



COMMERCE RESOURCES CORP.

Condensed Interim Financial Statements

For the Six Months Ended April 30, 2013

(Unaudited - Expressed in Canadian Dollars)

The accompanying unaudited condensed interim financial statements of Commerce Resources Corp. for the six months ended April 30, 2013, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

Commerce Resources Corp.
Statements of Financial Position
As expressed in Canadian dollars
(Unaudited – prepared by management)

As at	April 30, 2013	October 31, 2012
Assets		
Current		
Cash and cash equivalents	\$ 796,670	\$ 309,661
Marketable securities (Note 4)	278,928	348,774
Short term investment (Note 5)	2,409,500	34,500
Amounts receivable	41,815	34,392
Mining tax receivable (Note 7)	1,786,656	5,529,544
GST/HST receivable	106,230	227,270
Due from related parties (Note 14)	59,954	17,811
Prepaid expenses (Note 6)	128,639	134,642
	5,608,392	6,636,594
Prepaid expenses – non-current (Note 6)	237,886	237,886
Investment - asset-backed commercial paper (Note 8)	230,878	248,446
Equipment (Note 9)	620,083	644,570
Exploration and evaluation assets (Note 10 and Schedule I)	46,330,617	44,034,212
Reclamation bonds	82,000	82,000
	\$ 53,109,856	\$ 51,883,708
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 429,637	\$ 909,434
Due to related parties (Note 14)	289,288	612,340
Liability for flow through shares (Note 17)	142,144	3,889
	861,069	1,525,663
Shareholders' Equity		
Share capital (Note 11)	69,887,819	67,951,764
Reserves (Note 12)	7,845,133	7,182,303
Accumulated other comprehensive income (loss)	(1,061,135)	(976,301)
Deficit	(24,423,030)	(23,799,721)
	52,248,787	50,358,045
	\$ 53,109,856	\$ 51,883,708

Approved and authorized by the Board of Directors on June 28, 2013:

“David Hodge”

Director

“Sven Olsson”

Director

The accompanying notes are an integral part of these condensed interim financial statements.

Commerce Resources Corp.

Condensed Interim Statements of Operations and Comprehensive Loss

As expressed in Canadian dollars

(Unaudited – prepared by management)

	Three months ended April 30,		Six months ended April 30,	
	2013	2012	2013	2012
Expenses				
Administration fees and rent – Note 14	\$ 270,000	\$ 270,000	\$ 552,000	\$ 540,000
Advertising and website	32,815	95,084	105,513	169,421
Bank charges and interest	282	19,483	551	20,803
Consulting fees – Note 13	13,806	94,142	38,926	158,399
Filing and transfer agent fees	17,046	21,685	25,094	25,740
Insurance	(1,568)	3,806	6,050	7,612
Investor relations	8,231	24,725	15,911	41,598
Office, telephone and miscellaneous – Note 14	7,457	8,202	10,655	17,375
Professional fees	14,083	169,074	55,001	170,719
Stock-based compensation – Note 12	375,211	-	375,211	-
Travel and promotion	5,616	58,916	21,437	120,064
Loss before other items	(742,979)	(765,117)	(1,206,349)	(1,271,731)
Other income (expenses)				
Interest income	12,163	8,128	33,437	25,035
Other income	298,551	-	298,551	760,000
Penalties	-	-	(11,199)	-
Gain (loss) on disposition of asset backed commercial paper	2,407	3,075	405,068	(89,925)
Gain on disposition of marketable securities	45	-	45	-
	313,166	11,203	725,902	695,110
Loss before income taxes	(429,813)	(753,914)	(480,447)	(576,621)
Deferred income tax expense (recovery)	(41,155)	-	142,862	-
Net loss for the period	(388,658)	(753,914)	(623,309)	(576,621)
Other comprehensive income (loss) for the period				
Unrealized gain (loss) on asset backed commercial paper	15	(278,682)	(15,019)	-
Unrealized gain (loss) on marketable securities	(1,292)	(189,654)	(69,815)	(514,222)
Comprehensive loss for the period	(1,277)	(468,336)	(84,834)	(514,222)
Net loss and comprehensive loss for the period	\$ (389,935)	\$ (1,222,250)	\$ (708,143)	\$ (1,090,843)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	166,983,642	147,866,144	156,671,377	146,774,223

The accompanying notes are an integral part of these condensed interim financial statements.

Commerce Resources Corp.

Condensed Interim Statements of Changes in Equity

As expressed in Canadian dollars

(Unaudited – prepared by management)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
Balance, October 31, 2011	147,781,422	\$ 66,835,835	\$ 6,990,460	1,031,503	(23,599,641)	\$ 51,258,157
Stock options exercised	175,000	127,139	(81,639)	-	-	45,500
Unrealized loss on available-for-sale financial assets	-	-	-	(514,222)	-	(514,222)
Net loss for the period	-	-	-	-	(576,621)	(576,621)
Balance, April 30, 2012	147,956,422	66,962,974	6,908,821	517,281	(24,176,262)	50,212,814
Balance, October 31, 2012	153,408,088	\$ 67,951,764	\$ 7,182,303	(976,301)	(23,799,721)	\$ 50,358,045
Flow-through private placements	13,775,554	2,240,832	243,376	-	-	2,484,208
Share issue costs	-	(304,777)	23,041	-	-	(281,736)
Shares returned to treasury	(200,000)	-	-	-	-	-
Share-based payments	-	-	396,413	-	-	396,413
Change in fair value of available-for-sale financial assets	-	-	-	(84,834)	-	(84,834)
Net loss for the period	-	-	-	-	(623,309)	(623,309)
Balance, April 30, 2013	166,983,642	\$ 69,887,819	\$ 7,845,133	(1,061,135)	(24,423,030)	\$ 52,248,787

The accompanying notes are an integral part of these condensed interim financial statements.

Commerce Resources Corp.
Condensed Interim Statements of Cash Flows
For the six months ended April 30,
As expressed in Canadian dollars
(Unaudited - prepared by management)

	Six Months Ended April 30,	
	2013	2012
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income (loss) for the period	\$ (623,309)	\$ (576,621)
Add (deduct) items not affecting cash:		
Deferred income tax recovery	142,862	-
Other income	-	(760,000)
Loss (Gain) on disposition of asset-backed commercial paper	(405,067)	-
Loss (Gain) on disposition of marketable securities	(45)	-
Share-based payments	375,211	-
	(510,348)	(1,336,621)
Changes in non-cash working capital items related to operations:		
Amounts receivable	(7,423)	(54,896)
Income tax receivable	3,742,888	1,543,187
GST/HST receivable	121,040	309,025
Prepaid expenses	6,003	208,759
Due to related parties	(62,653)	(383,022)
Accounts payable and accrued liabilities	(54,640)	406,617
Net cash flows provided by operating activities	3,234,867	693,049
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Issue of share capital	2,197,864	45,500
Net cash flows provided by financing activities	2,197,864	45,500
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Acquisition of equipment	-	(190,717)
Redemption of Asset-backed commercial paper	407,616	3,356,541
Short-term investments	(2,375,000)	-
Sale (purchase) of marketable securities	76	-
Deferred exploration and development costs, net of tax credits received	(2,978,414)	(6,677,123)
Net cash flows used in investing activities	(4,945,722)	(3,511,299)
Increase (decrease) in cash and cash equivalents	487,009	(2,772,750)
Cash and cash equivalents, beginning of period	309,661	3,693,630
Cash and cash equivalents, end of period	\$ 796,670	\$ 920,880

Supplemental disclosure with respect to cash flows – Note 16

The accompanying notes are an integral part of these condensed interim financial statements.

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Commerce Resources Corp. (“Commerce” or the “Company”) was incorporated on May 19, 1999, under the Company Act of British Columbia and is in the business of acquiring, exploring, developing and evaluating mineral resource properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is in the exploration stage and has interests in properties located in British Columbia (“BC”) and Quebec, Canada.

Commerce is a public company listed on Tier 1 of the TSX Venture Exchange in Canada, the OTCQX in the United States of America, and on the Frankfurt Stock Exchange in Germany.

The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

These financial statements were authorized for issue by the Audit Committee and Board of Directors on June 28, 2013.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the financial statements for the year ended October 31, 2012. Therefore, these condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended October 31, 2012.

b) Basis of Measurement

These condensed interim financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS – continued

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The recoverability of mining tax receivable;
- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- The useful lives and related depreciation of plant and equipment;
- Management’s assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;
- The inputs used in accounting for share-based payments in the statements of operations and comprehensive loss; and
- The determination of fair value of asset-backed commercial paper based on numerous assumptions, including interest and market risk rates, and factors that are beyond the Company’s control such as the ultimate settlement amounts, timing of settlement and changes in the credit ratings. The fair value of the asset-backed commercial paper is subject to uncertainty and it is reasonably possible that the recognized amount could change by a material amount in the near term.

4. MARKETABLE SECURITIES

	Number Of Shares	Cost	Unrealized Gain (loss)	Fair Value April 30, 2013
Canadian International Minerals (“CIN”)	11,500,000	\$1,385,000	\$ (1,155,000)	\$ 230,000
Zimtu Capital Corp. (“ZC”)	122,320	159,385	(110,437)	48,928
Total	11,622,332	\$ 1,544,385	\$(1,265,457)	\$ 278,928

	Number Of Shares	Cost	Unrealized Gain (loss)	Fair Value October 31, 2012
Continental Gold Limited (“CGL”)	12	\$ 31	\$ 82	\$ 113
Canadian International Minerals (“CIN”)	11,500,000	1,385,000	(1,097,500)	287,500
Zimtu Capital Corp. (“ZC”)	122,320	159,385	(98,224)	61,161
Total	11,622,332	\$ 1,544,416	\$(1,195,642)	\$ 348,774

During the six months ended April 30, 2013, the Company sold 12 shares of Continental Gold, with a cost of \$31, for a gain on disposition of marketable securities \$45.

During the year ended October 31, 2012, the Company received 8,000,000 shares of CIN valued at \$760,000 in accordance with the amended agreement for the Carbo Property (see Note 10). The Company recorded an unrealized holding loss on these shares at October 31, 2012 of \$868,969 to other comprehensive income.

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

5. SHORT TERM INVESTMENTS

At April 30, 2013, the Company had two guaranteed investment certificates (“GIC’s”), totaling \$2,409,500 (October 31, 2012 - \$34,500). Of the total, \$34,500 was issued on October 11, 2012, with an interest rate of prime less 2.05% and matures on October 10, 2013, and \$3,500,000 was issued on December 19, 2012, with an interest rate of prime less 1.65% and matures on December 18, 2013. Of the \$3,500,000 issued on December 31, 2012, \$1,125,000 has been redeemed and a balance of \$2,375,000 remains invested in the GIC.

6. PREPAID EXPENSES

	April 30, 2013	October 31, 2012
Current		
Insurance	8,291	23,279
Held in trust	72,003	71,820
Deposits and advances	48,345	39,543
Total prepaid expenses – current	128,639	134,642
Non-current		
Deposits held for exploration	237,886	237,886
Total prepaid expenses – non-current	237,886	237,886

7. MINING TAX RECEIVABLE

During the year ended October 31, 2012, the Company received a refund of \$1,305,862 for BC Mining Exploration Tax Credits (“BC METC”) for the year ended October 31, 2011 and \$1,396,670 for Quebec Mining Tax Credits for the year ended October 31, 2010. An adjustment was made to mining tax credits to reflect the approved amounts. The Company also accrued BC mining tax credits of \$797,018 and Quebec mining tax credits of \$989,638 for the year ended October 31, 2012. During the six months ended April 30, 2013, the Company received a refund for its 2011 Quebec mining tax credits of \$3,761,528, including interest income of \$18,640.

8. INVESTMENTS IN ASSET-BACKED COMMERCIAL PAPER

As at April 30, 2013, the Company held asset-backed commercial paper (“ABCP”) issued by a number of trusts with an original cost of \$795,262 (October 31, 2012: \$1,172,074). At the dates the Company acquired these investments they were rated R1 (High) by Dominion Bond Rating Services (“DBRS”).

The Canadian market for ABCP suffered a liquidity disruption in mid-August 2007 following which a group of financial institutions and other parties agreed, pursuant to the Montreal Proposal, to the conversion of the ABCP into longer-term financial instruments (floating rate notes) with maturities corresponding to the underlying assets. On December 24, 2008, the Pan-Canadian Investors Committee, established to oversee the orderly restructuring of these instruments, announced that it had reached an agreement with all key stakeholders. Shortly thereafter, on January 21, 2009, the restructuring plan affecting the \$32 billion of third-party ABCP was fully implemented.

The Company received upon completion of the restructuring in January 2009 the following:

- \$7,350,000 of senior Master Asset Vehicle MAV II Class A-1 and A-2 Notes and subordinated Class B and Class C Notes as follows:
 - \$4,830,000 of Class A-1 Notes
 - \$1,950,000 of Class A-2 Notes
 - \$350,000 of Class B Notes
 - \$220,000 of Class C Notes

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

8. INVESTMENTS IN ASSET-BACKED COMMERCIAL PAPER - continued

Class A-1, Class A-2 and Class B Notes will bear interest at the Bankers' Acceptance ("BA") rate less 0.50% and Class C Notes will bear interest at the BA rate plus 20%. These notes have legal maturity dates in 2056 but the expected repayment date of the Class A-1 and A-2 notes is January 22, 2017. The senior notes (Class A-1 and Class A-2) have been rated "A" by DBRS while the subordinated notes (Class B and C) are unrated.

- \$780,000 of MAV II Ineligible Asset ("IA") Notes

The IA Tracking Notes will bear interest at a rate based on the net rate of return generated by the underlying tracking assets. The maturities of the notes are based on the maturities of the underlying assets. These notes will not be rated.

The valuation technique used by the Company to estimate the fair value of its investment in ABCP at April 30, 2013 and October 31, 2012, incorporates probability weighted discounted cash flows considering the best available public information regarding market conditions and other factors that a market participant would consider for such investments. The assumptions used in determining the estimated fair value reflect the details included in the Information Statement issued by the Pan-Canadian restructuring committee and the risks associated with the long-term floating rate notes. The interest rates and maturities of the various long-term floating rate notes, discount rates and credit losses modeled are:

	<u>April 30, 2013</u>	<u>October 31, 2012</u>
Probability weighted average interest	38.22%	38.22%
Weighted average discount rate	15.95%	15.95%
Maturity of long-term floating rate notes	4 years to 26 years	4 years to 26 years
Credit losses	Rated notes: Nil to 30% Unrated notes: 20% to 100%	Rated notes: Nil to 30% Unrated notes: 20% to 100%

If these assumptions were to change, the fair value of ABCP could change significantly. In 2007 and 2008, the Company recorded an additional provision for impairment of ABCP of \$2,902,046 bringing the total impairment charge to \$4,541,957 due to a decline to fair value that is other than temporary.

During the six months ended April 30, 2013, the Company received payments from settlement of \$407,616 (October 31, 2012: \$4,653,094) and recognized a gain on sale of ABCP of \$405,068 (October 31, 2012: \$1,315,445). As at April 30, 2013, the fair value of the ABCP as determined above was \$230,878 (October 31, 2012: \$248,446) and the Company recorded an unrealized loss of \$15,019 (October 31, 2012: \$28,670 gain) from this instrument.

Reconciliation of level 3 fair value measurements of ABCP is as follows:

Closing balance, October 31, 2011	4,872,289
Settlements	(4,652,513)
Unrealized gains in other comprehensive income	28,670
Closing balance, October 31, 2012	248,446
Settlements	(2,549)
Unrealized losses in other comprehensive income	(15,019)
Closing balance, April 30, 2013	\$ 230,878

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

9. EQUIPMENT

	Field Equipment	Field Office Building	Leasehold Improvements	Land	Total
Cost					
October 31, 2011	\$ 294,341	\$ 316,167	\$ -	\$ 120,282	\$ 730,790
Additions	22,590	10,360	255,796	-	288,746
Write-off	-	(22,779)	-	-	(22,779)
October 31, 2012	316,931	303,748	255,796	120,282	996,757
Additions	-	-	-	-	-
April 30, 2013	\$ 316,931	\$ 303,748	\$ 255,796	\$ 120,282	\$ 996,757
Accumulated Amortization					
October 31, 2011	249,360	31,170	-	-	280,530
Additions	35,500	14,379	22,917	-	72,796
Write-off	-	(1,139)	-	-	(1,139)
October 31, 2012	284,860	44,410	22,917	-	352,187
Additions	10,720	6,486	7,281	-	24,487
April 30, 2013	\$ 295,580	\$ 50,896	\$ 30,198	\$ -	\$ 376,674
Net Book Value					
October 31, 2011	\$ 44,981	284,997	-	120,282	450,260
October 31, 2012	32,071	259,338	232,879	120,282	644,570
April 30, 2013	\$ 21,351	\$ 252,852	\$ 225,598	\$ 120,282	\$ 620,083

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

10. EXPLORATION AND EVALUATION ASSETS

The following is a description of the Company's most significant property interests and related spending commitments (see Schedule I for detail breakdown):

Blue River Claims – (formerly known as the Upper Fir, Verity and Fir Claims)

The Company has a 100% interest in its Upper Fir, Verity, and Fir claims, located in the Blue River region of the Kamloops Mining District of B.C., Canada, all of which were acquired by staking.

During the year ended October 31, 2011, 20,000 stock options with an exercise price of \$0.55 per share and 235,000 stock options with an exercise price of \$0.81 per share were granted to geologists conducting mining activities of Blue River Claims. The Company capitalized a total of \$158,824 stock based compensation pursuant to the option grants. During the six months ended April 30, 2013, 230,000 (April 30, 2012 – nil) stock options with an exercise price of \$0.10 were granted to geologists. The Company capitalized a total of \$21,202 (April 30, 2012 - \$nil) in share-based payments pursuant to the option grants.

Eldor Claims

The Company acquired, by staking and a purchase agreement, a 100% interest in the Eldor Carbonatite Complex, located in the Labrador Trough area of Quebec, Canada. During the year ended October 31, 2007, the Company purchased 8 mineral claims from Virginia Mines Inc. ("Virginia Mines"), which cover a portion of the Eldor Carbonatite. These claims are adjacent to the approximately 88 claims staked by the Company.

Under the terms of the purchase agreement with Virginia Mines, the Company issued 710,000 common shares and 290,000 share purchase warrants. The share purchase warrants were exercisable at \$1.12 per share until June 19, 2009. The Company also issued 25,000 common shares as a finder's fee. The total of 735,000 common shares issued for this transaction was valued at \$1,014,300 which was determined by the closing price of the Company's shares on the date of the execution of the option agreement. A charge of \$176,602 had been recorded in resource properties acquisition costs in respect to the share purchase warrants.

Virginia Mines retains a 1% net smelter royalty on the 8 claims purchased from them. As well, 5 of the 8 claims are subject to an underlying 5% net profit royalty, which can be purchased for \$500,000.

During the year ended October 31, 2011, 155,000 stock options with an exercise price of \$0.55 per share and 125,000 stock options with an exercise price of \$0.81 were granted to geologists conducting mining activities of Eldor Claims. The Company capitalized a total of \$131,127 in share based payments as resources properties pursuant to the option grants.

Other Claims – British Columbia, Canada

Other claims consist of mineral claims located in B.C., Canada known as the Cable Creek, Mud Lake, Alan Parson, Lac Nach, and Carbo claims. As at October 31, 2011, the Company determined that the value of several mineral claims was impaired, and accordingly wrote off capitalized costs in the amount of \$39,896. At January 31, 2013, the Company still holds the Alan Parson claims.

On January 15, 2009, the Company entered into a Mineral Acquisition Agreement with Canadian International Minerals Inc. ("CIN") whereby CIN can acquire a 75% interest in the Carbo Property. In consideration for the interest, CIN must pay the Company \$30,000 (\$10,000 received at October 31, 2009, \$10,000 at January 31, 2010, and \$10,000 received January 19, 2011), issue 1,500,000 common shares (500,000 received at October 31, 2009, 500,000 received at January 31, 2010, and 500,000 received at January 12, 2011) to the Company and incur total exploration expenditures of \$198,000 (incurred) on the Carbo Property over a three year period.

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

10. EXPLORATION AND EVALUATION ASSETS - continued

Other Claims – British Columbia, Canada – continued

On September 23, 2011, the Company entered into an amending agreement with CIN whereby CIN acquire 100% interest in the Carbo Property by issuing an additional 8,000,000 common shares to the Company (received November 8, 2011). The Company will retain its 2% NSR royalty on the property. Pursuant to the amending agreement, the Company shall subscribe for \$300,000 worth of Units (the "Units", at \$0.15 per unit, totalling 2,000,000 units) into CIN's recently announced private placement, with each Unit consisting of one common share and one-half of one transferable share purchase warrant entitling the Company to purchase one additional share of CIN for a period of 24 months from the closing date at a price of \$0.25 per share in the first year and \$0.30 per share in the second year. As of October 31, 2011, the Company recognized other income of \$276,369 as the option payment received from the \$30,000 cash received and CIN 1,500,000 shares issued over the capitalized costs invested on Carbo Property. During the year ended October 31, 2012, the Company recorded a gain of \$760,000 for receipt of the 8,000,000 shares for the Carbo Property.

Other Claims – Quebec, Canada

During the six months ended April 30, 2013, the Company acquired, by staking, a 100% interest in the Lac Dupoisson Property, consisting of 57 claims, covering an area of 2,688 ha in the Labrador Trough.

11. SHARE CAPITAL

- a) Authorized: Unlimited common shares with no par value.
- b) Issued and outstanding:

Historically, the Company repurchased 200,000 common shares of its own at nominal value, which has been deemed as common shares returned to treasury. On March 26, 2013, the shares were physically returned to treasury, and as a result, the total issued and outstanding shares of the Company are 166,983,642 as at April 30, 2013 (October 31, 2012: 153,208,088).

During the six months ended April 30, 2013:

On December 12, 2012, the Company completed a brokered private placement with Marquest Capital Markets and Casimir Capital Ltd. (the "Agents") in the amount of 6,438,890 flow-through units (the "FT Units") at a price of \$0.18 per flow-through unit for gross proceeds of \$1,159,000. The FT Units consist of one flow-through common share and one half of one non-transferable share purchase warrant. One whole warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.25 per share until June 11, 2014. In addition, the Company paid the Agents a cash commission of 8% of the gross proceeds and issued 515,111 Agents' Options, with each Agents' Option exercisable at a price of \$0.25 until June 11, 2014. On December 31, 2012, the Company filed the renouncement of the qualified expenditures in full of \$1,159,000.

The Company also closed a non-brokered private placement of 7,336,664 FT Units for gross proceeds of \$1,320,600. The non-broker's FT Units were issued at the same price and on the same terms as the brokered private placement. No finder's fee or commissions were paid. On December 31, 2012, the Company filed the renouncement of the qualified expenditures in full of \$1,320,600.

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

11. SHARE CAPITAL - continued

- b) Issued and outstanding – continued:

During the year ended October 31, 2012:

On August 2, 2012, the Company closed a private placement of 5,436,666 units at a price of \$0.30 per unit, for gross proceeds of \$1,680,500. Each unit consists of one flow-through common share and one-half of one non flow-through common share purchase warrant. Each whole share purchase warrant is exercisable into one common share of the Company for a period of two years at a price of \$0.40 per share in the first year and \$0.48 per share in the second year. The securities issued are subject to a four-month hold period expiring December 3, 2012. The fair value of the share at the date of issuance is \$0.23 where the exercise price is greater than the market price. The share purchase warrants were fair valued at \$171,996 based on the Black-Scholes pricing model which utilizes the following assumptions: expected dividend yield of nil, expected stock price volatility of 86.66% and risk free interest rate of 1.06%. As a result, the Company allocated \$171,996 to reserves and \$208,571 to liability for flow through shares. The Company paid NCP Northland Capital Partners Inc. (the “Agent”) a commission of \$114,170, being 7% of the gross sales of units, and issued to the Agent 380,567 Compensation Options, being 7% of the number of units sold in the private placement. Each Compensation Option is exercisable into one common share for two years at a price of \$0.30. The Agent’s Compensation Options were valued at fair value of \$34,512. The fair value of these Compensation Options was \$0.09 per share, where the exercise price is greater than the market price at the date of grant and the fair value of each warrant granted is calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 1.08%, a dividend yield of nil, an expected volatility of 86.66% and an average expected life of 2 years. The residual \$50,153 of share issuance costs constitutes of legal and filing expenses related directly to the private placement.

On August 3, 2012, the Company also closed a non-brokered private placement of 165,000 flow-through commons shares with units having the same terms and conditions as the brokered portion described above for gross proceeds of \$49,500. The fair value of the share at the date of issuance is \$0.23 where the exercise price is greater than the market price. The share purchase warrants were fair valued at \$5,216 based on the Black-Scholes pricing model which utilizes the following assumptions: expected dividend yield of nil, expected stock price volatility of 86.62% and risk free interest rate of 1.06%. As a result, the Company allocated \$5,216 to reserves and \$6,334 to liability for flow through shares.

During the year ended October 31, 2012, 25,000 stock options were exercised at \$0.26 per share for total proceeds of \$6,500. A total of \$19,881 was reversed out of reserves and credited to share capital in relation to the option exercise.

- c) Share purchase warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

	April 30, 2013		October 31, 2012	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	4,805,542	\$ 0.63	2,004,709	\$ 0.90
Issued	6,887,777	\$ 0.25	2,800,833	0.40 / 0.48
Balance, end of period	11,693,319	\$ 0.41	4,805,542	\$ 0.63

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

11. SHARE CAPITAL - continued

c) Share purchase warrants - continued:

The following share purchase warrants were outstanding and exercisable as at April 30, 2013 and October 31, 2012:

Expiry Date	Weighted Average Contractual Life (Years)	Exercise Price (Year 1/ Year 2)	April 30, 2013 Number of Warrants	October 31, 2012 Number of Warrants
June 3, 2013*	0.29	\$0.90	2,004,709	2,004,709
August 2, 2014	1.26	\$0.40/0.48	2,718,333	2,718,333
August 3, 2014	1.26	\$0.40/0.48	82,500	82,500
June 12, 2014	1.12	\$0.25	6,887,777	-
Total Outstanding	0.97	\$0.41	11,693,319	4,805,542
Total Exercisable			11,693,319	4,805,542

*Expired unexercised subsequent to April 30, 2013

12. SHARE-BASED PAYMENTS

The Company has a stock option plan for officers, directors, employees and consultants. Options are granted with an exercise price determined by the Board of Directors, which may not be less than 25% of the Company's stock price on the date of the grant. Options granted to directors, employees and consultants other than consultants engaged in investor relations activities will vest immediately. However for options granted to employees and consultants engaged in investors relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three month period.

The following is a summary of option transactions under the Company's stock option plan for the six months ended April 30, 2013 and the year ended October 31, 2012:

	April 30, 2013		October 31, 2012	
	Number of Options	Weighted Average Exercise Price	Number Options	Weighted Average Exercise Price
Balance, beginning of year	9,073,067	\$ 0.59	11,038,483	\$ 0.54
Granted	4,815,111	\$ 0.16	380,567	0.30
Exercised	-	-	(25,000)	0.26
Expired/Cancelled	(1,390,000)	\$ 0.44	(2,320,983)	0.33
Balance, end of period	12,498,178	\$ 0.40	9,073,067	\$ 0.59

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

12. SHARE-BASED PAYMENTS - continued

The following stock options were outstanding and exercisable as at April 30, 2013:

Expiry Date	Revised Exercise Price	Original Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life (Years)
June 15, 2013*	N/A	\$0.90	592,500	0.13
April 13, 2014	N/A	\$0.26	1,315,000	0.95
April 13, 2014	\$0.15	\$0.26	30,000	0.95
June 12, 2014	N/A	\$0.25	515,111	1.12
August 2, 2014	N/A	\$0.30	380,567	1.26
September 29, 2014	N/A	\$0.68	200,000	1.42
October 15, 2014	\$0.15	\$0.60	100,000	1.46
October 15, 2014	N/A	\$0.60	50,000	1.46
November 6, 2014	N/A	\$0.45	200,000	1.52
November 20, 2014	N/A	\$0.66	285,000	1.56
November 17, 2015	\$0.15	\$0.55	1,150,000	2.55
November 17, 2015	N/A	\$0.55	675,000	2.55
February 28, 2016	\$0.15	\$0.81	705,000	2.83
February 28, 2016	N/A	\$0.81	2,000,000	2.83
February 8, 2018	N/A	\$0.10	4,300,000	4.78
Total Outstanding			12,498,178	2.92
Total Exercisable			8,198,178	1.28

*Expired unexercised subsequent to April 30, 2013

On February 8, 2013, the Company granted 4,300,000 incentive stock options, exercisable into one common share of the Company at a price of \$0.15 per share for a period of 5 years. On April 9, 2013, the Exchange approved the re-pricing of 1,985,000 incentive stock options issued to consultants of the Company, to reflect current market conditions. The options were originally granted in 2009, 2010, and 2011 at prices ranging from \$0.26 to \$0.81. The new exercise price for these options will be \$0.15 per share. The modification will have no impact on the fair value of the stock options as they were 100% vested when granted.

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the six months ended April 30, 2013, the Company recorded \$375,211 (April 30, 2012 - \$nil) in share-based payments expense and capitalized \$21,202 in resource expenditures. The Company also applies the fair value method in accounting for its agents' options using the Black-Scholes pricing model. During the six months ended April 30, 2013, the Company recorded \$23,041 (April 30, 2012 - \$nil) in share issuance costs with the issuance of 515,111 agents' options. The amount was determined using Black-Scholes option pricing model with the following assumptions:

	<u>April 30, 2013</u>
Expected dividend yield	Nil
Expected volatility	84-85%
Risk free rate	1.10 – 1.43%
Expected terms in years	2 – 5 years

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

13. COMMITMENTS

On May 1, 2008, the Company entered into a Management & Administration Agreement with Zimtu Capital Corp. (“Zimtu”). Under the terms of the agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, over a period of 12 months for \$90,000 per month. The agreement was extended on May 1, 2012, for a term of one year. On May 1, 2013, the Company extended the agreement for a period of 12 months, with a revised rate of remuneration of \$49,180 per month.

14. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with key management personnel, which includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors and corporate officers.

During the six months ended April 30, 2013 and 2012, the Company incurred the following expenses to officers or directors of the Company or companies with common directors:

Related party transactions	Six months ended April 30,		
	2013	2012	
	\$	\$	
Administration fees and rent	552,000	540,000	(a)
Consulting fees	25,936	151,967	
Deferred exploration and development costs	812,475	1,390,739	
Office, promotion, and travel expenses	18,718	39,819	
Total	1,409,129	2,122,525	
Amounts due to (from) related parties	April 30,	October 31,	
	2013	2012	
	\$	\$	
Dahrouge Geological Consulting	279,532	583,276	(b)
nKwazi Resource Management	4,480	-	(c)
Nimbus Resource Management	-	23,500	(c)
Dr. Axel Hoppe, director	5,276	5,564	
Zimtu Capital Corp.	(59,954)	(17,811)	(b)
Net amount payable	229,334	594,529	

(a) Zimtu Capital Corp. (“Zimtu”) is related by way of common directorship with a director of the Company and provides monthly administrative and managerial services (see Note 14). At April 30, 2013, \$48,928 (October 31, 2012 - \$61,161) included in marketable securities is for shares held in Zimtu.

(b) A company with a common director of the Company.

(c) A company owned by a director of the Company.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

15. FINANCIAL INSTRUMENTS

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash and cash equivalents, short term investments, amounts receivable, due from related parties and investments in asset-backed commercial paper are subject to credit risk for a maximum of the amounts shown on the statements of financial position. The Company monitors its credit risk management practices continuously to evaluate their effectiveness.

At April 30, 2013, cash and cash equivalents of \$796,670 (October 31, 2012 - \$309,661) consisted of cash balances of \$540,474 (October 31, 2012 - \$53,909) on deposit with Canadian chartered banks and \$256,196 (October 31, 2012 - \$255,752) in money market funds. As at April 30, 2013, the Company also held short term investments of \$2,409,500 (October 31, 2012 - \$34,500) in GIC's at a Canadian chartered bank and asset-backed commercial paper fair valued at \$230,878 (October 31, 2012 - \$248,446).

The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

b) Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company currently has adequate liquidity to fund its financial liabilities which are comprised of accounts payable and accrued liabilities and due to related parties.

c) Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company's marketable securities and investment in asset-backed commercial paper are subject to market risk.

i) Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not significantly exposed to foreign currency exchange risk at this time.

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

15. FINANCIAL INSTRUMENTS - continued

ii) Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents and investments in asset-backed commercial paper. The sensitivity in interest rates of a decrease by 1% would result in an approximate decrease of \$8,000 (October 31, 2012: \$12,000) in net annual earnings. The sensitivity analysis on ABCP providing the effect on other comprehensive income if interest rates were to increase by 1% for the six months ended April 30, 2013 is \$3,000 (October 31, 2012: \$10,000).

d) Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at April 30, 2013 and October 31, 2012:

	As at April 30, 2013		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 796,670	\$ -	\$ -
Short term investments	\$ 2,409,500	\$ -	\$ -
Marketable securities	\$ 278,928	\$ -	\$ -
Asset-backed commercial paper	\$ -	\$ -	\$ 230,878
	\$ 3,485,098	\$ -	\$ 230,878

	As at October 31, 2012		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 309,661	\$ -	\$ -
Short term investments	\$ 34,500	\$ -	\$ -
Marketable securities	\$ 348,774	\$ -	\$ -
Asset-backed commercial paper	\$ -	\$ -	\$ 248,446
	\$ 692,935	\$ -	\$ 248,446

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

15. FINANCIAL INSTRUMENTS - continued

d) Fair Value – continued

Level 3 financial assets consist of the following investments in ABCP including Master Asset Vehicle II (“MAV II”) notes and Ineligible Asset Tracking notes as at April 30, 2013 and October 31, 2012:

	April 30, 2013			October 31, 2012		
	Face value	Fair value variances	Fair value	Face value	Fair value variances	Fair value
MAV II Notes						
Class B	353,772	(143,873)	209,899	353,772	(143,873)	209,899
Class C	233,913	(222,894)	11,019	233,913	(222,894)	11,019
	587,685	(366,767)	220,918	587,685	(366,767)	220,918
Ineligible Asset						
Tracking Notes	207,577	(197,616)	9,961	584,389	(556,860)	27,528
	795,262	(564,383)	230,878	1,172,074	(923,628)	248,446

The MAV II notes received as a result of the restructuring of third party sponsored ABCP by the Pan-Canadian Investors Committee in January 2009 include a pooling of leveraged investments as well as traditional assets and cash. The leveraged investments are subject to a potential requirement post additional collateral based on certain triggers being met (a margin call). Traditional assets are un-levered investments and include residential and commercial mortgage backed securities, corporate credit and cash equivalents. Class A-1, Class A-2 and Class B Notes will bear interest at the Bankers’ Acceptance (“BA”) rate less 0.50% and Class C Notes will bear interests at the BA rate plus 20%.

The IA Tracking Notes will bear interest at a rate based on the net rate of return generated by the underlying tracking assets. The maturities of the notes are based on the maturities of the underlying assets. These notes will not be rated.

The Company is aware of a number of trades in the restructured notes that have occurred prior to April 30, 2013, but does not consider them to constitute an active market. Accordingly, the Company has not used these trades to determine the fair value of its notes. As described in Note 8, the Company has used a probability weighted discounted cash flows approach to determine the fair value of these investments, incorporating available information regarding market conditions as at the measurement date, April 30, 2013. These estimates arrived at by the Company are subject to measurement uncertainty and are dependent on market conditions as at the measurement date.

If an active market for the restructured notes were to develop in the future, the Company would change its valuation technique to determine the fair value of its notes using quoted market prices.

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

15. FINANCIAL INSTRUMENTS - continued

e) Capital Management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at April 30, 2013, the Company's shareholders' equity was \$52,248,787 (October 31, 2012 - \$50,358,045). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties.

16. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. The following transactions have been excluded from the statement of cash flows:

During the six months ended April 30, 2013:

- a) Exploration and evaluation assets of \$341,660 were included in accounts payable and \$272,499 included in due to related parties at April 30, 2013.
- b) Amortization of \$24,487 relating to equipment was included in exploration and evaluation assets.
- c) 515,111 options valued at \$23,041 granted to the Agents were included in share issuance costs.

During the six months ended April 30, 2012:

- a) Deferred exploration expenditures of \$648,866 were included in accounts payable and \$373,088 were included in due to related parties at April 30, 2012,
- b) Amortization of \$28,776 relating to equipment was included in resources properties account,
- c) Fair value of \$81,639 was transferred from contributed surplus to share capital for options exercised during the period,
- d) Other income of \$760,000 is due to the receipt of 8,000,000 shares of CIN received for the Carbo Property.

Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended April 30, 2013

Expressed in Canadian Dollars

(Unaudited – prepared by management)

17. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On August 2 and August 3, 2012, respectively, the Company issued 5,436,666 and 165,000 units on a flow-through basis at \$0.30 per share (see Note 11 (b)) for proceeds of \$1,680,500, and recognized a liability on flow-through shares of \$214,905. At April 30, 2013, the Company has incurred \$1,680,500 (October 31, 2012 - \$1,663,833) of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of \$214,905 (October 31, 2012 - \$211,016). As at April 30, 2013, the amount of flow-through proceeds remains to be expended is \$nil (October 31, 2012 - \$16,667) and the balance of liability on flow-through shares related to this private placement is \$nil (October 31, 2012 - \$3,889).

On December 12, 2012, the Company issued 13,775,554 units on a flow-through basis at \$0.18 per share (see Note 11 (b)) for proceeds of \$2,479,600, and recognized a liability on flow-through shares of \$238,768. At January 31, 2013, the Company has incurred \$1,003,444 (October 31, 2012 - \$nil) of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of \$96,625 (October 31, 2012 - \$nil). As at April 30, 2013, the amount of flow-through proceeds remains to be expended is \$1,476,156 (October 31, 2012 - \$nil) and the balance of liability on flow-through shares related to this private placement is \$142,144 (October 31, 2012 - \$nil).

18. SUBSEQUENT EVENTS

- a. On May 15, 2013, the Company granted 100,000 incentive stock options to a consultant, exercisable into one common share of the Company at a price of \$0.10 per share for a period of 5 years.
- b. On June 3, 2013, 2,004,709 share purchase warrants priced at \$0.90 expired unexercised.
- c. On June 15, 2013, 592,500 stock options originally priced at \$0.90 expired unexercised.

Commerce Resources Corp.
Schedule of Resource Properties
As expressed in Canadian dollars
For the six months ended April 30, 2013

Schedule I

	Blue River Claims	Eldor Claims	Other Claims	Totals
Acquisition costs				
Balance, beginning of year	\$ 201,602	\$ 1,270,237	\$ 950	\$ 1,472,789
Staking	-	-	7,230	7,230
Balance, end of the period	201,602	1,270,237	8,180	1,480,019
Deferred exploration and development costs – Note 10				
Balance, beginning of year	26,711,422	15,845,064	4,937	42,561,423
Amortization – field equipment and office	15,558	1,648	-	17,206
Assays and analytical	10,261	22,964	176	33,401
Community	11,552	-	-	11,552
Consulting	-	16,340	372	16,712
Engineering	182,133	236,338	-	418,471
Environmental and permitting	35,559	208,105	-	243,664
Field equipment rental	16,721	106,999	-	123,720
Field supplies	3,223	24,433	634	28,290
Fuel	-	1,645	-	1,645
Food and accommodation	3,887	14,389	-	18,276
Geology, mapping and drafting	235,477	250,834	636	486,947
Insurance	8,938	-	-	8,938
Metallurgy	67,757	547,312	-	615,069
Other	3,000	4,004	-	7,004
Project management	81,470	-	-	81,470
Road and site preparation	18,430	-	-	18,430
Share-based payments	21,202	-	-	21,202
Travel and transport	588	136,556	34	137,178
	715,756	1,571,567	1,852	2,289,175
Balance, end of period	27,427,178	17,416,631	6,789	44,850,598
Total balance, end of period	27,628,780	18,686,868	14,969	46,330,617

Commerce Resources Corp.
Schedule of Resource Properties
As expressed in Canadian dollars
For the year ended October 31, 2012

Schedule I
Continued

	Blue River Claims	Eldor Claims	Other Claims	Totals
Acquisition costs				
Balance, beginning of year	\$ 201,602	\$ 1,230,919	\$ 950	\$ 1,433,471
Staking	-	39,318	-	39,318
Balance, end of the period	201,602	1,270,237	950	1,472,789
Deferred exploration and development costs – Note 10				
Balance, beginning of year	23,731,959	12,039,412	4,937	35,776,308
Amortization – field equipment and office	38,149	10,592	-	48,741
Assays and analytical	739,794	1,157,989	-	1,897,783
Consulting	8,148	39,112	-	47,260
Drilling	1,668	53,680	-	55,348
Engineering	573,725	277,851	-	851,576
Environmental and permitting	169,897	126,104	-	296,001
Field equipment rental	161,135	222,809	-	383,944
Community	37,898	68,815	-	106,713
Field supplies	31,089	125,067	-	156,156
Food and accommodation	54,510	47,017	-	101,527
Fuel	-	126,513	-	126,513
Geology, mapping and drafting	1,099,445	1,349,468	-	2,448,913
Geophysics	22,000	38,464	-	60,464
Metallurgy	249,003	409,672	-	658,675
Other	48,756	3,506	-	52,262
Project insurance	21,251	2,444	-	23,695
Project management	202,371	-	-	202,371
Research	35,000	-	-	35,000
Road and site preparation	224,336	-	-	224,336
Travel and transport	37,498	776,262	-	813,760
	3,755,673	4,835,365	-	8,591,038
Less: Mining tax credits	(776,210)	(1,029,713)	-	(1,805,923)
Option payments in excess of carrying amount				
Of Carbo Property (Note 10)	-	-	760,000	760,000
Option payments received	-	-	(760,000)	(760,000)
Balance, end of year	26,711,422	15,845,064	4,937	42,561,423
Total balance, end of year	26,913,024	17,115,301	5,887	44,034,212