COMMANDER RESOURCES LTD.

INTERIM REPORT

For the Six Months Ended
June 30, 2010

(See Notice)

COMMANDER RESOURCES LTD.

Notice

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited interim financial statements of Commander Resources Ltd. (“the Company”), for the six months ended June 30, 2010, have been prepared by management and have not been the subject of a review by the Company’s independent auditor.

COMMANDER RESOURCES LTD.
(An Exploration Stage Company)

Balance Sheets
As at June 30, 2010 and December 31, 2009
(Unaudited - See Notice)
(expressed in Canadian dollars)

		June 30, 2010 (Unaudited)		December 31, 2009 (Audited)
ASSETS				
Current assets				
Cash and cash equivalents (Note 3(b))	$	2,896,906	$	1,425,152
Marketable securities (Notes 4 and 11(b))		338,416		321,066
Investment in warrants (Note 6)		43,833		66,600
Accounts receivable		204,455		138,318
Due from related parties (Note 11(c))		6,669		2,163
Prepaid expenses		58,283		38,227
Field supplies		282,125		282,125
		3,830,687		2,273,651
Mineral properties (Note 7)		21,984,293		22,057,385
Property and equipment (Note 8)		14,760		10,555
	$	**25,829,740**	**$**	**24,341,591**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	867,721	$	244,980
Advance from optionee (Note 9)		1,251,482		-
		2,119,203		244,980
Future income taxes		1,472,945		1,472,945
		3,592,148		1,717,925
SHAREHOLDERS' EQUITY				
Share capital (Note 10)		37,302,632		37,232,067
Contributed surplus		965,352		965,352
Option compensation		1,495,445		1,078,438
Deficit		(17,208,769)		(16,317,772)
Accumulated other comprehensive loss		(317,068)		(334,419)
		22,237,592		22,623,666
	$	**25,829,740**	**$**	**24,341,591**

Nature of Operations and Going Concern (Note 1)

Commitment (Note 12)

Subsequent Events (Note 15)

Approved on behalf of the Directors:	*"Eric Norton"*	*"Michael W. Byrne"*
	Eric Norton	Michael W. Byrne

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Statements of Operations

(Unaudited - See Notice)

(expressed in Canadian dollars)

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
General and administrative expenses				
Accounting and audit	$ 20,943	$ 22,400	$ 45,843	$ 44,800
Amortization	3,683	3,079	6,166	6,158
Annual report and meeting	6,569	1,262	7,827	5,786
Consultants	36,167	9,000	54,589	18,388
Insurance	10,862	11,162	21,725	22,324
Investor relations and promotion	30,413	24,695	80,267	54,673
Legal	6,944	1,094	9,084	2,056
Office and miscellaneous	16,046	6,501	28,841	17,602
Regulatory and transfer agent fees	8,896	8,778	21,707	19,503
Rent and storage	23,806	16,605	40,784	39,176
Salaries and benefits	61,795	36,758	107,165	72,485
Stock-based compensation (Note 10(c))	206,561	25,726	443,172	36,363
Loss before the undernoted	**(432,685)**	**(167,060)**	**(867,170)**	**(339,314)**
Interest income	63	529	76	1,105
Property investigation	(588)	-	(1,136)	(2,593)
Write-down of mineral properties	-	(430,621)	-	(430,621)
Unrealized loss on derivative instruments (Note 6)	(6,671)	(39,527)	(22,767)	(39,527)
Loss before taxes	**(439,881)**	**(636,679)**	**(890,997)**	**(810,950)**
Future income tax recovery	-	-	-	617,589
Net loss for the period	**$ (439,881)**	**(636,679)**	**$ (890,997)**	**$ (193,361)**
Deficit, beginning of period	**(16,768,888)**	**(15,647,051)**	**(16,317,772)**	**(16,090,369)**
Deficit, end of period	**$ (17,208,769)**	**(16,283,730)**	**$ (17,208,769)**	**$ (16,283,730)**
Loss per share - basic and diluted	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	90,589,516	79,572,516	90,504,433	79,572,516

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Statements of Comprehensive Loss
(Unaudited - See Notice)
(expressed in Canadian dollars)

	For Three Months ended June 30, 2010	For Three Months ended June 30, 2009	For Six Months ended June 30, 2010	For Six Months ended June 30, 2009
Net loss for the period	$ (439,881)	$ (636,679)	$ (890,997)	$ (193,361)
Unrealized gain (loss) on available-for-sale marketable securities	(43,083)	(60,553)	17,351	(77,239)
Comprehensive loss for the period	$ (482,964)	$ (697,232)	$ (873,646)	$ (270,600)

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Statements of Cash Flows
(Unaudited - See Notice)
(expressed in Canadian dollars)

	For Three Months ended June 30, 2010	For Three Months ended June 30, 2009	For Six Months ended June 30, 2010	For Six Months ended June 30, 2009
Cash provided from (used for):				
Operating activities				
Net loss for the period	$ (439,881)	$ (636,679)	$ (890,997)	$ (193,361)
Items not involving cash:				
Amortization	3,683	3,079	6,166	6,158
Stock-based compensation	206,561	25,726	443,172	36,363
Unrealized loss on derivative instruments	6,671	39,527	22,767	39,527
Write-down of mineral properties	-	430,621	-	430,621
Future income tax recovery	-	-	-	(617,589)
	(222,966)	**(137,726)**	**(418,892)**	**(298,281)**
Changes in non-cash working capital items:				
Accounts receivable	(162,526)	(9,058)	(66,136)	20,625
Due from related parties	(4,960)	(1,417)	(4,506)	7,796
Prepaid expenses	388,951	15,490	(20,056)	36,652
Accounts payable and accrued liabilities	(129,409)	(1,213)	(121,910)	(1,298)
Advance from joint venture partner	(168,192)	-	1,251,482	-
Cash provided by/(used in) operating activities	**(299,102)**	**(133,924)**	**619,982**	**(234,506)**
Investing activities				
Recoveries from mineral properties	3,095,505	-	3,511,234	-
Mineral property acquisition and exploration costs	(3,025,790)	(159,447)	(3,438,142)	(291,759)
Accounts payable and accrued liabilities	-			
related to mineral properties	613,798	40	744,651	(15,926)
Purchase of equipment	(318)	-	(10,371)	-
Cash provided by/(used in) investing activities	**683,195**	**(159,407)**	**807,372**	**(307,685)**
Financing activities				
Shares issued for cash, net of issue costs	-	-	44,400	-
Cash provided by financing activities	**-**	**-**	**44,400**	**-**
Increase (decrease) in cash and cash equivalents	**384,093**	**(293,331)**	**1,471,754**	**(542,191)**
Cash and cash equivalents, beginning of period	2,512,813	711,626	1,425,152	960,486
Cash and cash equivalents, end of period (Note 3(a))	**$ 2,896,906**	**$ 418,295**	**$ 2,896,906**	**$ 418,295**

Supplemental Cash Flow Information (Note 14)

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.
(An Exploration Stage Company)

Statement of Shareholders' Equity

	Share Capital			Contributed		Option				Accumulated Other Comprehensive		Total Shareholders'
	Shares		**Amount**		**Surplus**		**Compensation**		**Deficit**		**Income (Loss)**	**Equity**
Balance, December 31, 2008	**79,572,516**		**36,573,769**		**230,695**		**1,662,513**		**(16,090,369)**		**(381,001)**	**21,995,607**
Net loss for the year									(227,403)			(227,403)
Unrealized gain on available-for-sale marketable securities, net of taxes											36,426	36,426
Transfer to income on sale of marketable securities											10,156	10,156
Shares issued for cash												
Private placement	10,000,000		1,200,000									1,200,000
Exercise of options	635,000		63,500									63,500
Share issue costs			(6,850)									(6,850)
Non-cash transactions												
Income tax effect on flow-through share renunciation			(617,589)									(617,589)
Reclassification of option compensation on exercise of options			19,237				(19,237)					-
Reclassification of option compensation on expiry of options					734,657		(734,657)					-
Stock-based compensation							169,819					169,819
Balance, December 31, 2009	**90,207,516**	**$**	**37,232,067**	**$**	**965,352**	**$**	**1,078,438**	**$**	**(16,317,772)**	**$**	**(334,419)**	**$ 22,623,666**
Net loss for the period									(890,997)			(890,997)
Unrealized gain on available-for-sale marketable securities, net of taxes											17,351	17,351
Shares issued for cash												
Exercise of options	382,000		44,400									44,400
Non-cash transactions												
Reclassification of option compensation on exercise of options			26,165				(26,165)					-
Stock-based compensation							443,172					443,172
Balance, June 30, 2010	**90,589,516**	**$**	**37,302,632**	**$**	**965,352**	**$**	**1,495,445**	**$**	**(17,208,769)**	**$**	**(317,068)**	**$ 22,237,592**

See Accompanying Notes to the Financial Statements

1. Nature of Operations and Going Concern

Commander Resources Ltd. (the "Company") is in the process of actively exploring and developing its mineral properties and has not yet determined whether these properties contain mineral resources that are economically recoverable. The Company has not earned significant revenues from its resource property interests and is considered to be in the exploration stage.

The Company's financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its debts and liabilities, and maintain its mineral interest. The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition, exploration and development of mineral properties, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and continue to explore mineral property interests. There is no assurance that these plans will be successful.

For the six months ended June 30, 2010, the Company reported a net loss of $890,997 (2009 - $193,361), has a deficit of $17,208,769 (2009 - $16,317,772) and accumulated other comprehensive loss of $317,068 (2009 - $334,419). The Company also had working capital of $2,962,966 (2009 - $2,028,671). Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions.

2. Significant Accounting Policies

These financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP") and are presented in Canadian dollars.

(a) Basis of presentation

These unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The unaudited interim financial statements should be read in conjunction with Commander's audited financial statements including the notes thereto for the year ended December 31, 2009.

The accounting policies followed by Commander are set out in Note 2 to the audited financial statements for the year ended December 31, 2009 and have been consistently followed in the preparation of these financial statements.

2. Significant Accounting Policies (continued)

(b) Future accounting changes

(i) International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective for fiscal years beginning on or after January 1, 2011. The Company will therefore be required to report using IFRS commencing with its unaudited interim consolidated financial statements for the three months ended March 31, 2011, which must include the interim results for the prior period ended March 31, 2010 prepared on the same basis. IFRS uses a conceptual framework similar to Canadian GAAP, but there are some significant differences on recognition, measurement and disclosures. While the Company has begun assessing the adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(ii) Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. There is no impact to Company after the adoption of these sections.

3. Financial Instruments

(a) Fair value

The Company has classified its financial instruments as follows:

Cash and cash equivalents – as held-for-trading
Marketable securities – as available-for-sale
Accounts receivable – as loans and receivables
Due from related parties – as loans and receivables
Investment in warrants – as held-for-trading
Accounts payable and accrued liabilities – as other financial liabilities.

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of the short term to maturity of these financial instruments.

The fair values of amounts due from related parties cannot be reliably measured since there is no quoted price for such instruments.

3. Financial Instruments (continued)

(a) Fair value (continued)

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes fair value measurement by level at June 30, 2010 for assets and liabilities measured at fair value on a recurring basis:

	Total	Level 1	Level 2	Level 3
Assets				
Marketable securities	$ 338,416	$ 338,416	$ -	$ -
Investment in warrants	$ 43,833	$ -	$ 43,833	$ -

As the carrying values of the Company's remaining financial instruments approximate their fair values, disclosure is not made of their level in the fair value hierarchy.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company has cash and cash equivalents at June 30, 2010 in the amount of $2,896,906. Of this amount, $1,251,482 relates to advances from AngloGold to be used in the Baffin properties (see Note 7). At June 30, 2010, the Company had accounts payable and accrued liabilities of $867,721. All of the Company's current liabilities are due within the current fiscal year.

(c) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents and amounts due from related parties. This risk is minimized as the cash and cash equivalents have been placed with major Canadian financial institutions. The Company is exposed to credit risk on its receivables. Credit risk with respect to amounts due from related parties has been assessed as low by management as the Company has strong working relationships with the parties involved.

3. Financial Instruments (continued)

(c) Credit risk (continued)

Concentration of credit risk exists with respect to the Company's cash and cash equivalents as all amounts are held at major Canadian financial institutions. The Company's concentration of credit risk and maximum exposure thereto is as follows:

		June 30, 2010		December 31, 2009
Cash	$	2,881,906	$	1,410,152
Term deposit with interest 0.2% (2009 - 0.2%) maturing on July 23, 2010		15,000		15,000
	$	**2,896,906**	**$**	**1,425,152**

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash and cash equivalents consists of cash held in bank accounts and a guaranteed investment certificate that earns interest at 0.2%. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of June 30, 2010.

Future cash flows from interest income on cash and cash equivalents will be affected by interest rate fluctuations. Given the balance of the term deposit at period-end, any fluctuations in the interest rate would lead to an immaterial change in net income (loss) and comprehensive income (loss).

(ii) Foreign currency risk

The Company is not exposed to significant foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to their marketable securities. Given the limited change in the fair market value of marketable securities in the past period, estimated fluctuations in the market value would lead to an immaterial change in net income (loss) and comprehensive income (loss).

There were no changes in the Company's approach to risk during the period ended June 30, 2010.

4. Marketable Securities

	As at June 30, 2010					As at December 31, 2009				
	Number of Shares	Cost	Close Price	Market Value	Year-to-Date Unrealized Gain/(Loss) Before Tax	Number of Shares	Cost	Close Price	Market Value	Year-to-Date Unrealized Gain/(Loss) Before Tax
Fjordland (FEX.V)	1,517,647	$ 211,353	0.120	$ 182,118	$ 22,766	1,517,647	$ 211,353	0.105	$ 159,353	$ 31,235
Diamonds North (DDN.V)	258,000	141,280	0.175	45,150	(29,670)	258,000	141,280	0.290	74,820	(2,580)
Uranium North (UNR)	333	333	0.070	23	(7)	333	333	0.090	30	-
Alto Ventures (ATV.V)	1,875,000	281,250	0.055	103,125	28,125	1,875,000	281,250	0.040	75,000	9,375
Bayswater (BYU.V)	40	204	0.405	16	(24)	400	204	0.100	40	2,475
GBL Gold Corp (GBGD.OB)	75,000	72,439	0.106	7,984	(3,839)	75,000	72,439	0.158	11,823	2,688
Pamlico Resources Ltd. (PGP)	100,000	-	-	-	-	100,000	-	-	-	-
Total		**$ 706,859**		**$338,416**	**$ 17,351**		**$706,859**		**$321,066**	**$ 43,193**

5. Capital Management

The Company defines its capital as all components of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months ended June 30, 2010. The Company is not subject to externally imposed capital requirements.

6. Investment in Warrants

On June 4, 2009, the Company and Fjordland Explorations Inc. reached a settlement in respect to a shortfall on drilling by Fjordland on the Olympic and Rob properties as part of an option agreement between the parties dated August 2, 2006. Under the terms of the settlement, Fjordland issued 1,000,000 units consisting of one common share and one purchase warrant of Fjordland. Each warrant entitles the Company to purchase one common share at a price of $0.16 per share until June 3, 2011. The common shares are recorded as marketable securities and recorded at market value (Note 4). The warrants are accounted for as a derivative instrument and recorded at fair value with changes in fair value recognized in the statements of operations.

The fair value of the warrants was estimated using the Black-Scholes option pricing model on receipt and recorded at $68,200 as a recovery of mineral properties. During the six months ended June 30, 2010, the unrealized loss on the 1,000,000 warrants was $22,767, which has been recognized in the statements of operations.

7. Mineral Properties

At June 30, 2010 and 2009, mineral properties are comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	Baffin, Nunavut		Other Properties	Total
	Qimmiq	Bravo Lake		
Balance at December 31, 2009	$ 9,744,370	$ 2,528,803	$ 9,784,212	**$ 22,057,385**
Additions during the year:				
Acquisition costs	-	-	-	**-**
Exploration costs:				
Drilling	2,687,702	2,209	4,419	**2,694,330**
Geochemistry	28,556	-	538	**29,094**
Geology	169,332	15,515	51,990	**236,837**
Geophysics	48,400	-	-	**48,400**
Environment	114,516	19,294	-	**133,810**
Property	70,721	246	14,241	**85,208**
Trenching/line cutting	538	-	-	**538**
Other	204,139	2,625	3,161	**209,925**
	3,323,904	39,889	74,349	**3,438,142**
Less:				
Recoveries	(3,462,438)	(28,394)	(20,402)	**(3,511,234)**
Write down	-	-	-	**-**
	(3,462,438)	(28,394)	(20,402)	**(3,511,234)**
Net additions	(138,534)	11,495	53,947	**(73,092)**
Balance at June 30, 2010	**$ 9,605,836**	**$ 2,540,298**	**$ 9,838,159**	**$ 21,984,293**

7. **Mineral Properties** (continued)

(a) Baffin Island Properties, Nunavut

The Baffin Island Properties consists of two separate properties named Qimmiq and Bravo Lake. The Company owns 100% of the Qimmiq property, subject to an underlying agreement with Nunavut Tunngavik Incorporated ("NTI") and certain future considerations to BHP Billiton ("BHP Billiton"). The Company owns 100% of the Bravo Lake property subject to certain future considerations to Xstrata Nickel ("Xstrata"), a business unit of Xstrata Canada Corporation, as further described under the property headings below. The Company earned a 100% interest in the Bravo Lake property by exercising its right under a Purchase Letter between the parties dated May 1, 2008.

An Agreement dated May 6, 2008 between the Company and Global Resources Corporation Pty Ltd. ("GRC"), pertaining to the Baffin Island Properties, was terminated on April 21, 2009.

On September 3, 2009, as amended on November 19, 2009, the Company entered into a Farm-in and Joint Venture Agreement ("Agreement") with AngloGold Ashanti Limited's subsidiary, AngloGold Ashanti Holdings Plc ("AngloGold"), related to both the Qimmiq and Bravo properties (collectively, "Baffin Properties"). Pursuant to the Agreement, AngloGold may earn a 51% participating interest in the Baffin Properties by funding $20 million by December 31, 2014, with an additional requirement to fund $5.5 million of the $20 million in exploration expenditures before December 31, 2010. The initial commitment includes completion of a minimum of 3,000 metres of diamond drilling. Additional terms of the Agreement are as follows:

- The Company will manage the exploration for the initial two-year committed program period. AngloGold will pay a 10% management fee to the Company on all exploration expenditures incurred on the project during that period which are treated as part of the exploration expenditures to be funded by AngloGold. Accordingly, these amounts have been presented as a recovery related to the relevant property;

- AngloGold at its option, had advanced a cash payment of $575,000 to the Company so that the Company could exercise its right to purchase the remaining interest in the Bravo property to 100%, which is treated as part of the exploration expenditures to be funded by AngloGold. Accordingly, these amounts have been presented as a recovery related to the relevant property; and

- Once AngloGold has vested a 51% interest in the Baffin Properties, a 51:49 joint venture will be formed between AngloGold and the Company. AngloGold may then elect within 60 days of vesting to increase its interest in the property to 70% by funding all on-going expenditures to complete a feasibility study within four years on at least one of the prospects on the Baffin Properties.

As part of the Agreement, on November 19, 2009, Ashanti Goldfields Services Limited, a wholly owned subsidiary of AngloGold, subscribed for and was issued a total of 10,000,000 units of the Company for gross proceeds of $1.2 million. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of $0.24 until November 17, 2011. Under the Agreement, AngloGold is required to hold at least a 10% equity stake in the Company and has the right, subject to TSX Venture Exchange approval, to participate in future private placements in order to meet its equity commitment in the Company under this Agreement.

For the six months ended June 30, 2010, total recoveries on the Qimmiq project from AngloGold amounted to $3,461,372, including management fees of $314,670.

7. **Mineral Properties** (continued)

(a) **Baffin Island Properties, Nunavut** (continued)

(i) Qimmiq

On February 22, 2008, the Company and BHP Billiton signed an Option Acceleration Agreement ("Revised Agreement"), providing the Company the option to accelerate its rights to earn a 100% interest in the Qimmiq Property by paying the lump sum of $400,000 in cash to BHP Billiton on or before September 30, 2008. The deadline for this cash payment was subsequently extended to April 30, 2009 through a series of amending letters with the final letter dated February 25, 2009. On April 30, 2009, the Company exercised its right to accelerate its interest to 100% in the Property after BHP Billiton agreed to waive the $400,000 cash payment required under the Option Acceleration Agreement. The Revised Agreement is now the only agreement between the Company and BHP Billiton pertaining to the Qimmiq Property.

Under the Revised Agreement, BHP Billiton retains the Right of First Refusal ("ROFR") to purchase all or any portion of the concentrates or other such mineral products produced only from non-gold resources on the Property. For the first four years of commercial production, BHP Billiton's ROFR would apply to 50% of the non-gold concentrates; the other 50% of the non-gold concentrates available for the Company to support or facilitate mine financing terms and other project capitalization and BHP Billiton shall retain a ROFR to match such financing terms. The Company will retain 100% control over the sale and marketing of all gold concentrates or gold products produced from the Qimmiq Property. The Revised Agreement is subject to a variable net smelter return ("NSR") gold royalty ranging from 1% to 3% based on gold prices (royalties are now held by International Royalty Corporation) and the terms and conditions of the underlying NTI agreements, which include a 12% royalty to NTI on net profits payable on production.

(ii) Bravo Lake

The Company currently owns 100% of the Bravo Lake property. Previously, the Company had been operating the Bravo Lake property since 2003 under a Letter Agreement with Xstrata. Under this agreement, the Company had the right to earn a 100% interest in the property by incurring $8 million of exploration expenditures on the property by 2011. Xstrata held certain back-in rights to nickel, base metal or diamond deposits. There were no back-in rights to gold deposits. The property is subject to certain royalties payable to Xstrata including a sliding scale NSR from 1% to 3% on gold production, a 2% NSR on nickel production, a 1.5% NSR on (non-nickel) base metal production and a 2% gross overriding royalty on diamond production. The property was expanded by staking in September 2009 with the addition of 42 mineral claims totalling 34,964 hectares.

On May 1, 2008, the Company entered into a Purchase Letter with Xstrata providing the Company the option to accelerate its ownership in the Bravo Lake property to 100% for total cash payments to Xstrata of $750,000 by December 31, 2008. In an amending letter dated November 13, 2008, the deadline for the unpaid balance of $575,000 was extended to June 30, 2009 and further extended to December 31, 2009.

On December 7, 2009, the Company completed the purchase from Xstrata of a 100% interest in the Bravo Property thereby eliminating all remaining earn-in expenditures and extinguishing Xstrata's back-in rights. Xstrata retains a ROFR to purchase all or any portion of the concentrates or other such mineral products produced from any non-gold resource on the property. For the first four years of commercial production, Xstrata's right would apply to 50% of the concentrates; the other 50% of the concentrates available for the Company to support or facilitate mine financing terms and other project capitalization and Xstrata shall retain a ROFR to match such financing terms. Xstrata also retains the royalties provided under the original Letter Agreement but under the Purchase Letter, 50% of the royalties may be purchased by the Company for $1 million at any time up to commencement of commercial production.

7. **Mineral Properties** (continued)

(b) Other properties

The Company owns several other properties in Canada in which it holds interests ranging from 10% to 100%. The Company has granted options on some of these properties. The carrying values of those properties included under Other Properties at June 30, 2010 and December 31, 2009 are as follows:

	Ownership %	June 30, 2010	December 31, 2009
Labrador Properties			
Adlatok l	*72.696*	$ 736,151	$ 736,151
Sadie	*100.00*	127,856	127,856
Sally	*100.00*	391,986	391,986
Sango River	*100.00*	8,345	8,345
Sarah Lake (i)	*48.20*	1,759,310	1,752,449
Nunavut			
Storm (ii)	*100.00*	111,097	120,476
Dewar Lake	-	516	516
Newfoundland			
Hermitage (iv)(a)	*100.00*	2,739,539	2,730,550
Strickland (iv)(b)	*100.00*	926,103	922,497
Cochrane Pond (iv)(d)	*50.00*	48,964	48,950
Green Bay (viii)	*100.00*	566,957	535,681
Others	*100.00*	136,122	133,347
Yukon			
Olympic, Rob (v)	*100.00*	859,301	853,507
British Columbia			
Abe and Pal (vi)	*100.00*	110,593	110,593
Aten, Mate and Tut (vi)	*100.00*	1,250	1,250
Haw	*100.00*	-	-
Tam (vii)	*10.00*	39,524	44,524
New Brunswick			
Nepisiguit/Stewart (ix)	*100.00*	1,133,362	1,129,311
Ontario			
Matheson	*41.36*	14,213	14,213
Sabin	*100 - 58.50*	126,970	122,010
Total Other Properties		**$ 9,838,159**	**$ 9,784,212**

7. Mineral Properties (continued)

(b) Other properties (continued)

(i) Sarah Lake, Labrador

The Company owns a 48.2% interest in the Sarah Lake property. Donner Metals Ltd. ("Donner Metals") owns 51.8% and is the operator of the property.

(ii) Storm Property, Nunavut

The Company acquired three prospecting permits on February 1, 2008 for a $15,000 cash deposit. The permits are good for a five-year term and the $15,000 deposit is refundable on completion of an equivalent amount of exploration work in the first two years. On February 1, 2010, Commander was awarded a fourth five-year Prospecting Permit expanding the property size by 54,265 acres with a deposit of $5,427.

(iii) Despinassy, Quebec

The Company owns 1,875,000 common shares of Alto Ventures and retains a 1% NSR royalty on 83 claims and 0.25% on the other 30 claims. Alto Ventures, the owner of the property, retains the right to buy-down the NSR on the 83 claims to 0.50% for $500,000.

(iv) Hermitage Project, Newfoundland

(a) Hermitage

The Company owns 100% of the Blue Hills and White Bear properties subject to a 2% NSR for the original property owners. One-half of the NSR may be purchased for $1 million.

On the adjacent Couteau Lake Property, the option agreement allowing the Company to earn a 100% interest was extended by amending agreements such that the expiry date of the option is changed to April 2, 2010. The agreement is subject to a 2% NSR for the vendor with a buy-back of one-half of the NSR for $1 million. In a letter dated May 3, 2010 and executed on May 17, 2010, the option was terminated with no further obligations to Commander.

(b) Strickland

The Strickland Property consists of 147 claims southwest of the Hermitage Property.

The Quinlan Option agreement, originally executed on August 16, 2006 to cover a small claim block surrounded by the Strickland Property, was terminated by the Company on June 24, 2009.

(c) Hermitage East and West

The Company currently owns 100% of the properties.

7. **Mineral Properties** (continued)

(b) Other properties (continued)

(iv) Hermitage Project, Newfoundland (continued)

(d) Cochrane Pond

The Property is owned 50% by the Company and 50% by Bayswater Uranium Corporation under a Joint Venture Agreement dated June 19, 2006 (“CPJV”).

On November 13, 2008, CPJV entered into a Royalty Agreement (“Agreement”) with Global Gold Uranium LLC ("Global Gold Uranium"), a wholly owned subsidiary of Global Gold Corporation ("Global Gold") following termination of a previous option agreement between the parties. Under the Agreement, CPJV provided Global Gold Uranium a 1% royalty on sales of uranium products extracted from the property in consideration for a cash payment of US$50,000 to CPJV. The royalty is capped such that it will be reduced to 0.50% after the total royalty payments from production to Global Gold Uranium reach $1 million.

(v) Olympic & Rob, Yukon

The Company owns 100% of the Olympic and Rob properties subject to a 1% NSR registered to Blackstone Ventures Inc. on the Rob property. The NSR may be reduced to 0.50% at any time for $1 million.

An option agreement dated May 1, 2008 between the Company and Global Resources Corporation Pty Ltd. (“GRC”), a privately held Australian company that provided GRC the option to earn an initial 50% interest in the property, was terminated by the parties October 31, 2008 because GRC was unable to complete a planned Initial Public Offering as required under the agreement.

Also see See Note 6.

(vi) Abe, Pal, Aten, Mate and Tut, British Columbia

The Company owns a 100% interest in the properties located within the Quesnel Trough of British Columbia. The vendor of the property retains a 1% NSR in the Abe and Pal properties and will participate in certain cash or share considerations received from the future sale or option of the properties to a third party.

(vii) Tam/Misty, British Columbia

The Company owns a 10% carried interest in the property. The Company will receive 50% of any royalties granted to the underlying owner under any subsequent third party agreement on the property.

Under an agreement dated February 13, 2006 between the underlying owners and Teck Cominco Limited (“Teck Cominco”), the Company received a cash payment of $2,500. In addition, the Company is entitled to a 1.5% NSR of which $250,000 is payable as an advance royalty starting on December 31, 2012. This royalty is subject to a buy-down provision that, if exercised, would pay $1 million to the Company.

7. Mineral Properties (continued)

(b) Other properties (continued)

(viii) Green Bay, Newfoundland

The Company holds a 100% interest in the Green Bay property, which includes the Orion gold deposit (304,183 tonnes at an average grade of 8.340 g/t gold for 81,562 troy oz. gold using 5.00 g/t gold minimum grade "picks"; 710,285 tonnes at 5.227 g/t gold for 119,374 troy oz. gold using 3.00 g/t gold minimum grade "picks"; and 2,974,184 tonnes at 2.001 g/t gold for 191,383 troy oz. gold using 1.00 g/t gold minimum grade "picks.").

Under an Option Agreement dated June 14, 2010 (based on the terms of the Letter of Intent dated March 11, 2010 as amended March 19, 2010), BMB Capital Corp, a Capital Pool Company ("BMB") may acquire an initial 50% interest ("Initial Interest") in the Green Bay mineral property by issuing to Commander 12,000,000 treasury shares of BMB and by raising the amount of CDN$750,000 dollars through completion of a private placement financing ("Project Financing"); such funds to be used by BMB for conducting mineral exploration activities on the Property.

Once BMB has vested its Initial Interest, BMB will be responsible for funding all exploration expenditures on the Property. BMB shall commit to spending a minimum of $750,000 in eligible work expenditures ("Committed Expenditures") on the Property within the 18 month period following the approval date. BMB, at any time from the date of vesting its Initial Interest up to the earlier of the date BMB commences commercial production from the Property or a date that is before the expiry of 5 years from the date BMB vests its Initial Interest, will have the right to acquire the remaining 50% of the Property from Commander by issuing 5,000,000 treasury shares of BMB to Commander.

Once BMB has vested its Initial Interest and completed the committed expenditures, BMB may elect not to increase its interest to 100% in which event the parties agree that further exploration and development on the Property will be operated under a 50/50 Joint Venture ("JV") between the parties in accordance with standard industry terms. It is agreed that for the purposes of the JV, the deemed expenditures will be calculated based on the actual expenditures incurred by BMB from the approval date to the date of its election to form a JV. Furthermore it is agreed that at that time, Commander's deemed expenditures shall be calculated at 1.5 x (150%) of BMB's actual expenditures, but remain as a 50:50 JV. For greater clarity, should a JV be formed, Commander's 50% interest will be carried until the BMB's actual expenditures equal Commander's deemed expenditures.

The exploration lands outside the current boundary of Orion shall be subject to a 2% net smelter returns royalty ("NSR") payable to Commander with BMB having the right to acquire 50% of the NSR for $1,000,000 at any time up to commercial production from the exploration lands.

(ix) Nepisiguit/Stewart, New Brunswick

The Company owns 100% of the property subject to a 2.75% NSR retained by BHP Billiton. The NSR is subject to a buy-down to 1% NSR for $1.5 million at any time. See subsequent events (Note 15).

7. Mineral Properties (continued)

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the properties may be diminished or negated.

Title to resource properties

Although the Company has taken steps to verify the title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

The resource properties comprise substantially all of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

8. Property and Equipment

	Cost	Accumulated Amortization	June 30, 2010 Net Book Value
Furniture and fixtures	$ 57,240	$ 57,240	$ -
Computer equipment	180,322	165,562	14,760
Leasehold improvements	28,293	28,293	-
	$ 265,855	**$ 251,095**	**$ 14,760**

	Cost	Accumulated Amortization	December 31, 2009 Net Book Value
Furniture and fixtures	$ 57,240	$ 57,240	$ -
Computer equipment	169,951	161,754	8,197
Leasehold improvements	28,293	25,935	2,358
	$ 255,484	**$ 244,929**	**$ 10,555**

9. Advance from Optionee

The Company's optionee, AngloGold, had advanced $4,712,853 to the Company to be used in the Baffin properties including $428,441 for management fees. During the six months ended June 30, 2010, $3,146,701 of exploration expenses were incurred and $314,670 in management fees were recovered leaving a balance of $1,251,482.

10. Share Capital

(a) Authorized

Unlimited common shares without par value

(b) Shares issued

During the six months ended June 30, 2010, the Company issued 382,000 common shares on the exercise of options by officers, consultants and employees at an average price of $0.12 per share. Total proceeds received upon exercise were $44,400.

(c) Stock options

Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of the grant. Under the Company's Stock Option Plan, the Company may grant stock options for the purchase of up to 18,000,000 common shares. Vesting of stock options is made at the discretion of the board of directors at the time the options are granted. At June 30, 2010, the Company had stock options outstanding for the purchase of 9,055,500 common shares with an average remaining contractual life of 3.07 years, with 7,495,000 shares exercisable at June 30, 2010.

10. Share Capital (continued)

(c) Stock options (continued)

A summary of the Company's outstanding stock options as at June 30, 2010 and 2009 and changes during the respective periods are as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2008	**6,762,000**	**$0.36**
Granted	2,406,000	$0.10
Exercised	(635,000)	$0.10
Expired	(1,669,000)	$0.53
Outstanding at December 31, 2009	**6,864,000**	**$0.23**
Granted	2,573,500	$0.34
Exercised	(382,000)	$0.12
Outstanding at June 30, 2010	**9,055,500**	**$0.28**

The following summarizes information about stock options outstanding including options not yet vested as at June 30, 2010:

Number of Shares	**Exercise Price**	**Expiry Date**	**Weighted Average Remaining Contractual Life in Years**	**Weighted Average Exercise Price**
333,000	$0.25	July 19, 2010		
282,000	$0.39	May 7, 2011		
646,500	$0.30	June 19, 2011		
400,000	$0.87	January 2, 2012		
200,000	$0.41	May 8, 2012		
1,196,500	$0.36	June 7, 2012		
70,000	$0.19	December 21, 2012		
760,000	$0.18	February 7, 2013		
200,000	$0.21	June 24, 2013		
290,000	$0.10	October 17, 2013		
700,000	$0.10	February 20, 2014		
1,404,000	$0.10	May 12, 2014		
200,000	$0.39	January 19, 2015		
1,778,500	$0.35	January 27, 2015		
95,000	$0.35	January 27, 2015		
500,000	$0.27	May 25, 2015		
9,055,500			**3.07**	**$0.28**

10. Share Capital (continued)

(c) Stock options (continued)

There were 7,495,000 options vested and exercisable at June 30, 2010 with a weighted average exercise price of $0.27 and a weighted average remaining contractual life in years of 2.74.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes option pricing model with the following weighted average assumptions and resulting fair value:

	2010	2009
Risk-free interest rate	1.90%	1.87%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	91.53%	107.71%
Expected option life in years	5	5
Grant date fair value	$0.213	$0.061

(d) Warrants and agent's warrants

The following warrants are outstanding at June 30, 2010 and 2009:

Exercise Price	Expiry Date	Outstanding December 31, 2009	Issued	Exercised	Expired	Outstanding June 30, 2010
$0.24	November 17, 2011	5,000,000	-	-	-	5,000,000
		5,000,000	**-**	**-**	**-**	**5,000,000**

The weighted average exercise price of the warrants outstanding at June 30, 2010 is $0.24 (2009 - $0.24).

11. Related Party Transactions

In addition to the related party transactions disclosed elsewhere in these financial statements, the Company has the following related party transactions and balances:

(a) During the six months ended June 30, 2010, the Company incurred $12,719 (2009 - $1,868) in legal fees, share issuance costs and mineral properties costs to a law firm in which a director of the Company is a partner. The Company also incurred $40,050 (2009 - $40,050) in consulting fees to two companies controlled by two officers of the Company.

(b) Included in marketable securities as at June 30, 2010 are 258,000 (2009 - 258,000) common shares of Diamonds North Resources Ltd., a company related by virtue of a director in common.

(c) Included in "Due From Related Parties" as at June 30, 2010 is $559 (2009 – $487) for expenses owed by a company controlled by an officer. "Accounts Payable" includes $1,997 due to companies related by common directors and $680 to a director for expenses to be reimbursed.

Related party transactions are recorded at the exchange amount being the amount agreed upon by both parties and have no interest or stated terms of repayment.

12. Commitment

Commander shares the cost of the office premises with several companies based on the proportion of the area occupied. The lease of the office premises was signed by one of the companies and that company invoices other companies. Certain of the companies are related by virtue of directors in common. The approximate future minimum lease commitments are as follows:

2010	21,582
2011	36,373
2012	38,348
2013	40,323
2014	41,475
2015	24,194
Total	202,295

13. Segmented Information

The Company has one operating segment, mineral property exploration, and all assets of the Company are located in Canada.

14, Supplemental Cash Flow Information

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Significant non-cash, investing and financing activities:				
Investing activities:				
Marketable securities received for mineral property	$0	$110,000	$0	$110,000
Warrants received for mineral property	0	104,403	0	104,403
	$0	**$214,403**	**$0**	**$214,403**
Financing activity:				
Income tax effect on flow-through share renouncement	$0	$0	$0	($617,589)
Fair value of options exercised	0	0	26,165	0
	$0	**$0**	**$26,165**	**($617,589)**
Other cash flow information:				
Interest received	63	582	76	1,158

15. Subsequent Events

- On July 15, 2010, 333,000 stock options at an exercise price of $0.25 per share were exercised for gross proceeds of $83,250.

- On July 30, 2010, 20,000 stock options at an exercise price of $0.10 per share were exercised for gross proceeds of $2,000.

15. Subsequent Events (continued)

- On July 29, 2010, the Company announced that it has entered into an option agreement with Stratabound Minerals Corp. providing Stratabound the right to earn an initial 60% interest in Commander's Nepisiguit and Stewart properties, located in the Bathurst Mining Camp of New Brunswick.

  Under the terms of the option, Stratabound has the right to earn an initial 60% participating interest in the

Properties over a 5 year period by issuing to Commander 400,000 Stratabound shares and completing $1,500,000 in eligible exploration expenditures. Stratabound will issue 50,000 common shares to Commander upon receipt of regulatory approval, and agrees to committed expenditures of $150,000 on the Properties in the first year, of which $50,000 must be expended by October 30, 2010. The first year's committed program must include at least 1,000 metres of diamond drilling.

Upon vesting its 60% interest, Stratabound may then, within 60 days, elect to increase its interest to 65% by incurring an additional $1,000,000 in eligible expenditures over a two year period and issuing an additional 100,000 Stratabound shares to Commander.

Once a joint venture is formed Commander may elect at any time to convert its interest into a 1% Net Smelter Returns Royalty (NSR). Stratabound will have the option, for 12 months following Commander's election, to buy one-half of the royalty on either property for $1 Million, or to buy one-half of the royalty on both properties for $2 Million.

Stratabound will be the operator during the term of the option, and will be the initial operator pursuant to any joint venture agreement entered into by the parties thereafter.

On August 12, 2010, the Company reported that it extended the 2010 field program at its Kanosak gold prospect with increased budgetary support from its joint venture partner, AngloGold. AngloGold has approved an increased budget to carry out geophysical surveys at Kanosak and to pre-ship materials, such as fuel and other heavy goods, which will support an enlarged work program in 2011. The increased budget includes US$800,000 to complete the planned 2010 program, US$427,000 to fund the purchase and shipment of consumables for 2011 and US$500,000 to extend the 2010 program.

COMMANDER RESOURCES LTD.

Interim Report
Management Discussion and Analysis

For the Six Months Ended
June 30, 2010

Description of Business

Commander Resources Ltd. ("Commander") is a company engaged in the acquisition and exploration of prospective gold, base metal, and uranium properties primarily in Canada. Commander is a reporting issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol CMD.

Forward-Looking Information and Report Date

This Management Discussion and Analysis ("MD&A") may contain forward-looking statements that involve risks and uncertainties. When used in this MD&A, the words "anticipate", "believe", "estimates", "expects" and similar expressions are intended to identify such forward-looking statements. Readers are cautioned that these statements, which describe Commander's proposed plans, objectives, and budgets, may differ materially from actual results.

The following discussion and analysis of the financial position and results of operations for Commander is dated August 24, 2010 (the "Report Date") and should be read in conjunction with the financial statements and the notes thereto for the six months ended June 30, 2010 prepared in accordance with Canadian generally accepted accounting principles.

Highlights for the Three months Ended June 30, 2010.

Highlights for the quarter included:

- As announced on May 25, 2010, Eric W. Norton, PEng, joined Commander Resources as President, Chief Executive Officer and Director, effective June 15, 2010 replacing Ken Leigh, who stepped down from the position. Ken Leigh will continue to act as a paid adviser through a suitable transition period. Mr. Leigh will remain engaged as an active member of the Board of Directors.
- Field work focused on geophysics and drilling of the Baffin Island project, Nunavut.
- Filing and approval process for the BMB Capital deal on Commander's Green Bay property in Newfoundland continued.
- Subsequent to the quarter end an agreement was executed pertaining to Commander's wholly owned Nepisquit-Stewart zinc-copper Property in New Brunswick.

Baffin Island Gold Project, Nunavut

During the quarter, Commander mobilized and commenced the 2010 field program on the Baffin Island Project Nunavut. AngloGold Ashanti approved an initial US$4.55 million work program to fund approximately 5,500 metres of diamond drilling on two target areas; 3,500 metres of drilling on the Malrok Zone and 2,000 metres of drilling on the new Kanosak Prospect Area (previously named the Hébert Prospect Area). The budget also included target definition work on other portions of the property.

Several permit and weather-related delays resulted in sharply higher start-up and project costs early in the project. A total of 5,559 meters of drilling in 32 holes had been completed by July 25 at Malrok and Kanosak. In late July, AngloGold approved an additional US$800,000 to complete the planned program, and a further US$427,000 to procure and ship supplies for the 2011 exploration program. In early August, AngloGold approved an additional US$500,000 to increase the scope of the 2010 exploration program. The extended program for this season will allow Commander to complete a 30 to 40 line-kilometre Induced Polarization (IP) survey over the Kanosak gold prospect trend and complete target definition work in preparation for the 2011 program.

Malrok

Drilling at Malrok from May 22 to early July totalled 3,598 meters in 19 holes, which intersected the down plunge extension of gold-bearing iron formations originally drilled in 2004. A new iron formation was discovered 50 metres deeper in the section than the original 2 formations that were the target of the drilling. The typical gold-bearing iron formations at Malrok consist of iron-rich silicates with pyrrhotite, arsenopyrite and occasional (erratically distributed) fine grains of free gold. Altered, mineralized, and structurally thickened iron formations are favourable settings for gold mineralization in this environment.

Subsequent to the quarter end, on August 18, Commander reported assay results from the first nine holes of the 2010 program. The results received to date expand the size and potential of the Malrok zone. Encouraging gold mineralization included assays as high as 7.65 grams per tonne gold over 3.24 metres, and 5.9 g/t over 2.9 metres. Significant results are tabled below. The intersections, combined with results from previous drilling, point to good exploration potential farther to the east.

Holes MAL-10-45 and MAL-10-46 were drilled 35 and 95 metres respectively, down-dip from hole MSD-04-29, which intersected 9.86 g/t over 4.54 metres in the same rock unit. MAL-10-42, a further 200 metres to the east, indicates the favourable target zone extends out under Malrok Lake as expected. Hole MAL-10-47, drilled 75 metres to the south of MAL-10-45 and 100 metres from MSD-04-29, confirms that the mineralized unit is continuous and extends an unknown distance to the south and east. Seven of the remaining 10 holes for which assays are awaited tested the southeast extension over a further 500-metre strike length.

Drill Hole ID	From (m)	To (m)	Width (m)	Gold Grade (g/t)
MAL-10-42	85.25	88.00	2.75	2.05
including	86.90	88.00	1.10	3.18
MAL-10-44 (upper IF)	26.65	28.29	1.64	1.45
(lower IF)	43.66	49.08	5.42	2.02
MAL-10-45 (upper IF)	34.26	37.50	3.24	7.65
including	36.04	37.50	1.46	16.28
(lower IF)	59.62	66.42	6.80	2.18
MAL-10-46 (upper IF)	48.36	49.40	1.04	2.88
(lower IF)	70.24	74.98	4.74	2.28
including	71.84	74.48	2.64	3.19
MAL-10-47 (upper IF)	44.18	47.05	2.87	5.90
including	45.22	47.05	1.83	8.64
(lower IF)	63.15	63.65	0.50	14.40
MAL-10-48 (upper IF)	35.95	41.44	5.49	1.94

Kanosak

Drilling at Kanosak from late June to July 25 totalled 1962 meters in 13 holes. Eleven of the holes were drilled south from the Kanosak Main zone over a one-kilometre strike length at approximately 100-metre spacings. All the holes encountered arsenopyrite-bearing metasediments and quartz veins over drilled thicknesses of 15 to 30 metres starting from near surface where gold has been encountered in trenches. A second similarly mineralized, parallel horizon, ranging from 10 to 20 metres was discovered about 50 metres below the upper horizon. Two holes were also drilled at Kanosak North, located about 1.5 kilometres north of the Kanosak Main drill area. Both the upper and lower mineralized horizons were encountered in the first of these holes. Assays from the 13 holes are awaited.

Green Bay Property, Newfoundland

Commander received and filed the N.I. 43-101 report for the Orion Gold Deposit, Newfoundland during the quarter as part of the agreement with BMB Capital Corp. Exchange approval for the report and the agreement are awaited. On June 9, 2010, BMB Capital Corp. announced plans to raise $750,000 in a flow through financing to fund the initial work program on the Green Bay Property. The financing will be finalized once acceptance has been received from the Exchange.

Nepisiquit-Stewart Property, New Brunswick

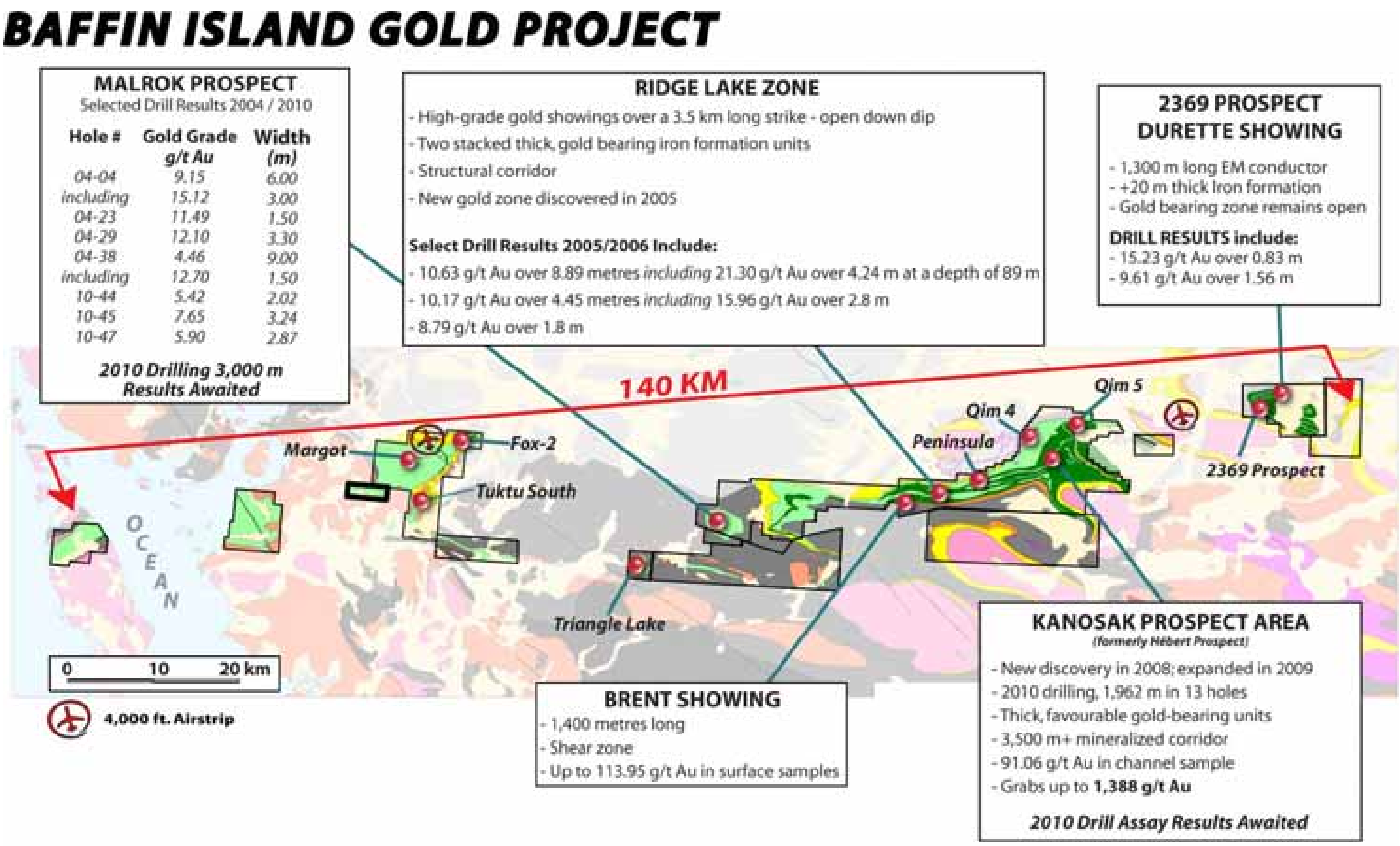
On July 29, 2010, Commander announced that it has entered into an option agreement with Stratabound Minerals Corp. providing Stratabound the right to earn an initial 60% interest in Commander's Nepisiguit and Stewart properties, located in the Bathurst Mining Camp of New Brunswick. See “Proposed Transactions” section below for details.

Active Projects

Baffin Island Gold Project, Nunavut

The Baffin Gold Project represents a district-scale gold belt with similar geological and genetic origins to the large Homestake district in South Dakota and the Morro Velho gold deposit in Brazil. To date the Baffin Project has yielded numerous gold prospect areas occurring over a strike length in excess of 100 kilometres. The property includes high-grade gold occurrences in at least 3 separate iron formation units, within shear zones and in quartz veins in younger granodiorite, gabbro, and metasedimentary units. In each of the different settings, gold occurs primarily as free gold, disseminated, within quartz veins and associated with arsenopyrite. The most advanced prospects are Malrok and Ridge Lake, where multiple shallow gold drill intercepts require follow-up. The Brent Shear Zone and the Kanosak Prospect Area are gold targets outside of the iron formation units. Kanosak was first found in 2007, expanded and enhanced by work completed in 2008, and further expanded with new discoveries in 2009. The first drilling program in 2010 consisted of 1,962 metres in 13 holes. Assays for these holes are awaited.

The project area has access to tidewater and is dotted with deep lakes providing access to water throughout the year. There are two "Distant Early Warning" (DEW line) radar stations located on the Property, one with an operational 4,000 foot airstrip. Commander engaged GeoVector Management Inc. of Ottawa to manage the field program in 2006, 2007, 2008, 2009 and 2010.



The major prospects that constitute the Baffin project and recent work by Commander are described as follows:

Qimmiq Property

Malrok, Ridge Lake, Brent, and Kanosak are located on the Qimmiq property along with several of the other gold prospect areas. In 2009, work was only completed on the Kanosak prospect area. In 2010, diamond drilling was completed on the Malrok Zone (3,597.5 metres in 19 holes) and the Kanosak prospect (1,962 metres in 13 holes).

Malrok

Diamond drilling at Malrok in 2004 (3,617 metres in 39 holes) and in initial 2010 drilling (3,597.5 metres in 19 holes – results waited for 10 holes) confirm the continuity of the iron formation with potential for high-grade gold zones. The Malrok zone is composed of structurally-thickened silicate iron formation units traced through surface sampling and drilling over a strike length of approximately 2 kilometres. The horizon varies in thickness from approximately 0.5 to greater than 9 metres. Surface samples returned high-grade gold assays of up to 212 g/t gold and drilling results down to 50 metres depth included 15.12 g/t gold over 3.0 metres and 12.1 g/t Au over 3.3 metres. The gold zone at Malrok is exposed at surface; the current drill data indicates that the zone is open to expansion along a predominant southeast or easterly plunge direction.

A summary of the diamond drilling in 2010 at the Malrok prospect can be found in the "Highlights" section above and will be further discussed in subsequent reports once all data has been received and interpreted.

Ridge Lake

The Ridge Lake Zone, located 30 kilometres east of Malrok, contains a 3.5 kilometre strike length of gold-bearing iron formation. Previous shallow drilling targeting a 1.3 kilometre portion of the trend defined a structurally-thickened gold-rich iron formation that is host to southwesterly plunging higher grade shoots. Better drill intercepts from these shoots included 10.63 g/t gold over 8.89 metres (including 21.30 g/t gold over 4.24 metres) at a depth of 89 metres down-dip from a high-grade surface outcrop containing 15.4 g/t gold over 1.9 metres. Other notable intercepts included 10.17 g/t gold over 4.45 metres (including 15.96 g/t gold over 2.85 metres) at a depth of 105 metres, 8.79 g/t gold over 1.80 metres, and 17.48 g/t gold over 2.15 metres. The mineralized system remains open and is at the stage where detailed close-spaced drilling is necessary to define the main gold shoots and identify the larger tonnage potential. Detailed structural interpretation, re-logging of drill core and surface mapping will be completed in 2010 to define the next phase of drilling.

Kanosak (formerly named the Hébert Prospect Area)

The Kanosak Prospect Area was first discovered by prospecting in 2007 and expanded with new discoveries in 2008. The discovery was further expanded and enhanced by the 2009 follow-up program. The area, consisting of Kanosak Main, Kanosak South (formerly Hebert South) and Kanosak North (formerly Traciane) outlines a 3.5 kilometre long, 300-400 metre wide structural corridor that remains open to further expansion (refer to Map below for location). Two additional showings, the "Frankie" and "Southeast" showings are located 2 kilometres east and 3.5 kilometres southeast, respectively, from the Kanosak Main gold zone. Both prospects host quartz-arsenopyrite-scorodite vein systems.

Channel and grab sample results from quartz-arsenopyrite vein sets and intervening stratabound semi-massive gold-bearing arsenopyrite gossans over portions of this corridor included a high percentage of high gold values. Gold mineralization extends from high grade quartz veins into altered arsenopyrite-bearing sedimentary units. The combination of gold in closely-spaced vein sets and in the adjacent wall rocks greatly improves the potential to delineate a large scale body of mineralization on this part of the Baffin gold project. In addition, similarities in vein orientation, style, alteration and gold mineralization confirm that the Kanosak Prospect, which is at least 3.5 km in strike length and 300 m wide, is part of one large gold mineralized system that remains open to extension both to the northeast and southwest.

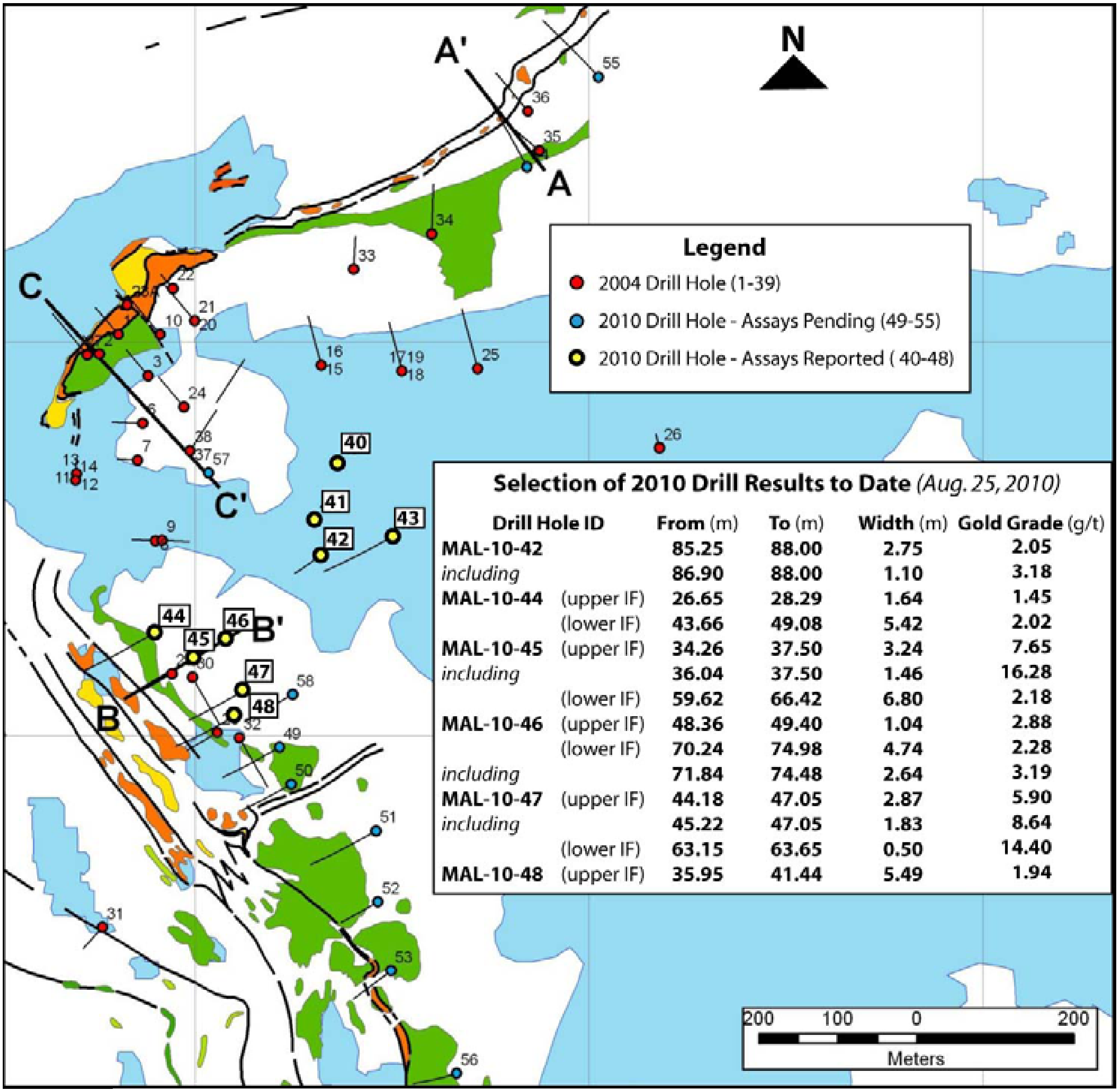
Gold-bearing quartz veins penetrate the gently dipping sedimentary rock package to an unknown depth. Limited outcrop exposure of favourable arsenopyrite-bearing units constrains the amount of sampling that can be done on surface. However, where these units are exposed, significant gold values occur in wall rock adjacent to veins.

There appears to be a close correlation between increased gold values and higher arsenopyrite content in both quartz veins and metasedimentary wall rocks. This provides Commander with a very useful guide for drill targeting since arsenopyrite can be detected by a geophysical survey technique known as Induced Polarization (IP). A test IP survey over the Kanosak Main zone completed in 2009 detected a 300 m long x 350 m wide anomaly coincident with all gold intervals. This IP anomaly is open beyond the survey coverage area. A single test line IP over the southern end of the Kanosak North showing revealed a 200 metre wide chargeability anomaly, commencing at the edge of the vein system and extending eastward under overburden.

Where observed, coarse gold occurs most commonly along partings or boundaries of coarse arsenopyrite contained within quartz veins and to a lesser extent within the quartz veins themselves and within arsenopyrite in the hosting sedimentary rocks. There is an apparent silver-bismuth-lead association with the gold mineralization. At Kanosak South, which is located close to one kilometre south of Kanosak Main, channel samples from a series of quartz veins included 373.90 grams per tonne gold over 0.25 metres, 241.30 grams per tonne gold over 0.25 metres and 104.50 grams per tonne gold over 0.30 metres. Grab sample results included high values up to 442 grams per tonne gold. At Kanosak North, located 1.5 kilometres north of Kanosak Main, channel samples in quartz veins over a 100 metre outcrop exposure included 66.84 grams per tonne gold over 0.38 metres, 31.49 grams per tonne gold over 0.85 metres and 96.51 grams per tonne gold over 0.20 metres.

The initial drill program at Kanosak completed as at the date of this report consisted of 1,962 metres in 13 shallow holes. The drilling was designed to test the best surface exposure of the gold mineralization and the width of a coincidental Induced Polarization (IP) anomaly.

A summary of the current 2010 drilling on the Kanosak prospect can be found in the quarterly "Highlights" section above.



Selection of 2010 Drill Results to Date *(Aug. 25, 2010)*

Drill Hole ID		From (m)	To (m)	Width (m)	Gold Grade (g/t)
MAL-10-42		85.25	88.00	2.75	2.05
including		86.90	88.00	1.10	3.18
MAL-10-44	(upper IF)	26.65	28.29	1.64	1.45
	(lower IF)	43.66	49.08	5.42	2.02
MAL-10-45	(upper IF)	34.26	37.50	3.24	7.65
including		36.04	37.50	1.46	16.28
	(lower IF)	59.62	66.42	6.80	2.18
MAL-10-46	(upper IF)	48.36	49.40	1.04	2.88
	(lower IF)	70.24	74.98	4.74	2.28
including		71.84	74.48	2.64	3.19
MAL-10-47	(upper IF)	44.18	47.05	2.87	5.90
including		45.22	47.05	1.83	8.64
	(lower IF)	63.15	63.65	0.50	14.40
MAL-10-48	(upper IF)	35.95	41.44	5.49	1.94

Other Prospects

The Brent Shear zone, located 5 kilometres southwest of Ridge Lake consists of a 1,400 metres long shear zone with well developed quartz veining that contains arsenopyrite and pyrrhotite. Surface grab samples returned up to 113.95 g/t gold with 21 of 66 samples assaying greater than 5 g/t gold. 8 holes totalling 994.79 metres were drilled in 2006 and 2007. 2 holes in 2006, drilled 100 metres apart, confirmed the gold potential of the shear zone. The best result was 6.41 g/t gold over 1.0 metre. An additional shear zone with modest gold values was discovered at Brent. No work was completed on the Brent Zone during 2010.

At the Peninsula prospect, located about 6 kilometres east of the Ridge Lake zone, 2 holes were drilled in 2007 2 kilometres apart along a previously untested 6 kilometre portion of the property. Both holes intersected a gold-bearing iron formation similar to the high-grade gold zone at Ridge Lake. One of the holes intersected 3.59 g/t over 1.27 metres, including 8.16 g/t over 0.50 metres confirming the potential of this area. No work was completed on the Peninsula prospect in 2010.

Bravo Lake Property, Nunavut

The main gold potential on the Bravo property exists on the far eastern group of claims that were originally covered by the 2369 prospecting permit. The main showing area is referred to as Durette. With the discovery of the new Kanosak Prospect area on the adjacent Qimmiq Property and Commander’s new partnership with AngloGold on the Baffin Island project, the Bravo Property was expanded by staking in 2009. Base metal (Zn, Pb) and silver potential exists on the Tuktu claim group on the far western portion of the property.

Durette – 2369 Area

Diamond drilling on the Durette prospect in 2006 and 2007 produced modest results, the best being 9.61 g/t gold over 1.56 metres at a depth of 14.30 metres within a 19 metre thick highly silicified iron formation (hole DUR-06-03). This trend is open and continues to the west under cover for 300 metres and into the area where a surface sample collected in 2005 assayed 17 g/t gold. In 2007, 5 holes totalling 550.5 metres drilled along a 500-metre long EM conductor tested the area of mineralization intersected in DUR-06-03. The 2007 drilling intersected thick intervals of silicate iron formation (SIF) ranging from 5 to 30 metres thick and carrying variable amounts of arsenopyrite and pyrrhotite. A high grade assay of 15.23 g/t gold was intersected over 0.83 metres within a 7.02 metre interval grading 2.08 g/t gold in hole Dur-07-09, the easternmost hole drilled at Durette. The gold-bearing intersections (DUR-07-07, 08, 09 and 10) occur over a strike length of 225 metres and within 40 metres of surface and are open at depth and along strike. This zone is completely open to the east, where the Durette gold zone trends into a large, shallow lake and the conductor is continuous to the last line at lakeshore.

The offset portion of the Durette conductor continues for a further 1,500 metres to the west. This offset has not been tested by drilling and is largely covered by overburden. A separate discrete conductor, located 1 kilometre to the southwest of Durette is 900 metres in length and associated with previously reported surface gold values grading up to 9.5 g/t gold (2369) from prospecting samples.

Detailed re-mapping of the target areas and re-logging of core is planned for 2010 to confirm the main controls on gold mineralization in advance of a suitable and necessary follow-up drilling program.

Results of Operations

- Second Quarter Results

During the quarter ended June 30, 2010, Commander's exploration activities focused primarily to the Baffin Island Gold Project, Nunavut and marketing Commander's portfolio projects to prospective partners or buyers. The mineral property expenditures on the Baffin Island Gold Project amounted to a total of $2,990,336 ($3,363,793 for the six months ended June 30, 2010). These expenditures were then recovered from the advances provided by AngloGold. The largest mineral property expenditures during the quarter were the drilling costs of $2,571,645 ($2,687,702 for the six months ended June 30, 2010) on the Qimmiq property of Baffin Island. Spending on other properties was $35,454 ($74,349 for six months ended June 30, 2010). More information is available in Mineral Property Expenditure Table on page 13.

Commander incurred total general and administrative expenses of $432,685 of which $206,561 was non-cash stock-based compensation.

- Six months Ended June 30, 2010 compared with the Six months Ended June 30, 2009

Commander had no revenue for the six months ended June 30, 2010. General and administrative expenses increased by $527,856 to $867,170 compared to $339,314 in the same fiscal period in 2009 mostly because of a $406,809 increase in non-cash stock-based compensation. Other notable changes include:

- Consulting expense of $54,589 (2009 - $18,388) increased by $36,201 in the six months ended June 30, 2010, mainly due to the costs associated with the senior management transition.

- Investor relations and promotion expense of $80,267 increased from $54,673 in 2009. Trade shows and other expenses increased during the six months as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2010	**June 30, 2009**	**June 30, 2010**	**June 30, 2009**
Conferences and trade shows	$ 8,227	$ 4,212	$ 33,534	$ 12,569
Consulting, wages and benefits	16,407	16,379	32,807	32,757
Media	3,643	2,569	7,325	6,060
Administration	-	-	-	146
Promotion and advertising	2,136	1,535	6,601	3,141
Total Investor Relations Expenses	**$ 30,413**	**$ 24,695**	**$ 80,267**	**$ 54,673**

- Salaries and benefits expense increased to $107,165 compared to $72,485 in 2009 as a result of overlapping salaries due to senior management transition.

- Office and miscellaneous expenses were $28,841 in the six months ended June 30, 2010, compared to $17,602 in 2009. The Company incurred additional expenses on computer maintenance this year.

For the six months ended June 30, 2010, Commander's loss after tax was $890,997 (2009 - $193,361). The increase in loss was largely due to the increase in stock-based compensation $443,172 (2009 - $36,363) and future income tax recovery of $Nil (2009 - $617,589).

Summary of Quarterly Results

	Sept. 30 2008 Q3	Dec. 31 2008 Q4	Mar. 31 2009 Q1	Jun. 30 2009 Q2	Sept. 30 2009 Q3	Dec. 31 2009 Q4	Mar. 31 2010 Q1	June 30 2010 Q2
Mineral property costs, net	$ 1,651,255	$ (96,916)	$ 132,312	$ (485,577)	$ (32,219)	$ 235,920	$ (3,377)	$ (73,092)
G&A (incl. stock comp.)	$ 255,147	$ 190,545	$ 172,254	$ 167,060	$ 236,045	$ 215,846	$ 434,485	$ 432,685
Stock comp. expense	$ 72,115	$ 17,970	$ 10,637	$ 25,726	$ 74,273	$ 59,183	$ 236,611	$ 206,561
Adjusted G&A (less stock comp.)	$ 184,913	$ 172,575	$ 161,617	$ 141,334	$ 161,772	$ 156,663	$ 197,874	$ 226,124
Income (loss)	$ (248,947)	$ (372,488)	$ 443,318	$ (636,679)	$ (234,046)	$ 200,004	$ (451,116)	$ (439,881)
Income (loss) per share								
-basic	$ (0.003)	$ (0.005)	$ 0.006	$ (0.010)	$ (0.003)	$ 0.002	$ (0.005)	$ (0.005)
-diluted	$ (0.003)	$ (0.005)	$ 0.005	$ (0.010)	$ (0.003)	$ 0.002	$ (0.005)	$ (0.005)
Weighted avg. common shares								
-basic	77,809,926	79,542,081	79,572,516	79,572,516	79,591,538	84,665,907	90,207,516	90,589,516
-diluted	77,809,926	79,542,081	86,910,444	79,572,516	79,591,538	84,665,907	90,207,516	90,589,516

Non-GAAP Financial Measures

Since the adoption of the Canadian Institute of Chartered Accountants ("CICA") accounting standard for stock-based compensation, Commander's general and administrative quarterly expense has fluctuated significantly. The granting and vesting of stock options is at the discretion of the Board of Directors and the resulting expense does not reflect the normal operations of Commander. Commander has included "adjusted general and administrative expense" without the stock-based compensation expense to be more reflective of normal operations. This financial measure does not have any standardized meaning prescribed by Canadian generally accepted accounting principles (GAAP) and may not be comparable to similar measures presented by other corporations or entities.

Liquidity

At June 30, 2010, Commander had $2,896,906 in cash and cash equivalents, of which $1,251,482 was an advance from AngloGold for the Baffin Island project. The balance of cash available to Commander's other projects and administration was $1,645,424. Commander believes it has sufficient funds to complete the planned business objectives for 2010.

Commander has relied on equity financings to meet its cash requirements. In 2009, Commander's Farm-in and Joint Venture Agreement with AngloGold created both immediate equity financing of $1.2 million and funding of $20 million in exploration expenditures by December 31, 2014. Although Commander has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that Commander will be able to obtain adequate financing in the future or that the terms of such financings will be favourable.

Capital Resources

Commander terminated the option agreement with Lai Lai Chan pertaining to the Couteau Lake property in Newfoundland. There is no other significant commitment for capital expenditure.

Off-Balance Sheet Arrangements

Commander has not entered into any Off-Balance Sheet Arrangements.

Related Party Transactions

At June 30, 2010, marketable securities included 258,000 common shares of Diamonds North Resources Ltd., a company related by a director in common.

During the six months ended June 30, 2010, Commander paid or accrued $12,719 in legal fees, share issuances and mineral properties costs to a law firm in which a director of Commander is a partner. During the six months ended June 30, 2010, Commander paid or accrued $40,050 in consulting fees to two companies controlled by two officers of Commander.

Given that Commander's directors and officers are engaged in a wide range of activities in the junior resource industry, Commander operates under the Conflict of Interest provisions found within the Business Corporations Act of British Columbia. In addition, management has adopted language from these provisions and incorporated them into Commander's Code of Business Conduct and Ethics.

Included in "Due From Related Parties" as at June 30, 2010 is $559 (2009 - $487) for expenses owed by a company controlled by an officer. "Accounts Payable" includes $1,997 due to companies related by common directors and $680 to a director for expenses to be reimbursed. Related party transactions are recorded at the carrying amount and have no interest or stated terms of repayment.

Proposed Transactions

On July 29, 2010, Commander announced that it had entered into an option agreement with Stratabound Minerals Corp. providing Stratabound the right to earn an initial 60% interest in Commander's Nepisiguit and Stewart properties, located in the Bathurst Mining Camp of New Brunswick.

Under the terms of the option, Stratabound has the right to earn an initial 60% participating interest in the Properties over a 5 year period by issuing to Commander 400,000 Stratabound shares and completing $1,500,000 in eligible exploration expenditures. Stratabound will issue 50,000 common shares to Commander upon receipt of regulatory approval, and agrees to committed expenditures of $150,000 on the Properties in the first year, of which $50,000 must be expended by October 30, 2010. The first year's committed program must include at least 1,000 metres of diamond drilling.

Upon vesting its 60% interest, Stratabound may then, within 60 days, elect to increase its interest to 65% by incurring an additional $1,000,000 in eligible expenditures over a two year period and issuing an additional 100,000 Stratabound shares to Commander.

Once a joint venture is formed Commander may elect at any time to convert its interest into a 1% Net Smelter Returns Royalty (NSR). Stratabound will have the option, for 12 months following Commander's election, to buy one-half of the royalty on either property for $1 Million, or to buy one-half of the royalty on both properties for $2 Million.

Critical Accounting Estimates

The most significant accounting estimates for Commander relates to the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or Commander's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.

Management's estimates of exploration, operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

Another significant accounting estimate relates to accounting for stock-based compensation. Commander uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of Commander's stock options granted/vested during the period.

Adoption of New Accounting Policies

The following are new CICA accounting standards that have been issued but not yet adopted by Commander:

(i) International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The effective date for Commander is for interim and annual financial statements commencing January 1, 2011. The transition will require the restatement for comparative purposes of amounts reported by Commander for the year ended December 31, 2010. Commander has begun assessing the adoption of IFRS and a conversion plan has been established.

(ii) Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary. Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. Section 1601 establishes standards for the preparation of consolidated financial statements. These new sections apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. As Commander has no business combinations, it is not expected that the adoption of these new policies to have a great impact on the Commander's financials.

Financial Instruments

Commander is exposed to liquidity risk if it encounters difficulty in obtaining funds to meet commitments as they become due. As at June 30, 2010, Commander had cash and cash equivalent in the amount of $2,896,906. Of this amount, $1,251,482 related to advances from AngloGold to be spent on the Baffin Island projects. The balance of $1,645,424 is available to the Company in order to meet short-term business requirements. Accounts payable and accrued liabilities as at June 30, 2010 amounted to $867,721. Commander believes that it has sufficient funds to complete the planned business objectives for 2010.

Commander is exposed to credit risk with respect to its cash and cash equivalents and due from related parties. This risk is minimized as the cash and cash equivalents have been placed with major Canadian financial institutions. Commander is not exposed to credit risk on its receivables. Credit risk with respect to amounts due from related parties has been assessed as low by management as Commander has strong working relationships with the parties involved.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. As at June 30, 2010, if the market prices of the marketable securities had decreased 10 percent with all other variables held constant, the net loss for the period would have been $38,224 higher. Conversely, if the market prices of the marketable securities had increased 10 percent with all other variables held constant, the net loss for the period would have been $38,225 lower.

The following table illustrates the classification of the Commander's financial instruments carried at fair value within the fair value hierarchy at June 30, 2010:

	Total	Level 1	Level 2	Level 3
Assets				
Marketable securities	$ 338,416	$ 338,416	$ -	$ -
Investment in warrants	$ 43,833	$ -	$ 43,833	$ -

Other MD&A Requirements

Additional information relating to Commander, including Commander's most recent Annual Information Form, is available on SEDAR at www.sedar.com.

As at the Report Date, Commander had 90,589,516 issued common shares outstanding and the following unexercised stock options and warrants:

- Stock Options

Number of Shares	Exercise Price	Expiry Date
282,000	$0.39	May 7, 2011
646,500	$0.30	June 19, 2011
400,000	$0.87	January 2, 2012
200,000	$0.41	May 8, 2012
1,196,500	$0.36	June 7, 2012
70,000	$0.19	December 21, 2012
760,000	$0.18	February 7, 2013
200,000	$0.21	June 24, 2013
280,000	$0.10	October 17, 2013
700,000	$0.10	February 20, 2014
1,394,000	$0.10	May 12, 2014
200,000	$0.39	January 19, 2015
1,778,500	$0.35	January 27, 2015
95,000	$0.35	January 27, 2015
500,000	$0.27	May 25, 2015
8,702,500		

- Warrants

Number of Shares	Exercise Price	Expiry Date
5,000,000	$0.24	November 17, 2011
5,000,000		

Mineral Property Expenditure Table

	Baffin, Nunavut		Other Properties	Total
	Qimmiq	Bravo Lake		
Balance at December 31, 2009	$ 9,744,370	$ 2,528,803	$ 9,784,212	**$ 22,057,385**
Additions during the year:				
Acquisition costs	-	-	-	**-**
Exploration costs:				
Drilling	2,687,702	2,209	4,419	**2,694,330**
Geochemistry	28,556	-	538	**29,094**
Geology	169,332	15,515	51,990	**236,837**
Geophysics	48,400	-	-	**48,400**
Environment	114,516	19,294	-	**133,810**
Property	70,721	246	14,241	**85,208**
Trenching/line cutting	538	-	-	**538**
Other	204,139	2,625	3,161	**209,925**
	3,323,904	39,889	74,349	**3,438,142**
Less:				
Recoveries	(3,462,438)	(28,394)	(20,402)	**(3,511,234)**
Write down	-	-	-	**-**
	(3,462,438)	(28,394)	(20,402)	**(3,511,234)**
Net additions	(138,534)	11,495	53,947	**(73,092)**
Balance at June 30, 2010	**$ 9,605,836**	**$ 2,540,298**	**$ 9,838,159**	**$ 21,984,293**

IFRS Conversion Plan

Commander has begun the process of transitioning from Canadian GAAP to IFRS. It has established a project plan and allocated internal resources. It is in the process of evaluating its overall readiness to transition from GAAP to IFRS including the readiness of its staff, Board of Directors, Audit Committee and auditors. Commander is expected to complete the quantification of financial statement impacts by Q3 of 2010.

The IFRS convergence project consists of three primary phases, which in certain cases will occur concurrently as IFRS is applied to specific areas:

- Phase 1 – Initial Scoping and Impact Assessment Analysis: to isolate key areas that will be impacted by the transition to IFRS.
- Phase 2 – Evaluation and Design: to identify specific changes required to existing accounting policies, information systems and business processes, together with an analysis of policy alternatives allowed under IFRS and development of draft IFRS financial statements.
- Phase 3 – Implementation and Review: to execute the changes to information systems and business processes, completing formal authorization processes to approve recommended accounting policy changes and training programs across Commander's finance and other staff, as necessary. This will culminate in the collection of financial information necessary to compile IFRS compliant financial statements, including embedding IFRS principles in business processes, and Audit Committee review and approval of the financial statements.

Commander had completed the initial scoping and impact assessment analysis phase. It is now in the evaluation and design phase. A number of differences in Canadian GAAP versus IFRS believed to be relevant to Commander had been identified. The main differences related to Commander's financial statements are summarized in the following table:

Items	IFRS	Canadian GAAP	Comments
Introduction	A statement of explicit and unreserved compliance required	Not required	To be incorporated
Financial Statements	Statement of changes in equity required	Not required	Already prepared by Commander
	Statement of financial position at the beginning of the earliest comparative period required	Not required	To be incorporated
Basis of Accounting	Modified historical cost with emphasis on fair value	Historical cost with limited use of fair value	To be observed
Changes in Accounting Policies	Statement of financial position at the beginning of the earliest comparative period required	Not required	To be incorporated
Events after Reporting Date	Post-reporting date to date statements authorized for issue	Post-reporting date to date of completion	To be observed
Statement of Financial Position	Deferred tax classified as non-current	Deferred tax classified as current or non-current based on underlying assets/liabilities	To be observed
PPE	Interest costs are capitalized	Interest costs may be capitalized	Not applicable
	Component is accounted for separately	Less strict on componentization	Not material in Commander's case
	PPE may be revalued to fair value	PPE may not be revalued to fair value	To be observed
Joint Ventures	Joint ventures to be accounted for by proportionate consolidation or equity method	Joint ventures must be accounted for using proportionate consolidation	To be observed
Impairment	The discount rate used is the market rate	Cash flows used to assess impairment is not discounted	To be observed
	Reversals of impairment are recognised	Reversals of impairment are prohibited	To be observed
	Impairment loss on a revalued asset is recognised in other comprehensive income	Impairment losses always recognised in profit or loss	To be observed
Equity and Financial Liabilities	Non-controlling interest classified within equity	Non-controlling interest classified outside equity	Not applicable
Income Taxes	A deferred tax asset is recognised to the extent it is probable that it will be realised	Deferred tax assets are recognised to the extent that it is "more likely than not" the the deferred tax assets will be realised	To be observed
	Deferred tax classified as non-current	Deferred taxes are classified as current and non-current based on the classification of the underlying assets or liabilities	To be observed
Profit or Loss	An analysis of expenses is required by nature or by function	Not required	To be observed
Share-based payments	Requirements for transactions with employees also applied to non-employees	Requirements for transactions with employees not applied to non-employees	To be adjusted
	Share-based payments to non-employees based on fair value of goods or services. Fair value of instruments used only when fair value of goods or services cannot be measured reliably	Stock-based payments to non-employees based on more reliable of fair value of good or services or instruments	To be observed
	In graded vesting each instalment is accounted for as a separate grant	Entity can elect to determine the fair value using the average life of the instrument	Graded vesting per IFRS started from 2010. Adjustments for previous years may be required
Related parties	Related party relationships are symmetrical	Related party relationship not symmetrical	To be observed
	Key management personnel compensation is disclosed in total and is analysed by component	Not required	To be incorporated
Mineral Resources	IFRS 6 deals with exploration and evaluation of mineral resources	No single standard for exploration and evaluation activities	To be observed
	Identify and account for pre-exploration, E&E and development expenditure required	Not required	Commander does not capitalize pre-exploration expenditure and no property is at the development stage yet
	Generally pre-license costs are expensed	Pre-license costs may be capitalised	Commander does not capitalize pre-licensed costs
	Capitalised E&E costs are classified as either tangible or intangible assets	Not required	All E&E costs in Commander's mineral properties are intangible
	Test for recoverability can combine several cash generating unites	Test for recoverability cannot combine several cash generating unites	To be observed
	Reversals of impairment are permitted	Reversals of impairment are prohibited	To be observed
	No guidance on pre-exploration costs or post-exploration development expenditure	Guidance provided	To be observed

First-time Adoption of International Financial Reporting Standards

IFRS 1, *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), sets forth guidance for the initial adoption of IFRS. Commencing for the period ended March 31, 2011, Commander will restate its comparative fiscal 2010 financial statements for annual and interim periods to be consistent with IFRS. In addition, Commander will reconcile equity and net earnings from the previously reported fiscal 2010 GAAP amounts to the restated 2010 IFRS amounts.

IFRS generally requires that first-time adopters retrospectively apply all IFRS standards and interpretations in effect as at the first annual reporting date. IFRS 1 provides for certain mandatory exceptions and optional exemptions to this general principle.

Commander anticipates using the following IFRS 1 optional exemptions:

- to apply the requirements of IFRS 3, *Business Combinations*, prospectively from the Transition Date;
- to apply the requirements of IFRS 2, *Share-based Payments*, to equity instruments granted which had not vested as of the Transition Date;
- to apply the borrowing cost exemption and apply IAS 23, *Borrowing Costs*, prospectively from the Transition Date; and
- to elect not to comply with IFRIC 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities*, for changes in such liabilities that occurred before the Transition Date.

Changes to estimates previously made are not permitted. The estimates previously made by Commander under GAAP will not be revised for application of IFRS except where necessary to reflect any changes resulting from differences in accounting policies.

Impact of Adoption of IFRS on Financial Reporting

While GAAP is in many respects similar to IFRS, conversion will result in differences in recognition, measurement, and disclosure in the financial statements. Based on a high-level scoping assessment, the following financial statement areas are expected to be significantly impacted:

Property, Plant and Equipment (PP&E)

Under IAS 16, *Property, Plant and Equipment*, are recognized initially at cost if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Costs include all expenditures directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Under IAS 16, each part of an item of PP&E with a cost that is significant in relation to the total cost of the item shall be depreciated separately. In order to meet this requirement, componentization is generally required. Commander does not currently componentize to the same level as would be required under IFRS. Componentization would be required only to the extent that different depreciation methods or rates are appropriate and those components are material. In addition major inspections or overhaul costs are identified and accounted for as a separate component under IFRS if that component is used for more than one period. Commander does not currently have a policy for major overhaul costs. Practically, this should be factored into the determination of the components of PP&E.

Income Taxes

IAS 12, *Income Taxes*, requires the recognition of deferred tax assets or liabilities for all deductible and taxable temporary differences except for temporary differences created in a transaction that is:

(a) not a business combination and
(b) at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Under GAAP, tax assets are recognized if it is more likely than not. Probable is not defined in IAS 12. However, entities have often used a definition of more likely than not similar to GAAP. However, IAS 12 does not preclude a higher threshold. Accordingly, a difference will not result as long as Commander uses more likely than not as its definition of probable.

Impairment of Assets

Per IAS 36, *Impairment of Assets*, an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity should estimate the recoverable amount of the asset. The indicators of impairment are generally consistent with those of GAAP. An asset should be written down to its recoverable amount if the recoverable amount is less than its carrying value.

The recoverable amount is equal to the higher of the fair value less cost to sell and its value in use. It is not necessary to determine both if one indicates no impairment exists. The value in use is based on a discounted cash flow model. This approach is different than GAAP (i.e. one step model under IFRS compared to two step model under GAAP). To the extent possible, individual assets should be tested for impairment. However, if it is not possible to determine the recoverable amount of an individual asset, an entity should determine the recoverable amount of the Cash Generating Unit ("CGU") to which the asset belongs. The definition of a CGU is different from the Canadian definition of an Asset Group.

In addition, Commander has in the past written down mineral property amounts for certain mineral properties. Under IAS 36, Commander would be required to reconsider whether there is any indication that an impairment loss recognized in a prior period may no longer exist or has decreased on transition and thereafter on an annual basis. If such indicators exist, a new recoverable amount should be calculated and all or part of the impairment charge should be reversed to the extent the recoverable amount exceeds its carrying value. This is different than GAAP where write ups are not permitted.

Asset Retirement Obligations ("ARO")

Under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, an ARO is recognized when there is a legal or constructive obligation to restore a site for damage that has already occurred, it is probable a restoration expense will be incurred and the cost can be estimated reliably. This is different than GAAP where only legal obligations are considered. Cost includes the cost of dismantling and removing items and restoring the site on which it is located, the obligation for which is incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories. This is different from GAAP where all change in ARO are recognized as a cost of the related asset. Under IFRS, the amount recognized as a provision shall be the best estimate of the expenditures required to settle the present obligation. This is significantly different from GAAP where third party costs are required. Under IAS 37, the provision would be based on management's best estimate. This estimate could be a third party cost if it is management's intention to hire a third party to complete the work or an internal estimate of the cost if Commander intends to use its own equipment and resources to do this work.

Where the effect of the time value of money is material, the amount of the provision should be the present value of the expenditures expected to be required to settle the obligation. This is consistent with GAAP. However, the discount rate used would be a pre-tax rate specific to the liability rather than Commander's credit adjusted risk free rate and should not reflect risks for which the future cash flow estimates have been adjusted. Unwinding of the discount (i.e. accretion) is included in finance costs.

The ARO provision should be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Changes may result from changes in the amount or timing of the cash out flows or changes in discount rates. This is different from GAAP where changes in discount rates alone would not result in a change in the ARO. Accordingly, Commander will need to assess the discount rate applicable to the ARO on an ongoing basis.

IFRS Impact on Our Organization

The conversion to IFRS will impact the way Commander presents its financial results. The first financial statements prepared using IFRS (i.e. interim financial statements for the three months ended March 31, 2011) will be required to include numerous notes disclosing extensive transitional information and full disclosure of all new IFRS accounting policies.

Commander has obtained an understanding of IFRS from training of its finance personnel and is currently evaluating the impact of the conversion on its accounting systems. Commander expects to complete this evaluation by Q3 2010.

In addition, Commander will evaluate its internal and disclosure control processes as a result of its conversion to IFRS, assess the impacts of adopting IFRS on its contractual arrangements to identify any material compliance issues such as its debt covenants and other commitments and consider the impacts the transition will have on its internal planning process and compensation arrangements. Commander expects to complete this evaluation by Q3 of 2010.

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LISTINGS

TSX Venture Exchange: CMD
U.S. 12g Exemption: #82-2996

CAPITALIZATION
(as at June 30, 2010)

Shares Authorized: Unlimited
Shares Issued: 90,589,516

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