Management Discussion & Analysis for the Six Months Ended April 30, 2024

The following discussion and analysis of the financial position and results of operations and comprehensive loss for COMMERCE RESOURCES CORP. (the "Company" or "Commerce") should be read in conjunction with the condensed interim consolidated financial statements for the **six months ended April 30, 2024,** which are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All financial figures presented herein are expressed in Canadian Dollars (CDN$) unless otherwise specified.

The effective date of this report is June 27, 2024.

Nature of Business

Commerce Resources Corp. is a Canadian mineral exploration and development company, listed on Tier 1 of the TSX Venture Exchange in Canada ("CCE"), the Frankfurt Stock Exchange in Germany ("D7H"), and the OTCQX ("CMFZF"). The Company's primary focus is on rare earth elements ("REEs") and the rare metals tantalum and niobium. Commerce's principal assets are the Eldor Property in Quebec and the Blue River Tantalum-Niobium Property in British Columbia. The technical information included in this Management Discussion & Analysis ("MD&A"), unless otherwise stated, has been reviewed by Patrik Schmidt, M.Sc., P. Geol., Mr Schmidt is a Qualified Person under National Instrument 43-101 ("NI 43-101").

The total issued and outstanding shares of the Company total 168,021,555 as at April 30, 2024 (October 31, 2023: 168,021,555) and 196,021,555 as of the date of this report.

The Company is currently looking for additional financing in order to advance the Company's properties and for general working capital. As such, the Company's activities are limited by the financial constraints the Company faces. All efforts have been put forth to raise capital, including reducing the prices of warrants in order to hopefully encourage shareholders to exercise their warrants.

Chris Grove, President of the Company continues to liaise with current shareholders and new potential sources of capital, as well as responding to the expressions of interest from global majors in the Company's two projects.

Corporate Updates

On May 17, 2023, the Company held its Annual General Meeting with all matters passing.

On June 1, 2023, the Company signed an agreement with Zimtu Capital Corp. for the ZimtuADVANTAGE program. Under the terms of the agreement, the Company will pay Zimtu $12,500 per month for a period of twelve months.

On June 22, 2023, the Company announced its intention to carry out a strategic reorganization of its assets through which with Company would spin-out its Blue River Property, located in British Columbia, into a newly created entity, which would seek out an independent listing on the Canadian Securities Exchange.

On June 22, 2023, the Company announced the appointment of Mr. Chris Grove, President of the Company, to the role of Chief Executive Officer. The Company accepted the resignation of Mr. David Hodge, who remained on the board of directors.

On July 12, 2023, the Company announced it had incorporated Capacitor Metals Corp., a British Columbia company which is a wholly-owned subsidiary of the Company.

On July 19, 2023, the Company announced the signing of a Letter of Intent with the Saskatchewan Research Council ("SRC") to deliver amounts of the Mixed Rare Earth Carbonate ("MREC") produced from the Ashram Rare Earth and Fluorspar Deposit to their Rare Earth Processing Facility in Saskatoon, SK, with the intention of this collaboration to complete the first full rare earth element supply chain in Canada from mine to metal.

On October 30, 2023, the Company completed a private placement of 68,174,150 Units at a price of $0.08 per Unit (see Disclosure of Outstanding Share Capital for details).

On November 8, 2023, the Company announced the resignation of Dr. Axel Hoppe as a director and Chairman of the Company. Additionally, the Company announced the appointment of Jeremy Robinson, as a new director.

On January 11, 2024, the Company announced the termination of the Option agreement for the Niobium Claim Group, which is part of the overall Eldor Property, and the forgiveness of debt with Saville Resources Inc.

On January 23, 2024, the Company announced the resignation of David Hodge as a director of the Company. Additionally, the Company announced the appointment of Adam Ritchie as a director.

On March 1, 2024, the Company announced the appointment of Patrik Schmidt as its new Vice President of Exploration, replacing Jody Dahrouge who has stepped down but will remain a director of the Company.

On March 4, 2024, the Company announced a significant simplification and optimization of the Ashram Deposit's front-end mineral processing flowsheet, whereby 30 to 35+% REO monazite mineral concentrates at strong recovery (between 60-70%) are produced using only flotation. This test work has been completed at bench scale, is demonstrated repeatable, and has been scaled up successfully from ~1 kg to 10 kg floats using conventional mechanical flotation cells. In addition to the mineral processing developments, a streamlined hydrometallurgical flowsheet has also been developed and demonstrated at bench scale for the downstream processing of the monazite flotation concentrates.

On April 11, 2024, announced the publication of a paper on rare earth element mineral processing, which has been supported by sample material from the Ashram Deposit, located in Nunavik, Quebec. The paper, titled "Assessment of the impact of grinding conditions and water quality on the flotation of rare earth elements bearing minerals using hydroxamic acid" was published earlier this month in The Canadian Journal of Metallurgy and Materials Science, a peer-reviewed international journal.

On May 9, 2024, the Company held its Annual and Special Meeting with all matters passing.

On May 21, 2024, the Company announced it has entered into a property purchase agreement (the “Purchase Agreement”) with an arm’s length private company (the “Purchaser”) to sell its interest in certain mineral claims comprising the “Blue River” property (the “Blue River Claims”) located near Blue River, British Columbia. As part of the transaction, the sale will also include certain real property owned by the Company also located in Blue River, B.C. (the “Blue River Land”, and together with the Blue River Claims, the “Blue River Assets”). As consideration for the Blue River Assets, the Company will receive 20,000,000 common shares in the capital of the Purchaser (the “Blue River Shares”). Completion of the Blue River Transaction is subject to the conditions set forth in the Purchase Agreement, including, if required, acceptance by the TSX Venture Exchange. It is the Company’s current intention to distribute the Blue River Shares to its shareholders on a pro rata basis at a later date. Any disposition of the Blue River Shares will, if undertaken, be conducted in compliance with applicable corporate and securities laws, and the policies of the TSX Venture Exchange.

On May 22, 2024, the Company announced an updated mineral resource estimate (“MRE”) for the Ashram Rare Earth and Fluorspar Deposit. The updated MRE firmly establishes Ashram as a globally significant rare earth element deposit, and one of the largest monazite-mineralized carbonatite REE deposits in the world: 73.2 Mt at 1.89% TREO and 6.6% CaF_2 (indicated), and 131.1 Mt at 1.91% TREO and 4.0% CaF_2 (inferred), at a cut-off of $287 Net Metal Return (NMR) per tonne with an Effective Date of April 4, 2024. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

The Ashram MRE demonstrates very high NdPr distributions (i.e., percent of neodymium plus praseodymium oxide of the TREO) for a carbonatite hosted deposit at 21.2% NdPr (indicated) and 21.4% NdPr (inferred), exceeding that of several active global producers.

On May 29, 2024, the Company announced that planning was underway for a diamond drill program at the Eldor Property, targeting further delineation of niobium (± tantalum and phosphate) mineralization at the Mallard Prospect, and continued exploration at the Miranna Prospect. A total of twenty (20) to thirty (30) NQ-size drill holes, for a minimum of 7,500 m, are planned for the program.

On June 11, 2024, the Company announced a non-brokered private placement offering consisting of the issuance of up to 16,000,000 units (each, a “Unit”) at a price of $0.126 per Unit for gross proceeds of up to $2,016,000 (the “Offering”). Each Unit will consist of one common share of the Company (each, a “Share”) and one common share purchase warrant (each, a “Warrant”), with each Warrant entitling the holder to purchase one Share at a price of $0.25 per Share for a period of two (2) years from closing of the Offering (the “Closing”). Pursuant to a binding engagement agreement (“Term Sheet”) entered into between Commerce and Churchill SIG Pty Ltd. (“Churchill”), Churchill will act as exclusive lead manager for the Offering, for a term of up to three (3) months, to introduce (the “Services”) potential qualified subscribers to the Company in connection with a portion of the Offering (the “Churchill Portion”). Churchill will not provide the Services in Canada or for the benefit of Canadian residents, and any potential subscribers introduced by Churchill will not be residents of Canada. As consideration for the Services, and upon completion of the Offering, the Company has agreed to pay Churchill a cash fee (the “Cash Fee”) equal to 5% of the amount raised under the Offering from persons introduced by Churchill, and to issue such number of non-transferable share purchase warrants (the “Finder’s Warrants”) that equals 12.5% of the total number of Units issued to persons introduced by Churchill under the Offering. Each Finder’s Warrant will entitle the holder to acquire one additional common share (a “Finder’s Warrant Share”) in the capital of the Company at a price of $0.20 per Finder’s Warrant Share for a period of two (2) years from the date of issuance of the Finder’s Warrants. The Company has also agreed to pay Churchill’s reasonable fees and expenses in connection with the Services, up to $10,000. Churchill shall have a right of first refusal to act as lead manager in connection with any other equity offerings undertaken by the Company within a 12-month period following completion of the Offering. The Units, Shares, Warrants, Warrant Shares, Finder's Warrants and Finder's Warrant Shares are collectively referred to herein as the "Securities".

On June 17, 2024, the Company announced, further to its news release dated May 21, 2024, that it has completed the sale of its interest in certain mineral claims comprising the Blue River property. Pursuant to the Purchase Agreement, as consideration for the Blue River Assets, the Company received 20,000,000 shares in the capital of the Purchaser at a deemed price of $0.05 per share (the "Blue River Shares"). It is the Company's current intention to distribute the Blue River Shares to its shareholders on a pro rata basis at a later date. Any disposition of the Blue River Shares will, if undertaken, be conducted in compliance with applicable corporate and securities laws, and the policies of the TSX Venture Exchange.

On June 21, 2024, the Company announced that it has closed its non-brokered private placement of 28,000,000 flow-through units (each, a "FT Unit") at a price of $0.18 per FT Unit for aggregate gross proceeds of $5,040,000 (the "Offering"). Each FT Unit consists of one common share in the capital of the Company (each, a "FT Share") and one transferable common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one additional non-flow through common share (each, a "Warrant Share") at a price of $0.25 per Warrant Share for a period of 24 months from the closing date. The FT Units were issued pursuant to an arrangement structured by Peartree Securities Inc. Pursuant to an engagement agreement (the "Term Sheet") between the Company and Churchill SIG Pty Ltd. ("Churchill"), the Company paid cash finder's fees to Churchill in the amount of approximately $162,890 (the "Cash Fee") and issued 3,231,945 finder's warrants (each, a "Finder's Warrant") to Churchill as consideration for their services in introducing certain investors who acquired securities in connection with the distribution. Each Finder's Warrant entitles Churchill to acquire one additional common share in the capital of the Company (a "Finder's Warrant Share") at a price of $0.20 per Finder's Warrant Share for a period of two (2) years from the date of issuance of the Finder's Warrants. As a director of the Company is also a director of Churchill, Churchill is a 'related party' of the Company.

Selected Annual Information

The following is a summary of the financial data of the Company for the last three completed fiscal year ends and are derived from the audited annual financial statements of the Company:

	Fiscal year ended October 31		
	2023	2022	2021
	$	$	$
Total Revenues	Nil	Nil	Nil
Loss from continuing operations	(1,696,223)	(723,560)	(451,106)
Loss from continuing operations (per share, basic and diluted)	(0.02)	(0.01)	(0.01)
Net loss	(1,696,223)	(723,560)	(451,106)
Net loss (per share, basic and diluted)	(0.02)	(0.01)	(0.01)
Net comprehensive loss for the year	(1,696,223)	(723,560)	(451,106)
Total assets	77,287,736	73,188,193	71,202,000
Total long-term financial liabilities	94,591	121,805	Nil
Cash dividend declared per share	Nil	Nil	Nil

The Company has recorded losses in each of its three most recently completed fiscal years and expects to continue to record losses until such time as an economic resource is identified, developed, and brought into profitable commercial operation on one or more of the Company's properties or otherwise disposed of at a profit.

During the years ended October 31, 2021 and 2022, the Company's operating expenses remained consistent and were offset by a flow-through premium recovery. During the year ended October 31, 2023, the Company's operating expenses were consistent with the costs in the prior years, with the exception of the write-off of other receivables.

Results of Operations

Exploration and Development Activities

Resource property expenditures for the six months ended April 30, 2024 totalled $673,206, compared to $969,612 during the six months ended April 30, 2023. Of the total, (2024: $635,338, 2023: $922,379) was incurred on the Eldor Property and the balance was incurred on the Blue River Project (2024: $37,868, 2023: $47,233).

The Company intends to increase the spending now that it has successfully raised additional capital.

Eldor Property

The Eldor Property is situated in northern Quebec approximately 130 km south of the town of Kuujjuaq. The Property is 100%-owned by the Company and is composed of 244 claims comprising approximately 11,475 hectares, including the Ashram Rare Earth Deposit ("Ashram Deposit").

Exploration expenditures during the six months ended April 30, 2024 totalled $635,338 (April 30, 2023: $922,379).

The Ashram Deposit remains open to the north, south, and at depth. The deposit's mineralized footprint is approximately 700 m along strike, over 350 m across, and 600 m deep.

Work Program and Eldor Updates:

On November 8, 2021, and December 8, 2021, the Company announced 2021 drill results on the Mallard and Mirana prospects, respectively, on the Niobium Claim Group. The drill program included seven (7) holes totaling 1,349 m split over two prospects -- Mallard (681 m over three holes) and the Miranna prospect (668 m over four holes). Results include the best drill hole to date at Mallard at 1.00% Nb_2O_5 over 17.1 m, within a larger interval of 0.82% Nb_2O_5 over 42.3 m. At Miranna, the first set of drill holes to test the target returned a strong intercept of 1.20% Nb_2O_5 over 3.1 m within a larger interval of 0.72% Nb_2O_5 over 20.4 m, demonstrating the strong potential of this Prospect.

Between December 2021 through March 2022, the Company announced core assays results from the 2021 drill program at the Ashram Deposit. Highlights include drill hole EC21-187, which returned 2.19% REO over 302.0 m, including 2.94% REO over 35.5 m; and drill hole EC21-185, which returned 2.14% REO over 222.7 m, including 2.35% over 93.5 m. Additional results include 2.15% REO over 67.9 m (EC21-190) and 2.15% over 64.4 m (EC21-191). All drill holes intersected grades consistent with previous drilling, with most remaining mineralized over their entire length. Further, strong NdPr distributions (i.e. % of Nd+Pr oxide of the total REO) continue to be returned in excess of 20-21%.

Between March and October 2022, the Company announced that it had produced additional amounts of mixed rare earth carbonate (REC). The samples had an NdPr oxide distribution – % of Nd+Pr oxide out of the total rare earth oxide (REO) – ranging from ~20 to 24%, which is significantly higher than the distribution reported by several major global producers.

On December 5, 2022, the Company announced that it had shipped a 100 g sample of mixed rare earth concentrate (REC) to a major global processor located outside of China. The sample meets typical market specification and contains an NdPr oxide distribution of 21.9%, which is significantly higher than that reported by several major global producers. An additional 1.5 kg sample of mixed REC is targeted to be produced to satisfy other third-party requests.

On January 23, 2023, the Company reported results from Saville Resources Inc.'s 2022 drill program at its Niobium Claim Group Property, a subset of the Company's Eldor claims, located in northern Quebec. The drill program totaled 600.0 m over three (3) holes and focused on the Mallard Prospect. High-grade mineralized intervals were returned near surface (0.78% Nb_2O_5 over 16.0 m, including 1.07% Nb_2O_5 over 3.0 m) and at depth (0.94% Nb_2O_5 over 2.5 m) in drill EC22-202.

On February 21, 2023, the Company announced core assays results for twelve (12) holes completed during its 2022 drill program at the Ashram Deposit. The primary objective was to complete resource infill as well as obtain further geological control at the south end of the deposit. Highlights include 392.8 m at 2.12% REO (21.6% NdPr) (EC22-197), 379.1 m at 2.04% REO (21.4% NdPr) (EC22-199), and 406.4 m at 1.99% REO (21.3% NdPr) (EC22-198A), each with mineralization starting from surface. Additionally, several wide intervals with ≥24% NdPr distribution (% of Nd+Pr oxide of the total REO) were returned including 36.0 m at 1.56% REO (24.0% NdPr) (EC22-198A), 32.6 m at 1.34% REO (25.8% NdPr) (EC22-196), as well as 13.8 m at 1.54% REO (26.9% NdPr) and 11.1 m at 1.40% REO (33.3% NdPr) (EC22-200).

On September 29, 2023, the Company announced the shipment of a 0.43 kg sample of mixed rare earth carbonate concentrate to an emerging non-chinese processor. The sample had an NdPr distribution of 21.1% and TbDy distribution of 0.82% and met typical market specifications.

On November 1, 2023, the Company announced it had produced an additional 0.6 kg of mixed rare earth carbonate with an NdPr distribution of 20.5% and TbDy distribution of 0.89%. The sample met typical market specifications and 0.5 kg of the sample was shipped to a well-established downstream processor of Rae Earth Mineral products located outside of China.

On March 4, 2024, the Company announced a significant simplification and optimization of the Ashram Deposit's front-end mineral processing flowsheet, whereby 30 to 35+% REO monazite mineral concentrates at strong recovery (between 60-70%) are produced using only flotation. This test work has been completed at bench scale, is demonstrated repeatable, and has been scaled up successfully from ~1 kg to 10 kg floats using conventional mechanical flotation cells. In addition to the mineral processing developments, a streamlined hydrometallurgical flowsheet has also been developed and demonstrated at bench scale for the downstream processing of the monazite flotation concentrates.

On May 22, 2024, the Company announced an updated mineral resource estimate ("MRE") for the Ashram Rare Earth and Fluorspar Deposit. The updated MRE firmly establishes Ashram as a globally significant rare earth element deposit, and one of the largest monazite-mineralized carbonatite REE deposits in the world: 73.2 Mt at 1.89% TREO and 6.6% CaF_2 (indicated), and 131.1 Mt at 1.91% TREO and 4.0% CaF_2 (inferred), at a cut-off of $287 Net Metal Return (NMR) per tonne with an Effective Date of April 4, 2024. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

The Ashram MRE demonstrates very high NdPr distributions (i.e., percent of neodymium plus praseodymium oxide of the TREO) for a carbonatite hosted deposit at 21.2% NdPr (indicated) and 21.4% NdPr (inferred), exceeding that of several active global producers.

On May 29, 2024, the Company announced that planning was underway for a diamond drill program at the Eldor Property, targeting further delineation of niobium (± tantalum and phosphate) mineralization at the Mallard Prospect, and continued exploration at the Miranna Prospect. A total of twenty (20) to thirty (30) NQ-size drill holes, for a minimum of 7,500 m, are planned for the program.

Blue River Tantalum/Niobium Property

The Blue River Property, located in British Columbia, Canada, is host to the Upper Fir Deposit. The Upper Fir Deposit is located approximately 30 km north of the town of Blue River and is owned 100% with no underlying royalties.

Exploration expenditures during the six months ended April 30, 2024, totalled $37,868 (April 30, 2023: $47,233). Most of the work this period has been with the objective of maintaining the property and its data base for future exploration and development of the project.

On May 21, 2024, the Company announced it has entered into a property purchase agreement (the "Purchase Agreement") with an arm's length private company (the "Purchaser") to sell its interest in certain mineral claims comprising the "Blue River" property (the "Blue River Claims") located near Blue River, British Columbia. As part of the transaction, the sale will also include certain real property owned by the Company also located in Blue River, B.C. (the "Blue River Land", and together with the Blue River Claims, the "Blue River Assets"). As consideration for the Blue River Assets, the Company will receive 20,000,000 common shares in the capital of the Purchaser at a deemed price of $0.05 per share (the "Blue River Shares"). Completion of the Blue River Transaction is subject to the conditions set forth in the Purchase Agreement, including, if required, acceptance by the TSX Venture Exchange. It is the Company's current intention to distribute the Blue River Shares to its shareholders on a pro rata basis at a later date. Any disposition of the Blue River Shares will, if undertaken, be conducted in compliance with applicable corporate and securities laws, and the policies of the TSX Venture Exchange.

On June 17, 2024, the Company announced, further to its news release dated May 21, 2024, that it has completed the sale of its interest in certain mineral claims comprising the Blue River property. Pursuant to the Purchase Agreement, as consideration for the Blue River Assets, the Company received 20,000,000 shares in the capital of the Purchaser at a deemed price of $0.05 per share (the "Blue River Shares"). It is the Company's current intention to distribute the Blue River Shares to its shareholders on a pro rata basis at a later date. Any disposition of the Blue River Shares will, if undertaken, be conducted in compliance with applicable corporate and securities laws, and the policies of the TSX Venture Exchange.

Project Update Report

In connection with filing its Annual Information Form for its fiscal year ended October 31, 2014, the Company filed an updated technical report with respect to the Blue River Property, as further amended and filed on the date hereof, entitled: "NI 43-101 Blue River Tantalum-Niobium Project, British Columbia, Canada - Project Update Report" (the "Blue River Report"). The Blue River Report was prepared by AFW and Nimbus Management Ltd. with a March 18, 2015 effective date. The previous technical report, with an effective date of June 21, 2013, included results of a PEA initially reported in 2011. The economic inputs for that mining study are now considered outdated and the PEA results are no longer relevant. No additional work has been completed on the property since the effective date of the previous technical report. Any changes to the economic inputs to the mineral resource estimates are considered offsetting and therefore the estimates are unchanged since the last technical report. The Blue River Report, which incorporates all data from 2005 through 2012, shows indicated mineral resources totalling 48.4 million tonnes at 197 ppm Ta_2O_5 and 1,610 ppm Nb_2O_5 and inferred mineral resources totalling 5.4 million tonnes at 191 ppm Ta_2O_5 and 1,760 ppm Nb_2O_5. A total of 271 drill holes comprising 59,110 metres of HQ drill core and 15,512 samples were used to develop the mineral resource estimate. Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

Overall Performance

Source of Funds

Since November 1, 2020, and up to the date of this report, the Company has raised gross proceeds of $22.6 million. These proceeds were raised for the specific purpose of advancing the Company's Eldor Property and for general working capital purposes. During this time, the Company has used approximately $11.1 million of the proceeds for work on the Company's properties and $4.2 million on general working capital, leaving a cash balance of $7.3 million. The most recent financings are noted below:

On June 21, 2024, the Company announced that it has closed its non-brokered private placement of 28,000,000 flow-through units (each, a "FT Unit") at a price of $0.18 per FT Unit for aggregate gross proceeds of $5,040,000 (the "Offering"). Each FT Unit consists of one common share in the capital of the Company (each, a "FT Share") and one transferable common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one additional non-flow through common share (each, a "Warrant Share") at a price of $0.25 per Warrant Share for a period of 24 months from the closing date. The FT Units were issued pursuant to an arrangement structured by Peartree Securities Inc. Pursuant to an engagement agreement (the "Term Sheet") between the Company and Churchill SIG Pty Ltd. ("Churchill"), the Company paid cash finder's fees to Churchill in the amount of approximately $162,890 (the "Cash Fee") and issued 3,231,945 finder's warrants (each, a "Finder's Warrant") to Churchill as consideration for their services in introducing certain investors who acquired securities in connection with the distribution. Each Finder's Warrant entitles Churchill to acquire one additional common share in the capital of the Company (a "Finder's Warrant Share") at a price of $0.20 per Finder's Warrant Share for a period of two (2) years from the date of issuance of the Finder's Warrants. As a director of the Company is also a director of Churchill, Churchill is a 'related party' of the Company.

On October 30, 2023, the Company completed a non-brokered private placement issuing 68,174,750 units (each, a "Unit") at a price of $0.08 per Unit for gross proceeds of $5,453,980 (the "Offering"). Each Unit consists of one common share in the capital of the Company (each, a "Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one additional Share at a price of $0.12 per Share for a period of three (3) years from the closing of the Offering. All securities issued in connection with the Offering will be subject to a statutory hold period expiring four months and one day after closing of the Offering. In addition, and pursuant to the terms of the subscription agreements entered into between the Company and the subscribers who participated in the Offering, the Shares issued to any such subscriber as part of the Units, and any Shares that may be issuable to such subscriber upon exercise of the Warrants, are subject to a voluntary hold period of 12 months from the date of issuance. The Company paid cash finder's fees of $149,644 and issued 112,210 finder's warrants entitling the holder to acquire one common share per finder's warrant at a price of $0.12 per share for a period of 36 months from the date of issuance. Additionally, 4,950,000 finder's warrants were issued entitling the holder to acquire one common share per finder's warrant at a price of $0.08 per share for a period of two years from the date of issuance.

On December 19, 2022, the Company completed a non-brokered private placement issuing 8,192,175 units (each, a "Unit") at a price of $0.16 per Unit for gross proceeds of $1,310,748. Each Unit consists of one common share in the capital of the Company (each, a "Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant is exercisable into one additional Share at a price of $0.25 per Share for a period of three years from the closing date. The Company paid cash finder's fees of $2,688 and issued 16,800 finder's warrants (each, a "Finder's Warrant") to certain finders in connection with the Offering. The Finder's Warrants have the same terms and conditions as the Warrants.

For additional details regarding the Company's recent financing, please refer to Note 8 of the Company's condensed interim consolidated financial statements for the six months ended April 30, 2024.

General and Administrative

Net loss for the six months ended April 30, 2024, was $618,861, compared to a net loss during six months ended April 30, 2023 of $722,274, for a difference of $103,413. The significant difference between the periods is due to increased business activities of the Company.

Summary of Quarterly Results

The following is a summary of the results from the eight previously completed financial quarters:

	April 30, 2024	**January 31, 2024**	**October 31, 2023**	**July 31, 2023**
Revenues	Nil	Nil	Nil	Nil
Net income (loss) from continuing operations	(344,654)	(274,207)	(770,548)	(203,401)
Net income (loss) and comprehensive income (loss)	(344,654)	(274,207)	(770,548)	(203,401)
Basic and diluted net income (loss) (per share)	(0.00)	(0.00)	(0.01)	0.00

	April 30, 2023	**January 31, 2023**	**October 31, 2022**	**July 31, 2022**
Revenues	Nil	Nil	Nil	Nil
Net income (loss) from continuing operations	(582,850)	(139,424)	39,869	(178,683)
Net income (loss) and comprehensive income (loss)	(582,850)	(139,424)	39,869	(178,683)
Basic and diluted net income (loss) (per share)	0.00	0.00	0.00	0.00

Over the course of the Company's previously completed eight quarters, the Company's net loss has remained at a consistent level, with the exception of the share-based payments expense recorded during the quarter ended April 30, 2023, the income tax recovery for flow-through expenditures during the quarters ended July 31, 2022 and October 31, 2022, and the write off of other receivables during the quarter ended October 31, 2023.

Liquidity and Capital Resources

During the prior fiscal year and up to the date of this report, the Company has raised gross proceeds of $22.6 million. These proceeds were raised for the specific purpose of advancing the Company's Eldor Property and for general working capital purposes. During this time, the Company has used approximately $11.1 million of the proceeds for work on the Company's properties and $4.2 million on general working capital, leaving a cash balance of $7.3 million. The Company believes it will be able to raise the capital required to continue to develop these properties. The Company does not have any specific work commitments or property payments, all work on the property is determined by how to best spend the funds raised, taking into consideration the Company's working capital requirements. The Company has maintained reasonable general and administrative expenditures, with advertising and promotion of the property dependent on the capital available to cover such expenditures.

The Company's present cash resources are sufficient to meet all its current liabilities and administrative and overhead expenses for the next eighteen months. The Company understands it will have to raise additional capital to continue its work on the Eldor Property, and for general working capital requirements.

The Company will continue to require funds to further the exploration of its resource properties. As a result, the Company may have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

The Company's financial success will be dependent on the economic viability of its resource properties and the extent to which it can discover and develop new mineral deposits. Such development may take several years to complete and the amount of resulting income, if any, is difficult to determine.

All of the Company's properties are in the exploration or development stage only. Development of one or both of the properties will only follow upon obtaining satisfactory results. Exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of mineral deposits amenable to commercial development. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of rare metals from the properties (tantalum and niobium) and rare earth elements. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control such as international, economic and political trends, expectations of inflation, currency exchange fluctuations and interest rates.

As at April 30, 2024, the Company has total assets of $76,639,776 (October 31, 2023: $77,287,736). The primary assets of the Company are exploration and evaluation assets of $73,049,045 (October 31, 2023: $72,375,839), short term investments of $23,000 (October 31, 2023: $23,000), equipment of $263,295 (October 31, 2023: $268,741), marketable securities carried at $5,616 (October 31, 2023: $5,616), reclamation bonds of $80,000 (October 31, 2023: $80,000), right-of-use assets of $95,350 (October 31, 2023: $111,696), prepaid expenses of $772,978 (October 31, 2023: $432,338), GST/QST and other receivables of $97,101 (October 31, 2023: $nil), and cash of $2,253,391 (October 31, 2023: $3,954,990). The Company has long-term liabilities of $74,378 (October 31, 2023: $94,591) and has working capital of $2,683,936 (October 31, 2023: $3,975,018) as at April 30, 2024.

Cash From (Used in) Operating Activities: Cash used in operating activities during the six months ended April 30, 2024 was $770,506, compared with $353,271 used in operating activities during the six months ended April 30, 2023. Cash was mostly spent on general operating expenses, outstanding payables, and prepaid expenses related to advances for the Company's field work program, and adjusted for items not involving cash.

Cash From Financing Activities: Total cash used in financing activities during the six months ended April 30, 2024 was $22,194, (April 30, 2023: $1,182,088 from financing activities), made up of shares issued for cash (2024: $nil, 2023: $1,310,748) less share issuance costs (2024: $594, 2023: $17,592), less principal payments of lease liabilities (2024: $21,600, 2023: $21,600) and share subscriptions (2024: $nil, 2023: $89,468).

Cash Used in Investing Activities: Total cash used in investing activities during the six months ended April 30, 2024 was $908,899 compared to $1,254,948 of cash used during the six months ended April 30, 2023, for the exploration and development of its mineral properties.

Commitments

On May 1, 2008, the Company entered into a Management & Administration Agreement ("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, at a rate of $12,500 per month. The agreement was subsequently renewed in prior years and again on December 1, 2022 for a period of twelve months. The Company renewed the agreement on December 1, 2023 for another period of 12 months with a rate of $15,000 per month.

On June 20, 2023, the Company signed an agreement with Zimtu Capital Corp. for services under the ZimtuADVANTAGE program. Under the terms of the agreement, the Company paid Zimtu $12,500 per month for a period of twelve months, expiring May 31, 2024. On June 1, 2024, the Company extended the agreement for an additional twelve months with the same terms.

On November 3, 2021, the Company announced it had signed an agreement with Zimtu for services under the ZimtuADVANTAGE program. Under the terms of the agreement, the Company will pay Zimtu $12,500 per month for a period of twelve months, expiring October 31, 2022. On June 20, 2023, the Company announced it has signed an agreement with Zimtu under the ZimtuADVANTAGE program at a rate of $12,500 per month for a period of twelve months.

Transactions with Related Parties

During the six months ended April 30, 2024 and 2023, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

	Six Months ended April 30,	
	2024	**2023**
Key management compensation*	**$**	**$**
Geological services	107,694	42,657
Administrative fees	87,500	76,750
Consulting fees and salaries	87,840	79,695
Director fees	63,750	-
Share-based payments	-	118,500
Advertising and promotion	75,000	12,500
Total	421,784	330,102

Amounts due to (from) related parties	April 30, 2024 $	October 31, 2023 $
Dahrouge Geological Consulting (a)	283,190	14,465
Zimtu Capital Corp. (b)	654	711
Due to related parties – Net total	283,844	15,176

(a) Dahrouge Geological Consulting provides geological services to the Company. Dahrouge is controlled by a director of the Company, Jody Dahrouge.
(b) Zimtu Capital Corp. was previously a company with common directors and management however the companies are no longer considered related parties due to the resignation of Mr. David Hodge from the Company's board of directors as well as the board of Zimtu. Zimtu provides key management services to the Company.
(c) Dr. Axel Hoppe is a former director of the Company.

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

The terms and conditions of these transactions with key management and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management related entities on an arm's length basis.

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.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Other MD&A Requirements

Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	Year Ended October 31, 2023	Year ended October 31, 2022
Capitalized or Expensed Exploration and Development Costs	$1,493,995	$4,754,601
General and Administration Expenses	$1,335,173	$1,290,252

Disclosure of Outstanding Share Capital

The total issued and outstanding shares of the Company total 168,021,555 as April 30, 2024 (October 31, 2023: 168,021,555) and 196,021,555 as of the date of this report.

The following is a breakdown of the share capital of the Company:

	June 27, 2024	**April 30, 2024**	**October 31, 2023**	**October 31, 2022**
Common Shares	196,021,555	168,021,555	168,021,555	91,654,630
Stock Options	5,755,000	5,755,000	7,830,000	5,255,000
Warrants	144,858,276	116,858,276	116,858,276	40,491,351
Agents' Warrants	8,778,696	5,546,751	5,546,751	467,741
Fully Diluted Shares	287,238,777	296,181,582	298,256,582	137,868,722

On June 21, 2024, the Company announced that it has closed its non-brokered private placement of 28,000,000 flow-through units (each, a "FT Unit") at a price of $0.18 per FT Unit for aggregate gross proceeds of $5,040,000 (the "Offering"). Each FT Unit consists of one common share in the capital of the Company (each, a "FT Share") and one transferable common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one additional non-flow through common share (each, a "Warrant Share") at a price of $0.25 per Warrant Share for a period of 24 months from the closing date. The FT Units were issued pursuant to an arrangement structured by Peartree Securities Inc. Pursuant to an engagement agreement (the "Term Sheet") between the Company and Churchill SIG Pty Ltd. ("Churchill"), the Company paid cash finder's fees to Churchill in the amount of approximately $162,890 (the "Cash Fee") and issued 3,231,945 finder's warrants (each, a "Finder's Warrant") to Churchill as consideration for their services in introducing certain investors who acquired securities in connection with the distribution. Each Finder's Warrant entitles Churchill to acquire one additional common share in the capital of the Company (a "Finder's Warrant Share") at a price of $0.20 per Finder's Warrant Share for a period of two (2) years from the date of issuance of the Finder's Warrants. As a director of the Company is also a director of Churchill, Churchill is a 'related party' of the Company.

On October 30, 2023, the Company completed a non-brokered private placement issuing 68,174,750 units (each, a "Unit") at a price of $0.08 per Unit for gross proceeds of $5,453,980 (the "Offering"). Each Unit consists of one common share in the capital of the Company (each, a "Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one additional Share at a price of $0.12 per Share for a period of three (3) years from the closing of the Offering. All securities issued in connection with the Offering will be subject to a statutory hold period expiring four months and one day after closing of the Offering. In addition, and pursuant to the terms of the subscription agreements entered into between the Company and the subscribers who participated in the Offering, the Shares issued to any such subscriber as part of the Units, and any Shares that may be issuable to such subscriber upon exercise of the Warrants, are subject to a voluntary hold period of 12 months from the date of issuance. The Company paid cash finder's fees of $149,644 and issued 112,210 finder's warrants entitling the holder to acquire one common share per finder's warrant at a price of $0.12 per share for a period of 36 months from the date of issuance. Additionally, 4,950,000 finder's warrants were issued entitling the holder to acquire one common share per finder's warrant at a price of $0.08 per share for a period of two years from the date of issuance.

On February 21, 2023, the Company announced that it has granted an aggregate of 4,600,000 stock options (each, an "Option") to certain directors, officers, employees, and consultants of the Company for the purchase of up to 4,600,000 common shares of the Company pursuant to its Stock Option Plan. Each

Option is exercisable for a period of two (2) years at a price of $0.185 per common share. Of the Options, 250,000 are being granted to persons providing investor relations services to the Company and, pursuant to the policies of the TSX Venture Exchange, must vest over 12 months from the issuance date, with 25% vesting in each three (3) month period after the grant of the Options.

On December 19, 2022, the Company completed a non-brokered private placement, issuing 8,192,175 units (each, a "Unit") at a price of $0.16 per Unit for gross proceeds of $1,310,748 (the "Offering"). Each Unit consists of one common share of the Company (each, a "Share") and one common share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder to purchase one Share at a price of $0.25 per Share for a period of three (3) years from closing of the Offering. The Company paid cash finder's fees of $2,688 and issued 16,800 finder's warrants (each, a "Finder's Warrant") to certain finders in connection with the Offering. The Finder's Warrants have the same terms and conditions as the Warrants. All securities issued in connection with the Offering will be subject to a statutory hold period expiring four months and one day after closing of the Offering.

For additional details of outstanding share capital, refer to Notes 8 and 9 of the condensed interim consolidated financial statements for the six months ended April 30, 2024.

Industry and Economic Factors Affecting Performance

As a mineral exploration and development company, Commerce's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

Risk Factors

Mineral exploration and development involves a high degree of risk such that few properties, which are explored, are ultimately developed into producing mines. With respect to the Company's properties, where mineral resources exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. Should any mineral resource be defined on such properties there can be no assurance that the mineral resources on such properties can be commercially mined or that the metallurgical processing will produce economically viable saleable products. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) market prices for the minerals to be produced; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control.

Environmental Risks and Other Regulatory Requirements

Any future operations of the Company, including development activities and commencement of production on its properties, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. In addition, agreements may be required with local native people and / or groups that could have a material effect on the Company's operations. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Management

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company.

Forward Looking Statements

This Management Discussion & Analysis may contain forward-looking information and 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.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof.

Forward-looking information is based on the opinions and estimates of management and its consultants at the date the information is given. It is 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. The information is based on reasonable assumptions which include but are not limited to those regarding actual costs for mining and processing and their impact on the cut-off grade established, actual capital costs, forecasts of mine production rates, the timing and content of upcoming work programs, geological interpretations, potential process methods and mineral recoveries, the availability of markets for the products produced, market pricing for the products produced, etc.

Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for metals, the conclusions of detailed feasibility and technical analyses, lower than expected grades and quantities of resources, mining rates and recovery rates and the lack of availability of necessary capital, which may not be available to the Company on terms acceptable to it or at all.

Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. There can be no assurance that the plan, intentions or expectations upon which these forward-looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Readers are cautioned not to put undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

Approval

The Board of Directors of Commerce Resources Corp. has approved the disclosure contained in this MD&A.

Additional Information

Additional information related to the Company can be found on the Company's website at www.commerceresources.com or on SEDAR at www.sedar.com.