taxes which will result in cash flows and an NPV less than reported.
- Estimated Net present value: CAD\$18.5 million at 8% discount rate (before tax).
- Estimated Payback: 6.3 years.
- Average diluted grade in the conceptual mine plan to the mill: 185 ppm Ta₂O₅ and 1,591 ppm Nb₂O₅.
- Mineral processing using a standard grind-flotation procedure to produce a concentrate of ferrocolumbite-pyrochlore.
- Metallurgical testing indicates that a mineral concentrate assaying about 30% combined Nb-Ta pentoxide with a Ta-Nb recovery of 65-70% is possible.



- Proposed product: High purity Ta and Nb chloride products containing 2,400 metric tonnes and 18,610 metric tonnes of the respective metals over the life of the mine and that are suitable for several markets.
- Conceptual Mine Life: 9.3 years based upon the mineral resources (effective date 20 September 2011) defined for the PEA using information to the end of 2009 drilling.
- NPV Sensitivity: The Upper Fir deposit is most sensitive to changes in exchange rate, commodity prices, and mining costs.

Results of the Mineral Resource update and the PEA represent forward-looking information. The PEA is preliminary in nature and it includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

Opportunities Arising from the Mineral Resource Update

Though a 25 Mt life-of-mine plan prepared in 2011 for the PEA remains valid, the 2013 Mineral Resource is larger than the 2011 Mineral Resource used to prepare the plan. This shows potential to extend the life-of-mine plan, though its impact on the economics of the Upper Fir deposit has not yet been examined. Further opportunities exist that may allow additional improvements to the economics of the project including optimizing the mine plan by mining higher grade zones earlier in the mine life and optimizing the mine layout to minimize development costs, as well as preparation of a geotechnical model to examine opportunities to increase the size of the stopes.

AMEC's Recommendations in Support of Prefeasibility Study

AMEC's recommended work program is expected to take two years to complete and will include the budgeted items recommended in Table 3 which follows.

**Table 3: Summary of Proposed Work to Support a Pre-Feasibility Study (in CAD\$)**

Task	Estimated Budget	Comment
Database	\$50,000	Prepare standards for accuracy monitoring
Local Anisotropic Kriging: mineral resource estimate	\$40,000	Improve local grade estimate
Drilling	\$5,460,000	125 Infill, step-out, hydrological, and condemnation holes, totaling 27,300m
Mineral Resource Update	\$400,000	Geologic interpretation and grade estimation
Mining studies	\$750,000	Geotechnical and hydrological models, mining method, access, and ventilation
Metallurgical test work	\$1,550,000	Flotation, filtration, and hardness test work. Preparation of concentrate. Aluminothermic and Chlorination test work.
Co-disposal studies	\$400,000	Geotechnical/hydrological design
Environmental	\$400,000	Extend baseline studies to local infrastructure
Waste Rock Characterization	\$350,000	Static and kinetic geochemical testing
Marketing Studies	\$100,000	Examine marketing requirements
Project Management	\$2,400,000	
Sub-total	\$11,900,000	
Contingency	\$2,000,000	@ 20%
TOTAL	\$13,900,000	Pre-Feasibility Study

Comparison of Mineral Resources

The inclusion of the results from the 2011 drill campaign into the updated Upper Fir model has not resulted in any significant changes to the interpreted size or geometry, but has resulted in increased local confidence in the geometry and grade.

End Products and Base Case Metal Pricing

The processes proposed for the Upper Fir deposit will produce 99.9% pure tantalum and niobium oxides, generally known as technical grade oxide products. These products are generally sold under contract and the prices are typically kept confidential between buyer and seller to preserve competitive advantages. Tantalum and niobium price assumptions used to support the 2013 Mineral Resources are based on publically available and subscription service reports.

Tantalum

Tantalum is commonly quoted as two separate products:

- Ta₂O₅ in tantalite concentrate: a non-refined, tantalum-bearing concentrate of variable composition and trace element content; and



- tantalum metal scrap (99.9% pure Ta): this form of tantalum product receives a premium price in the market relative to tantalite concentrate.

Between January 2010 and January 2013, tantalite concentrate prices have risen from US\$88/kg to US\$285/kg. In the same period Ta metal scrap prices have risen from US\$145/kg to US\$385/kg. Prices rose dramatically in 2010 in response to changing market conditions including reduced production, increased concerns about tantalum mined from conflict regions (i.e. conflict tantalum), depletion of known strategic stockpiles, and curtailed exports from China. These market conditions remain in 2013.

Niobium

Nb generally trades as Nb metal, or ferroalloy, and the price has remained relatively constant at US\$50/kg Nb metal over the last several years. A base case price of US\$46/kg Nb metal was assumed for consistency with previous estimates.

AMEC's Comment on Resource Update Price Assumptions

Tantalum is not a freely traded commodity and information regarding Ta and Nb market prices is not as readily available as it is for base and precious metals; Ta and Nb are typically sold on a contract basis. The Ta and Nb price assumptions used to support the Mineral Resource estimate and the preliminary economic analysis are based on current market trends which are considered volatile. AMEC concludes that the price assumptions used reflect current market conditions but acknowledges there is a risk these price assumptions may not reflect long term prices.

Comments of Commerce President

“We are again extremely pleased with the results of this study which represents a major milestone in the progress to develop the Upper Fir. The resource reported today is further confirmation of Commerce’s belief that we are in the process of building a very important long-term source of conflict free and ethical tantalum which could potentially supply 10% of the current world’s market for the long term.” said Dave Hodge, Commerce’s President. “Results of all the technical work completed to date give solid evidence of the quality of the mineral resource. Commerce continues to be active in its search for a strategic partner who will work with us to define appropriate project financing options to support the recommended pre-feasibility studies.”

Property

The Blue River Project is located near the village of Blue River, which is approximately 250 km north of the city of Kamloops and approximately 90km south of the town of Valemount. The Project comprises 105,373 hectares (1,000 km²) of mineral claims. Power transmission lines,



rail, and paved and gravel roads are all adjacent to, or within the property boundaries. Transalta Corp.'s 18 MW Bone Creek run-of-river hydroelectricity project near the project was commissioned in June 2011.

NI 43-101 Disclosure

The following Qualified Persons for the report are AMEC employees, based out of Vancouver: Mr. Greg Kulla, P.Geo., Principal Geologist; Mr. Tomasz Postolski, P.Eng., Senior Geostatistician; Mr. Ramon Mendoza Reyes, P.Eng., Principal Mining Engineer; Mr. Tony Lipiec, P.Eng., Director, Process Engineering, , and Mr. Behrang Omidvar, P.Eng; Financial Analyst. All of the Qualified Persons have read and approved the contents of this news release that are extracted or summarized from the “Blue River Tantalum-Niobium Project, British Columbia, Canada, NI 43-101 Technical Report on Mineral Resource Update” with an effective date of June 21, 2012.

Ms. Jenna Hardy, M.Sc., P.Geo., Commerce Resources Corp., is a Qualified Person as defined by National Instrument 43-101, 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 summarizing the Mineral Resource Update will be filed on SEDAR (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 specifically focused on the development of its Upper Fir Tantalum and Niobium Deposit in British Columbia and its Ashram Rare Earth Element Project in Quebec.

For more information please visit the corporate website at www.commerceresources.com or contact Investor Relations at 1.866.484.2700 or 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



Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 that we will have positive cash flow for a potential 7,500 tonnes per day underground operation at the Upper Fir property with cash costs of CAD\$24.91 per kilogram of tantalum metal; that we will have opportunities for optimization in the geology and mining areas and enhance the quality of the resource; that prices for our potential products are conservatively estimated and may trend upwards; that our property has Indicated Mineral Resources totalling 48.4 million tonnes at 197 ppm Ta₂O₅ and 1,610 ppm Nb₂O₅. Inferred Mineral Resources total 5.4 million tonnes at 191 ppm Ta₂O₅ and 1,760 ppm Nb₂O₅; that total estimated capital cost to design and build a mine is CAD\$379M and other assumptions listed will be accurate; that operating costs over the life of mine are estimated at CAD\$38.44/t milled; and the projected method of mining and its results will be accurate. 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 changing costs for mining and processing and their impact on the cut off value established; increased capital costs; 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 limited test work and by comparison to what are considered analogous deposits that with further test work may not be comparable; 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.

For a description of the data verification procedures, analytical and testing procedures and a description of the identification of any known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources, see “Blue River Ta-Nb Project NI 43-101 Technical Report on Mineral Resource Update”, by AMEC with effective date 21 June-2013 that is filed on SEDAR.