COMMERCE
RESOURCES CORP.

Condensed Interim Financial Statements

For the Six Months Ended April 30, 2016

(Unaudited - Expressed in Canadian Dollars)

The accompanying unaudited condensed interim financial statements of Commerce Resources Corp. for the six months ended April 30, 2016, 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.

Condensed Interim Statements of Financial Position
As expressed in Canadian dollars
(Unaudited – prepared by management)

		April 30, 2016		October 31, 2015
Assets				
Current				
Cash and cash equivalents	**$**	**11,702**	$	5,342
Marketable securities (Note 5)		**31,214**		22,571
Short term investment (Note 7)		**476,500**		184,500
Amounts receivable		**4,101**		6,830
Mining tax receivable (Note 6)		**27,731**		27,731
GST/HST receivable		**23,517**		62,234
Prepaid expenses (Note 8)		**103,159**		116,595
		677,924		425,803
Prepaid expenses – non-current (Note 8)		**65,000**		65,000
Investment - asset-backed commercial paper (Note 9)		**14,648**		329,278
Equipment (Note 10)		**498,589**		514,845
Exploration and evaluation assets (Note 11 and Schedule I)		**58,708,552**		58,329,266
Reclamation bonds		**82,000**		82,000
	$	**60,046,713**	$	59,746,192
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**1,152,716**	$	1,389,435
Due to related parties (Note 15)		**606,128**		778,990
Liability for flow-through shares (Note 18)		**426,479**		333,609
		2,185,323		2,502,034
Shareholders' Equity				
Share capital (Note 12)		**79,618,773**		78,307,911
Reserves (Note 12 and 13)		**8,305,383**		8,259,350
Accumulated other comprehensive income (loss)		**252,528**		309,629
Deficit		**(30,315,294)**		(29,632,732)
		57,861,390		57,244,158
	$	**60,046,713**	$	59,746,192

Approved and authorized by the Board of Directors on June 27, 2016:

"Christopher Grove" — Director

"David Hodge" — 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, 2016		2015		Six months ended April 30, 2016		2015
Expenses								
Administration fees and rent (Note 14)	$	**161,430**	$	161,430	$	**322,860**	$	322,860
Advertising and website		**59,456**		124,399		**139,039**		264,324
Consulting fees (Note 15)		**34,780**		75,268		**73,987**		101,193
Filing and transfer agent fees		**26,558**		35,824		**34,432**		41,879
Insurance		**2,823**		2,975		**5,646**		6,050
Investor relations		**16,874**		24,497		**34,648**		31,309
Office, telephone and miscellaneous (Note 14)		**2,029**		6,769		**6,170**		23,042
Professional fees		**14,007**		105,290		**21,730**		161,177
Travel and promotion		**34,036**		44,140		**50,384**		57,496
Loss before other items		**(351,993)**		(580,592)		**(688,896)**		(1,009,330)
Other income (expenses)								
Interest income		**796**		14,175		**2,672**		28,431
Part XII.6 tax and interest expense		**(78,875)**		-		**(234,418)**		-
Impairment of mineral properties		**-**		-		**-**		(9,081)
Gain on disposition of asset backed commercial paper		**152,473**		3,260		**181,186**		5,457
Loss on foreign exchange		**-**		-		**(3,307)**		-
		74,394		17,435		**(53,867)**		24,807
Loss before income taxes		**(277,599)**		(563,157)		**(742,763)**		(984,523)
Deferred income tax recovery		**29,575**		462,489		**60,201**		569,773
Net loss for the period		**(248,024)**		(100,668)		**(682,562)**		(414,750)
Other comprehensive (loss) for the period								
Unrealized gain (loss) on asset backed commercial paper		**(65,175)**		182		**(65,744)**		315
Unrealized gain (loss) on marketable securities		**8,563**		(10,446)		**8,643**		(31,732)
Comprehensive (loss) for the period		**(56,612)**		(10,264)		**(57,101)**		(31,417)
Net loss and comprehensive loss for the period	$	**(304,636)**	$	(110,932)	$	**(739,663)**	$	(446,167)
Basic and diluted loss per share	$	**(0.00)**	$	(0.00)	$	**(0.00)**	$	(0.00)
Weighted average number of common shares outstanding – basic and diluted		**234,409,864**		216,462,364		**224,083,905**		197,866,181

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, 2014	**201,937,364**	**$**	**75,918,034**	**$**	**8,158,524**	**$**	**(15,804)**	**$**	**(27,145,377)**	**$**	**56,915,377**
Flow-through private placements	12,025,000		2,224,625		-		-		-		2,224,625
Private placements	2,500,000		462,500		37,500		-		-		500,000
Share issue costs	-		(297,248)		63,326		-		-		(233,922)
Change in fair value of available-for-sale financial assets	-		-		-		(31,417)		-		(31,417)
Net loss for the period	-		-		-		-		(414,750)		(414,750)
Balance, April 30, 2015	**216,462,364**	**$**	**78,307,911**	**$**	**8,259,350**	**$**	**(47,221)**	**$**	**(27,560,127)**	**$**	**58,959,913**

	Number of Shares		Share Capital		Reserves		Accumulated Other Comprehensive Loss		Deficit		Total
Balance, October 31, 2015	**216,462,364**	**$**	**78,307,911**	**$**	**8,259,350**	**$**	**309,629**	**$**	**(29,632,732)**	**$**	**57,244,158**
Flow-through private placements	17,947,500		1,501,719		-		-		-		1,501,719
Share issue costs	-		(190,857)		46,033		-		-		(144,824)
Change in fair value of available-for-sale financial assets	-		-		-		(57,101)		-		(57,101)
Net loss for the period	-		-		-		-		(682,562)		(682,562)
Balance, April 30, 2016	**234,409,864**	**$**	**79,618,773**	**$**	**8,305,383**	**$**	**252,528**	**$**	**(30,315,294)**	**$**	**57,861,390**

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, 2016 and 2015
As expressed in Canadian dollars
(Unaudited – prepared by management)

	2016	2015
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income (loss) for the period	**$ (682,562)**	$ (414,750)
Add (deduct) items not affecting cash:		
Deferred income tax recovery	**(60,201)**	(569,773)
Loss (Gain) on disposition of asset-backed commercial paper	**(181,186)**	(5,457)
Impairment of mineral properties	**-**	9,081
	(923,949)	(980,899)
Changes in non-cash working capital items related to operations:		
Amounts receivable	**2,729**	(46,844)
GST/HST receivable	**38,717**	(111,729)
Prepaid expenses	**13,436**	(56,756)
Due to related parties	**(170,846)**	13,226
Accounts payable and accrued liabilities	**(558,170)**	19,415
Net cash flows (used in) operating activities	**(1,598,083)**	(1,163,587)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issue of share capital, net of share issuance costs	**1,829,401**	3,272,328
Net cash flows from financing activities	**1,829,401**	3,272,328
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Redemption of Asset-backed commercial paper	**430,072**	5,772
Short-term investments	**(292,000)**	1,489,500
Deferred exploration and development costs, net of tax credits received	**(363,030)**	(4,467,923)
Net cash flows (used in) investing activities	**(224,958)**	(2,972,651)
Increase (decrease) in cash and cash equivalents	**6,360**	(863,910)
Cash and cash equivalents, beginning of period	**5,342**	1,286,584
Cash and cash equivalents, end of period	**$ 11,702**	$ 422,674

Supplemental disclosure with respect to cash flows – Note 17

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

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 ("CCE"), the OTCQX in the United States ("CMRZF"), and the Frankfurt Stock Exchange in Germany ("D7H"). 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 27, 2016.

The Company had cash and short term investments of $488,202 (October 31, 2015 - $189,842) and a working capital deficit of $1,507,399 at April 30, 2016 (October 31, 2015 - $2,076,231). These financial statements have been prepared on a going concern basis which assumes that the Company will continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. Continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern

The Company has in place a planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations on an ongoing basis and its expansionary plans. Management of the Company has reviewed its plan with the Board and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which management and the Board have defined as being at least the next 12 months. In arriving at this judgment, the Company considered its liquidity to remain sufficient based on anticipated cash flow streams from equity financings. In the recent years, the Company has successfully raised significant operating funds from equity financings, even in a difficult economic climate. It is to management's belief that the necessary operating funds can be acquired through equity financings as management believes that interest in the Company's common shares has increased in the past year. In addition, the Company continues to minimize uncommitted capital expenditures and exploration expenditures in order to preserve the Company's financial resources. However, there might be a possibility that if interest in the Company's common shares declines and the Company is unable to preserve the Company's financial resources, the Company may then be unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial 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.

Basis of Measurement

These 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

Basis of Measurement - continued

The preparation of these 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.

Estimates and assumptions

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.

Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

  Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

- Production stage of a mine

  The determination of the date on which a mine enters the production stage is a significant judgment since capitalization of certain costs ceases upon entering production.

Expressed in Canadian Dollars

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Judgments - continued

- Provisions for reclamation

Management assesses its provision for reclamation on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, and the impact of changes in discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

4. SIGNIFICANT ACCOUNTING POLICIES

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, 2015. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2015.

5. MARKETABLE SECURITIES

	Number Of Shares	Cost	Unrealized Gain (Loss)	Permanent Write-down	Fair Value April 30, 2016
Canadian International Minerals ("CIN")	150,000	$ 185,000	$ 5,250	$ (183,500)	$ 6,750
Zimtu Capital Corp. ("ZC")	122,320	159,385	4,282	(139,203)	24,464
Total	272,320	$ 344,385	$ 9,532	$ (322,703)	$ 31,214

	Number Of Shares	Cost	Unrealized Gain (Loss)	Permanent Write-down	Fair Value October 31, 2015
Canadian International Minerals ("CIN")	150,000	$ 185,000	$ 1,500	$ (183,500)	$ 3,000
Zimtu Capital Corp. ("ZC")	122,320	159,385	(611)	(139,203)	19,571
Total	272,320	$ 344,385	$ 899	$ (322,703)	$ 22,571

6. MINING TAX RECEIVABLE

During the six months ended April 30, 2016, the Company received a refund of $nil (October 31, 2015 - $21,404) for the 2014 BC mining tax credits, made an adjustment of $nil (October 31, 2015 - $6,573) to the 2014 accrual to reflect the actual amount received, and accrued $nil (October 31, 2015 - $15,114) for the 2015 BC mining tax credit.

	April 30, 2016			**October 31, 2015**		
	BC	Quebec	Total	BC	Quebec	Total
Balance, beginning of period	$ 15,114	$ 12,617	$ 27,731	$ 27,677	$ 12,617	$ 40,294
Refund received	-	-	-	(21,104)	-	(21,104)
Adjustments and interest	-	-	-	(6,573)	-	(6,573)
Tax credits accrual	-	-	-	15,114	-	15,114
Balance, end of period	$ 15,114	$ 12,617	$ 27,731	$ 15,114	$ 12,617	$ 27,731

Expressed in Canadian Dollars

7. SHORT TERM INVESTMENTS

At April 30, 2016, the Company had two guaranteed investment certificate (“GIC’s”), totaling $476,500 (October 31, 2015: $184,500). Of the total, $34,500 was issued on October 14, 2015, with an interest rate of prime less 2.00% and matures on October 13, 2016, and $442,000 was issued on January 22, 2016, with an interest rate of prime less 2.00% and matures on January 20, 2017.

8. PREPAID EXPENSES

	April 30, 2016	October 31, 2015
Current		
Insurance	$ 8,662	$ 21,700
Held in trust	74,168	73,908
Deposits and advances	20,129	20,987
Total prepaid expenses – current	103,159	116,595
Non-current		
Deposits held for exploration	65,000	65,000
Total prepaid expenses – non-current	$ 65,000	$ 65,000

Non-current prepaid expenses are required deposits pursuant to the on-going long-term service agreements with the contractors performing the exploration related activities for the Company.

9. INVESTMENTS IN ASSET-BACKED COMMERCIAL PAPER

As at April 30, 2016, the Company held asset-backed commercial paper (“ABCP”) issued by a number of trusts with an original cost of $153,666 (October 31, 2015: $770,463). On 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 billing 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

Expressed in Canadian Dollars

9. 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, 2016 and October 31, 2015, 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:

	April 30, 2016	October 31, 2015
Probability weighted average interest	74.10%	74.10%
Weighted average discount rate	15.00%	15.00%
Maturity of long-term floating rate notes	1 years to 23 years	1 years to 23 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.

During the six months ended April 30, 2016, the Company received payments from settlement of $430,072 (April 30, 2015: $5,772) and recognized a gain on sale of ABCP of $181,186 (April 30, 2015: $5,457). As at April 30, 2016, the fair value of the ABCP as determined above was $14,648 (October 31, 2015: $329,278) and the Company recorded an unrealized loss of $65,744 (April 30, 2015: $315 gain) from this instrument.

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

October 31, 2014	$	292,482
Settlements		(541)
Unrealized gains in other comprehensive income		37,337
October 31, 2015		329,278
Settlements		(248,886)
Unrealized losses in other comprehensive income		(65,744)
April 30, 2016	$	14,648

Expressed in Canadian Dollars

10. EQUIPMENT

	Field Equipment	Field Office Building	Leasehold Improvements	Land	Total
Costs					
April 30, 2016 and October 31, 2015	**$ 316,931**	**$ 303,748**	**$ 255,796**	**$ 120,282**	**$ 996,757**
Accumulated Amortization					
October 31, 2014	$ 312,278	69,734	62,172	-	444,184
Additions	4,653	11,759	21,316	-	37,728
October 31, 2015	316,931	81,493	83,488	-	481,912
Additions	-	5,598	10,658	-	16,256
April 30, 2016	**$ 316,931**	**$ 87,091**	**$ 94,146**	**$ -**	**$ 460,440**
Net Book Value					
October 31, 2015	$ -	$ 222,255	$ 172,308	$ 120,282	$ 514,845
April 30, 2016	**$ -**	**$ 216,657**	**$ 161,650**	**$ 120,282**	**$ 498,589**

11. 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 Blue River claims, located in the Blue River region of the Kamloops Mining District of B.C., Canada, all of which were acquired by staking.

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.

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, 2015, the Company determined that they were allowing 167 claims in the outer regions of the Eldor Property to lapse and have impaired the property accordingly and recorded an impairment loss of $1,447,744.

Other Claims – British Columbia, Canada

Other claims consist of mineral claims located in B.C., Canada known as the Alan Parson and Carbo claims.

By September 23, 2011, Canadian International minerals Inc. ("CIN") acquired 100% interest in the Carbo Property. The Company will retain its 2% NSR royalty on the property.

11. EXPLORATION AND EVALUATION ASSETS - continued

Other Claims – Quebec, Canada

During the year ended October 31, 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. The 57 claims were lapsed in December 2014 and related costs of $9,081 were written off during the year ended October 31, 2015.

12. SHARE CAPITAL

a) Authorized: Unlimited common shares with no par value.

b) Issued and outstanding: The total issued and outstanding shares of the Company are 234,409,864 as at April 30, 2016 (October 31, 2015: 216,462,364).

During the six months ended April 30, 2016:

On November 27, 2015, the Company closed a first tranche of a non-brokered flow-through private placement for gross proceeds of $1,650,429. The Company issued 15,003,900 flow-through shares (“FT Shares”) at a price of $0.11 per FT Share. On December 24, 2015, the Company closed second tranche of a non-brokered private placement, for gross proceeds of $323,796. The Company issued 2,943,600 flow-through shares (“FT Shares”) at a price of $0.11 per FT Share. The Company paid a total of $116,793 and issued 1,061,750 warrants exercisable at $0.11 per warrant share for a period of two years to various finders. The finders’ warrants were valued at fair value of $46,033 (see Note 12d). The fair value of the shares at the date of issuance ranged from $0.075 to $0.085 where the exercise price is greater than the market price. As a result, the Company allocated $472,506 to liability for flow through shares from the issuance of FT Shares. The residual $28,031 of share issuance costs constitutes of legal and filing expenses related directly to the private placement.

During the year ended October 31, 2015:

On December 22, 2014, the Company closed a non-brokered private placement of 12,025,000 flow-through shares (“FT Shares”) at a price of $0.25 per FT Share, and 2,500,000 units (“Units”) at a price of $0.20 per Unit for gross proceeds of $3,506,250. Each Unit consists of one non flow-through common share and one-half of one non-flow-through common share purchase warrant in the capital of the Company (“Warrant”). One whole Warrant is exercisable into one additional common share in the capital of the Company (a “Warrant Share”) at a price of $0.30 per Warrant Share until June 19, 2016. The fair value of the shares at the date of issuance was $0.185 where the exercise price is greater than the market price. The fair value of the Warrant is deemed to be $0.03 based on the residual method. As a result, the Company allocated $37,500 to reserves from the issuance of Units and $781,625 to liability for flow through shares from the issuance of FT Shares, respectively. All the securities issuable will be subject to a four-month hold period from the date of closing expiring April 20, 2015.

Secutor Capital Management Corporation acted as exclusive finder in connection with this private placement and was paid a cash commission of $217,500 plus expenses, and issued 725,000 finders’ warrants (the “Finders Warrant”) to acquire additional common shares of the Company (“Finders’ Warrant Shares”) exercisable at $0.24 per Finders’ Warrant Share until June 19, 2016. The Finders Warrants were valued at fair value of $63,326. The fair value of these Finders Warrants 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 compensation option is calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 1.02%, a dividend yield of nil, an expected volatility of 118.02% and an average expected life of 1.5 years. The residual $16,422 of share issuance costs includes legal and filing expenses related directly to the private placement.

Expressed in Canadian Dollars

12. SHARE CAPITAL - continued

c) Share purchase warrants:

The following is a summary of share purchase warrant transactions for the six months ended April 30, 2016 and the year ended October 31, 2015:

	April 30, 2016			October 31, 2015		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Balance, beginning of period	6,058,550	$	0.30	10,527,634	$	0.33
Issued	-		-	1,250,000		0.30
Expired	(4,808,550)		0.30	(5,719,084)		0.35
Balance, end of period	1,250,000	$	0.30	6,058,550	$	0.30

The following share purchase warrants were outstanding and exercisable as at April 30, 2016 and October 31, 2015:

Expiry Date	Weighted Average Contractual Life (Years)	Exercise Price	**April 30, 2016** Number of Warrants	**October 31, 2015** Number of Warrants
April 3, 2016	-	$0.30	-	4,283,550
April 10, 2016	-	$0.30	-	525,000
June 19, 2016 *	0.14	$0.30	1,250,000	1,250,000
Total Outstanding and Exercisable	0.14	$0.30	1,250,000	6,058,550

* subsequently expired unexercised.

d) Agents' warrants:

The following agents' warrants were outstanding and exercisable as at April 30, 2016 and October 31, 2015:

Expiry Date	Weighted Average Remaining Contractual Life (Years)	Exercise Price	**April 30, 2016** Number of Agents' Warrants	**October 31, 2015** Number of Agents' Warrants
April 3, 2016	-	$0.24	-	1,016,252
April 10, 2016	-	$0.24	-	26,250
June 19, 2016 *	0.14	$0.24	725,000	725,000
November 27, 2017	1.58	$0.11	900,234	-
December 22, 2017	1.65	$0.11	34,116	-
December 24, 2017	1.65	$0.11	127,400	-
Total Outstanding and Exercisable	1.41	$0.16	1,786,750	1,767,502

* subsequently expired unexercised.

Expressed in Canadian Dollars

12. SHARE CAPITAL - continued

d) Agents' warrants: - continued

The Company applies the fair value method in accounting for its agents' warrants using the Black-Scholes pricing model. During the six months ended April 30, 2016, the Company recorded $46,033 (April 30, 2015: $63,326) in share issuance costs with the issuance of 1,061,750 (April 30, 2015: 725,000) agents' warrants.

The amounts were determined using Black-Scholes option pricing model with the following assumptions:

	April 30, 2016	October 31, 2015
Expected dividend yield	Nil	Nil
Expected volatility	107-114%	118%
Risk free rate	0.49-0.63%	1.02%
Expected terms in years	2 years	1.5 years

13. 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 investor 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, 2016 and the year ended October 31, 2015:

	April 30, 2016		October 31, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	6,915,000	$ 0.38	7,971,908	$ 0.39
Expired/Cancelled	(3,085,000)	0.19	(1,056,908)	0.45
Balance, end of period	3,830,000	$ 0.15	6,915,000	$ 0.38

Expressed in Canadian Dollars

13. SHARE-BASED PAYMENTS - continued

The following stock options were outstanding and exercisable as at April 30, 2016:

Expiry Date	Revised Exercise Price	Original Exercise Price	Number of Shares	Contractual Life (Years)
February 8, 2018	N/A	$0.15	3,730,000	1.78
May 15, 2018	N/A	$0.10	100,000	2.04
Total Outstanding and Exercisable			3,830,000	1.78

The Company applies the fair value method in accounting for its stock options granted to directors, officers and employees by using the Black-Scholes pricing model.

14. COMMITMENTS

On December 1, 2015, the Company renewed its Management & Administration Agreement with Zimtu Capital Corp. ("Zimtu") for a period of 12 months. 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 $53,810 per month.

15. RELATED PARTY TRANSACTIONS

During the six months ended April 30, 2016 and 2015, the Company incurred the following expenses to officers or directors of the Company or companies with common directors:

	Six months ended April 30,	
	2016	**2015**
Key management compensation*	**$**	**$**
Consulting fees	-	45,868
Geological services	256,551	1,474,614
Administrative fees	322,860	322,860
Advertising and promotion	18,500	16,756
Total	597,911	1,860,098

	April 30, 2016	**October 31, 2015**
Amounts due to (from) related parties	**$**	**$**
Dahrouge Geological Consulting (a)	451,473	694,198
Nimbus Resource Management (b)	-	2,016
Axel Hoppe, Director	-	21,306
Zimtu Capital Corp. (c)	154,655	61,470
Due to related parties – Total	606,128	778,990

15. RELATED PARTY TRANSACTIONS - continued

(a) A company controlled by a director of the Company, Jody Dahrouge.
(b) A company owned by a director of the Company, Jenna Hardy. Ms. Hardy did not run for re-election at the Company's Annual General Meeting held on May 20, 2015, and ceased to be a director on that day.
(c) A company providing key management services.

* 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.

16. 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, 2016, cash and cash equivalents of $11,702 (October 31, 2015: $5,342) consisted of cash balances with Canadian chartered banks. As at April 30, 2016, the Company also held short term investments of $476,500 (October 31, 2015: $184,500) in GIC's at a Canadian chartered bank and asset-backed commercial paper fair valued at $14,648 (October 31, 2015: $329,278).

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

16. FINANCIAL INSTRUMENTS – continued

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.

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, short term investments, and investments in asset-backed commercial paper. The sensitivity in interest rates of a decrease by 1% would result in an approximate decrease of $5,000 (April 30, 2015: $26,000) 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, 2016 is $nil (April 30, 2015: $3,000).

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.

Expressed in Canadian Dollars

16. FINANCIAL INSTRUMENTS – continued

d) Fair Value - continued

The following is an analysis of the Company's financial assets measured at fair value as at April 30, 2016 and October 31, 2015:

	As at April 30, 2016		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 11,702	$ -	$ -
Short term investments	476,500	-	-
Marketable securities	31,214	-	-
Asset-backed commercial paper	-	-	14,648
	$ 519,416	$ -	$ 14,648

	As at October 31, 2015		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 5,342	$ -	$ -
Short term investments	184,500	-	-
Marketable securities	22,571	-	-
Asset-backed commercial paper	-	-	329,278
	$ 212,413	$ -	$ 329,278

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, 2016 and October 31, 2015:

	April 30, 2016			October 31, 2015		
	Face value	Fair value variances	Fair value	Face value	Fair value variances	Fair value
MAV II Notes	$	$	$	$	$	$
Class B	-	-	-	353,772	(57,888)	295,884
Class C	-	-	-	233,913	(215,167)	18,746
	-	-	-	587,685	(273,055)	314,630
Ineligible Asset						
Tracking Notes	151,881	(137,233)	14,648	182,778	(168,130)	14,648
	151,881	(137,233)	14,648	770,463	(441,185)	329,278

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.

16. FINANCIAL INSTRUMENTS – continued

The Company is aware of a number of trades in the restructured notes that have occurred prior to April 30, 2016, 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 9, 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, 2016. 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.

e) Capital Management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at April 30, 2016, the Company's shareholders' equity was $57,861,390 (October 31, 2015: $57,244,158). 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.

17. NON-CASH TRANSACTIONS

The following transactions have been excluded from the statement of cash flows:

During the six months ended April 30, 2016:

- Exploration and evaluation assets of $1,124,289 were included in accounts payable and $451,473 were included in due to related parties at April 30, 2016.
- Amortization of $16,256 relating to equipment was included in exploration and evaluation assets.
- 1,061,750 agents' warrants valued at $46,033 granted to the Agents were included in share issuance costs.

During the six months ended April 30, 2015:

- Exploration and evaluation assets of $784,214 were included in accounts payable and $407,878 were included in due to related parties at April 30, 2015.
- Amortization of $18,865 relating to equipment was included in exploration and evaluation assets.
- 725,000 agents' warrants valued at $63,326 granted to the Agents were included in share issuance costs.

18. LIABILITY AND INCOME TAX EFFECT ON FLOW-THOUGH 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.

Expressed in Canadian Dollars

18. LIABILITY AND INCOME TAX EFFECT ON FLOW-THOUGH SHARES - continued

On March 14, 2014, the Company issued 8,425,652 units on a flow-through basis at $0.23 per share (see Note 12b) for proceeds of $1,937,900, and recognized a liability on flow-through shares of $252,770. At October 31, 2014, the Company has incurred $1,464,048 of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of $190,963. All proceeds have been fully spent and renounced as at December 31, 2015.

On October 3, 2014, the Company issued 16,041,500 shares on a flow-through basis at $0.25 per share (see Note 12b) for gross proceeds of $4,010,375, and recognized a liability on flow-through shares of $641,660. All proceeds have been fully spent and renounced as at December 31, 2015.

On December 22, 2014, the Company issued 12,025,000 shares on a flow-through basis at $0.25 per share (see Note 12b) for gross proceeds of $3,006,250, and recognized a liability on flow-through shares of $781,625. At January 31, 2016, the Company has incurred $1,825,444 (October 31, 2015 - $1,667,710) of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of $478,642 (October 31, 2015 - $448,016). The flow-through proceeds were renounced under the Look-back Rule on December 31, 2014. As at December 31, 2015, the Company had unfulfilled CEE obligations of $1,262,811 as a result of unspent flow-through proceeds related to this flow through issuance. As the Company did not fulfill the expenditure obligation, the Company incurred Part XII.6 tax and related penalties and interest of $155,543 on the unfulfilled commitments during the period ended April 30, 2016. Furthermore, the Company may also have to indemnify shareholders for taxes and penalties related to the unspent portion of the commitment of up to $552,000, calculated based upon a combined tax rate of 43.7% of unspent flow-through funds raised. The outcome of the amount of actual claims and penalties, if any, is contingent on assessments by the Canada Revenue Agency and Revenue Quebec. The balance of $319,435 in the flow-through liability account has been transferred to accrued liabilities.

In November and December 2015, the Company issued 17,947,500 shares in two tranches on a flow-through basis at $0.11 per share (see Note 12b) for proceeds of $1,974,225, and recognized a liability on flow-through shares of $472,506. At April 30, 2016, the Company has incurred $192,310 of qualified expenditures. The flow-through proceeds were renounced under the Look-back Rule on December 31, 2015. The funds will need to be spent in full by December 31, 2016.

	Issued on March 14, 2014	Issued on October 3, 2014	Issued on December 22, 2014	Issued Nov/Dec 2015	Total
Balance, October 31, 2014	$ 61,807	$ 641,660	$ -	$ -	$ 703,467
Liability incurred on flow-through shares issued	-	-	781,625	-	781,625
Settlement of flow-through share liability on incurring expenses	(61,807)	(641,660)	(448,016)	-	(1,151,483)
Balance, October 31, 2015	-	-	333,609	-	333,609
Liability incurred on flow-through shares issued	-	-	-	472,506	472,506
Transfer FT liability to accrued liabilities	-	-	(319,435)	-	(302,983)
Settlement of flow-through share liability on incurring expenses	-	-	(14,174)	(46,027)	(60,201)
Balance, April 30, 2016	$ -	$ -	$ -	$ 426,479	$ 426,479

19. SUBSEQUENT EVENTS

a) On June 21, 2016, the Company filed its amended and restated final short form prospectus, amending and restating the short form prospectus dated Feb. 25, 2016, with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario in connection with a best-efforts offering of units of the company at a reduced price of 7.5 cents per unit for gross proceeds of a minimum of $1-million and up to a maximum of $3-million. The offering is being conducted by Secutor Capital Management Corp. The overallotment option granted to the agent remains, whereby the agent may sell up to an additional 15 per cent of the offering on the same terms and conditions, exercisable at any time following the closing of the offering for a period of 30 days.

   Each unit will still consist of one common share of the company and one common share purchase warrant with each warrant entitling the holder to acquire an additional common share of commerce at a reduced price of 10 cents per warrant share at any time before 4:30 p.m. (Vancouver time) on the date that is 24 months after the closing of the offering.

   The company intends to use the net proceeds from the offering to advance the company's Ashram rare earth element deposit in Quebec and for general working capital purposes.

   To reflect the reduced pricing of the offering, the company and the agent entered into an amended and restated agency agreement. With the exception of the amended pricing and certain dates, the terms of original agency agreement remain, whereby the company has agreed to: (i) pay the agent a cash commission equal to 7 per cent of the gross proceeds of the offering and a reduced cash commission of 2 per cent on purchasers, if any, whose name appear on the list of purchasers to the offering to the agent by insiders of the company, and (ii) issue to the agent share purchase warrants with each agent's warrant entitling the agent to acquire that number of common shares in the capital of Commerce equal to 7 per cent of the number of units sold under the offering and a reduced number agent's warrants equal to 2 per cent on purchasers, if any, whose name appear on the president's list.

   The closing of the offering is expected to occur on or about June 30, 2016, or on such other date as the company and the agent may agree, but in any event no later than the 180th day after Feb. 26, 2016. The offering is subject to customary conditions and regulatory approval, including that of the TSX Venture Exchange.

b) On June 19, 2016, 1,250,000 share purchase warrants priced at $0.30 and 725,000 agent's warrants priced at $0.24 expired unexercised.

Commerce Resources Corp. Schedule I

Schedule of Resource Properties
For the six months ended April 30, 2016
Expressed in Canadian dollars
(Unaudited – prepared by management)

	Blue River Claims	Eldor Claims	Other Claims	Totals
Acquisition costs				
Balance, beginning of period	$ 201,602	$ 1,270,558	$ 211,580	$ 1,683,740
Staking	-	30,041	-	30,041
Balance, end of the period	201,602	1,300,599	211,580	1,713,781
Deferred exploration and development costs – Note 11				
Balance, beginning of period	27,633,433	29,217,785	(205,692)	56,645,526
Amortization – field equipment and office	5,598	-	-	5,598
Assays and analytical	-	20,510	-	20,510
Environmental and permitting	2,983	247	-	3,230
Field equipment rental	12,059	28,165	-	40,224
Field supplies	-	9,414	-	9,414
Food and accommodation	3,077	1,825	-	4,902
Fuel	-	4,915	-	4,915
Geology, mapping and drafting	-	207,020	-	207,020
Insurance	2,876	4,316	-	7,192
Other	22,500	53	-	22,553
Project management	970	-	-	970
Travel and transport	-	22,717	-	22,717
	50,063	299,182	-	349,245
Balance, end of period	27,683,496	29,516,967	(205,692)	56,994,771
Total balance, end of period	$ 27,885,098	$ 30,817,566	$ 5,888	$ 58,708,552

Commerce Resources Corp.
Schedule of Resource Properties
For the year ended October 31, 2015
Expressed in Canadian dollars
(Unaudited – prepared by management)

Schedule I
Continued

	Blue River Claims	Eldor Claims	Other Claims	Totals
Acquisition costs				
Balance, beginning of year	$ 201,602	$ 1,270,237	$ 211,580	$ 1,683,419
Staking	-	321	-	321
Balance, end of the year	201,602	1,270,558	211,580	1,683,740
Deferred exploration and development costs – Note 11				
Balance, beginning of year	27,518,172	21,773,706	(196,611)	49,095,267
Amortization – field equipment and office	13,849	2,562	-	16,411
Assays and analytical	-	399,405	-	399,405
Community	455	-	-	455
Drilling	-	681,566	-	681,566
Engineering	2,638	321,011	-	323,649
Environmental and permitting	4,216	388	-	4,640
Field equipment rental	20,716	306,167	-	326,883
Field supplies	-	366,043	-	366,043
Food and accommodation	12,744	123,409	-	136,153
Fuel	-	230,372	-	230,372
Geology, mapping and drafting	2,388	2,164,804	-	2,167,192
Geophysics	-	11,094	-	11,094
Insurance	7,042	18,668	-	25,710
Metallurgy	-	2,722,552	-	2,722,552
Other	38,856	1,401	-	40,257
Project management	16,792	-	-	16,792
Road and site preparation	4,106	-	-	4,106
Travel and transport	-	1,533,300	-	1,533,300
	123,802	8,882,742	-	9,006,544
Mining tax credits	(8,541)	-	-	(8,541)
Impairment	-	(1,438,663)	(9,081)	(1,447,744)
Balance, end of year	27,633,433	29,217,795	(205,692)	56,645,526
Total balance, end of year	$ 27,835,035	$ 30,488,343	$ 5,888	$ 58,329,266