



**COMMANDER
RESOURCES LTD.**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

For the Three Months Ended
March 31, 2012
(Expressed in Canadian Dollars)
(Unaudited – See Notice)



Notice of No Auditor Review of the Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Commander Resources Ltd. (“the Company”), for the three months ended March 31, 2012, 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)

Condensed Consolidated Interim Statements of Operations**For the Three Months Ended March 31**

(Expressed in Canadian dollars)

	Note	2012	2011
Expenses			
Accounting and audit	\$	26,360	\$ 40,760
Administration and others		56,550	60,286
Amortization		1,015	1,575
Consulting		21,000	21,422
Investor relations and promotion		73,092	65,912
Legal		2,481	10,702
Salaries and benefits		74,598	61,802
Share-based payments		2,119	119,385
Loss before other items		(257,215)	(381,844)
Other items			
Exchange loss		(6,504)	(19,179)
Mineral property recovery		-	22,450
Realized gain (loss) on investment		-	(75,152)
Gain on disposal of a controlling interest	10	3,186,676	-
Loss on investment in associated company	10	(42,470)	-
Income (loss) before income taxes		2,880,487	(453,725)
Deferred tax recovery		-	129,000
Net Income (loss) for the period	\$	2,880,487	\$ (324,725)
Income (loss) for the period attributable to:			
Non-controlling interest	\$	(19,955)	\$ 21,639
Common shareholders		2,900,442	(346,364)
	\$	2,880,487	\$ (324,725)
Earnings/(loss) per share - basic	\$	0.029	\$ (0.004)
Earnings/(loss) per share - diluted	\$	0.025	\$ (0.004)
Weighted average number of common shares outstanding - basic		99,892,548	90,942,516
Weighted average number of common shares outstanding - diluted		113,913,563	106,765,016

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Comprehensive Income**For the Three Months Ended March 31**

(Expressed in Canadian dollars)

	2012	2011
Net income (loss) for the period	\$ 2,880,487	\$ (324,725)
Fair value adjustment on available-for-sale securities	(496,065)	(56,065)
Other comprehensive loss	\$ (496,065)	\$ (56,065)
Comprehensive income (loss) for the period	\$ 2,384,422	\$ (380,790)
Comprehensive income (loss) for the period attributable to:		
Non-controlling interest	\$ (19,955)	\$ 21,639
Common shareholders	2,404,377	(402,429)
Comprehensive income (loss) for the period	\$ 2,384,422	\$ (380,790)

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

COMMANDER RESOURCES LTD.
(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	Note	March 31, 2012 (Unconsolidated)	December 31, 2011 (Consolidated)
Assets			
Current assets			
Cash and cash equivalents	4	\$ 1,456,033	\$ 1,175,776
Investment in securities	5	252,142	268,207
Accounts receivable	7	72,420	173,715
Prepaid expenses		19,408	27,285
		1,800,003	1,644,983
Non-current assets			
Deposit and others	8	37,377	45,169
Exploration and evaluation assets	9	18,484,261	19,464,443
Investment in associated company	10	2,832,530	-
Property and equipment	11	12,496	13,857
		21,366,664	19,523,469
Total Assets		\$ 23,166,667	\$ 21,168,452
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	\$ 156,365	\$ 352,953
Non-current liability			
Deferred tax liability	13	657,464	677,972
		813,829	1,030,925
Shareholders' Equity			
Share capital	14	38,916,681	38,916,681
Reserves		1,682,681	2,017,125
Accumulated other comprehensive loss		(384,156)	(368,091)
Deficit		(17,862,368)	(20,937,101)
		22,352,838	19,628,614
Non-controlling interest	10	-	508,913
		22,352,838	20,137,527
Total Liabilities and Shareholders' Equity		\$ 23,166,667	\$ 21,168,452

Approved on behalf of the Board of Directors:

"Eric Norton"

Eric Norton

"Michael Byrne"

Michael W. Byrne

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

COMMANDER RESOURCES LTD.
(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
For the Three Months Ended March 31
(Expressed in Canadian dollars)
(Unaudited - See Notice)

	Note	2012 (Unconsolidated)	2011 (Consolidated)
Cash provided from (used in):			
Operating activities			
Net income (loss) for the period		\$ 2,880,487	\$ (324,725)
Items not involving cash:			
Amortization		1,015	1,575
Share-based payments		2,119	119,385
Loss on investment in securities		-	75,152
Write-off of assets		346	-
Deferred tax recovery		-	(129,000)
Share of loss in associated company	10	42,470	-
Gain on disposal of interest in former subsidiary	10	(3,186,676)	-
		(260,239)	(257,613)
Changes in non-cash working capital items:			
Accounts receivable		(6,984)	12,802
Prepaid expenses		6,869	6,350
Accounts payable and accrued liabilities		(85,565)	(220,978)
Advance from optionee		-	328,561
Cash used in operating activities		(345,919)	(130,878)
Investing activities			
Deposit and others		7,792	(286,380)
Expenditures on exploration and evaluation assets		(414,130)	(534,539)
Recoveries from exploration and evaluation assets		200,000	912,507
Purchase of equipment		-	(346)
Sale of shares of former subsidiary	10	1,035,000	-
Cash surrendered on derecognition of former subsidiary	10	(202,486)	-
Cash provided by investing activities		626,176	91,242
Increase (decrease) in cash and cash equivalents		280,257	(39,636)
Cash and cash equivalents, beginning of period		1,175,776	1,744,514
Cash and cash equivalents, end of period		\$ 1,456,033	\$ 1,704,878
Supplemental Cash Flow Information			
Non-Cash Investing Activities:			
Accounts payable and accrued liabilities related to exploration & evaluation assets		\$ 80,579	\$ 121,230

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian dollars)

	Share Capital		Reserves			Accumulated Other Comprehensive Loss	Non-Controlling Interest (Note 10)	Total Shareholders' Equity
	Shares	Amount	Warrants	Share-Based Payments	Deficit			
Balance at January 1, 2012	99,892,548	\$ 38,916,681	\$211,843	\$ 1,805,282	\$ (20,937,101)	\$ (368,091)	\$ 508,913	\$ 20,137,527
Net income for the period					2,880,487			2,880,487
Unrealized loss on available-for-sale marketable securities						(496,065)		(496,065)
Transfer of comprehensive income related to Maritime to P&L						480,000		480,000
Non-cash transactions								
Share-based payments				2,119				2,119
Transfer of share-based payments expired				(194,246)	194,246			-
Elimination of NCI on derecognition (Note 10)				(142,317)			(508,913)	(651,230)
Balance at March 31, 2012	99,892,548	\$ 38,916,681	\$211,843	\$ 1,470,838	\$ (17,862,368)	\$ (384,156)	\$ -	\$ 22,352,838

	Share Capital		Reserves			Accumulated Other Comprehensive Loss	Non-Controlling Interest	Total Shareholders' Equity
	Shares	Amount	Warrants	Share-Based Payments	Deficit			
Balance at January 1, 2011	90,942,516	37,450,106	-	1,653,818	(17,226,160)	(167,969)	499,128	22,208,923
Net loss for the period					(346,364)		21,639	(324,725)
Unrealized loss on available-for-sale marketable securities						(56,065)		(56,065)
Non-cash transactions								
Share-based payments				117,132			2,254	119,386
Balance at March 31, 2011	90,942,516	\$ 37,450,106	\$ -	\$ 1,770,950	\$ (17,572,524)	\$ (224,034)	\$ 523,021	\$ 21,947,519

See Accompanying Notes to the Condensed Consolidated Interim Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the Three months Ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

(Unaudited – See Notice)

1. Nature of Operations and Going Concern

Commander Resources Ltd. (the “Company” or “Commander”) is 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 mineral property interests and is considered to be in the exploration stage.

The address of the Company’s corporate office and principal place of business is 1100 - 1111 Melville Street, Vancouver, British Columbia, Canada.

These condensed consolidated interim financial statements of the Company have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company has relied on the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of shares to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Inability to secure future financing would have a material adverse effect on the Company's business, results of operations and financial condition.

For the three months ended March 31, 2012, the Company reported a net income of \$2,880,487 (2011 – net loss of \$324,725) and as of March 31, 2012 has a deficit of \$17,862,368 (December 31, 2011 - \$20,937,101). The Company also has working capital of \$1,643,638 (December 31, 2011 - \$1,292,030).

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s financial statements as at and for the year ended December 31, 2011. Accordingly accounting policies applied are the same as those applied in the Company’s annual financial statements which are filed on SEDAR at www.sedar.com.

(b) Principles of consolidation and deconsolidation

For the three months ended, March 31, 2012, the condensed consolidated interim financial statements include the accounts of the Company and its former subsidiary, Maritime Resources Corp. (“Maritime”) up to February 15, 2012. Please refer to Note 10 “Deconsolidation of Maritime” for details. The comparative figures of 2011 on these condensed consolidated interim financial statements included consolidation of Maritime’s accounts.

The interest of non-controlling shareholders was initially measured at the non-controlling interest’s proportionate share of the subsidiary’s identifiable net assets. Subsequent to acquisition, non-controlling interests consist of the amount attributed to such interests at initial recognition and the non-controlling interest’s share of changes in equity since the date of the combination. All material intercompany transactions, balances, income and expenses are eliminated on consolidation. Changes in the Company’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Company.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the Three months Ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

(Unaudited – See Notice)

2. Summary of Significant Accounting Policies (Continued)

(b) Principles of consolidation and deconsolidation (Continued)

When the Company ceases to control a subsidiary, assets, liabilities and non-controlling interests of the subsidiary are derecognized at their carrying amounts at the date when control is lost. Investment retained in the former subsidiary at its fair value is recognized and any gain or loss resulted from the deconsolidation is recorded to statement of operations.

(c) Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(d) Sources of estimation uncertainty

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) the inputs used in measuring share-based compensation included in the loss for the period;
- and
- ii) the provision for the income tax expense included in the loss for the period (nil for current period) and the composition of deferred income tax liabilities included in the condensed consolidated interim statements of financial position.

(e) Segmented information

The Company conducts its business as a single operating segment, being the mining business in Canada. All mineral properties and equipment are situated in Canada.

3. Financial Instruments and Risk Management

(a) Fair value

The Company has classified its financial instruments as follows:

Cash and cash equivalents – as fair value through profit or loss
Marketable securities – as available-for-sale
Accounts receivable – as loans and receivables
Investment in warrants – as fair value through profit or loss
Accounts payable – as other financial liabilities.

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

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the Three months Ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

(Unaudited – See Notice)

3. Financial Instruments and Risk Management (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 March 31, 2012 and 2011 for financial assets and liabilities measured at fair value on a recurring basis:

	Total	Level 1	Level 2	Level 3
March 31, 2012				
Investment in securities	\$ 252,142	\$ 252,142	\$ -	\$ -
December 31, 2011				
Investment in securities	\$ 268,207	\$ 268,207	\$ -	\$ -

(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. At March 31, 2012, the Company had cash and cash equivalents of \$1,456,033 and accounts payable and accrued liabilities of \$156,365. Most of the Company's accounts payable are due within 30 days.

(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, accounts receivable other than Harmonized Sales Tax ("HST") and government funding receivable. This risk is minimized as cash and cash equivalents have been placed with major Canadian financial institutions. The Company performs on-going credit evaluations of its accounts receivable. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

Credit risk with respect to amounts due from related parties, included in accounts receivable, has been assessed as low by management as the Company has strong working relationships with the parties involved.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents as all amounts are held at one major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure at March 31, 2012 and December 31, 2011 is as follows:

	March 31, 2012	December 31, 2011
Cash and cash equivalents	\$ 1,456,033	1,175,776
Accounts receivable	2,384	4,698
	\$ 1,458,417	1,180,474

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Notes to Condensed Consolidated Interim Financial Statements

For the Three months Ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

(Unaudited – See Notice)

3. Financial Instruments and Risk Management (Continued)

(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 consist of cash and term deposits held in bank accounts. 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 March 31, 2012. 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 the quarter-end, any fluctuations in the interest rate would lead to an immaterial change in net loss and comprehensive loss.

(ii) Foreign currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has cash denominated in US dollars. The foreign currency risk arises primarily as a result of the Company having US dollar denominated bank accounts. The financial position of the Company may vary at the time that a change in foreign currency rate occurs. For the period ended March 31, 2012, the impact of the fluctuation in exchange rates had been immaterial.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to 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 its investment in securities. A change in the fair value by 10% would increase or decrease comprehensive loss by \$21,215.

There were no changes in the Company's approach to risk management during the period ended March 31, 2012.

4. Cash and Cash Equivalents

	March 31, 2012	December 31, 2011
Cash	\$ 1,447,244	\$ 865,836
Cash (flow-through funds for exploration)	8,789	309,940
	\$ 1,456,033	\$ 1,175,776

As at March 31, 2012, the cash balance includes only Commander's accounts while the balance at December 31, 2011 included Maritime's cash of \$134,402. The balance of the Company's flow-through funds are required to be spent on mineral exploration related activities in Canada only.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

For the Three months Ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

(Unaudited – See Notice)

5. Investment in Securities

	As at March 31, 2012			As at December 31, 2011		
	Number of Shares	Cost	Market Value	Number of Shares	Cost	Market Value
Fjordland Exploration Inc.	867,647	\$ 43,016	\$ 65,074	867,647	\$ 43,016	\$ 73,750
Woodjam Copper Corp.	328,397	77,816	88,667	328,397	77,816	88,667
Diamonds North Resources Ltd.	258,000	141,280	14,190	258,000	141,280	16,770
Uranium North Resources Corporation	333	333	28	333	333	38
Alto Ventures Ltd.	187,500	281,250	18,750	187,500	281,250	30,000
Bayswater Uranium Corp.	40	204	8	40	204	7
Global Gold Corporation	75,000	72,439	16,425	75,000	72,439	11,475
Pamlico Resources Ltd.	100,000	-	-	100,000	-	-
Stratabound Minerals Corp.	150,000	16,000	9,000	150,000	16,000	7,500
Aston Bay Ventures	2,000,000	40,000	40,000	2,000,000	40,000	40,000
Total		\$ 672,338	\$ 252,142		\$ 672,338	\$ 268,207

There were no transactions in investment in securities during the period ended March 31, 2012.

6. Capital Management

The Company defines its capital as all components of 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 period ended March 31, 2012. The Company is not subject to externally imposed capital requirements.

7. Accounts Receivable

The accounts receivable mainly related to HST input tax credits and government funding refundable to the Company. The following is an aging summary for the outstanding balance as of March 31, 2012 and December 31, 2011:

	Neither past due nor impaired	Past due but not impaired			TOTAL
		31 - 60 days	61 - 90 days	> 90 days	
March 31, 2012	\$ 72,420	\$ -	\$ -	\$ -	\$ 72,420
December 31, 2011	\$ 173,715	\$ -	\$ -	\$ -	\$ 173,715

8. Deposit and Others

As at March 31, 2012, deposits and others included a rent deposit of \$32,777 and a reclamation deposit of \$5,000. The reclamation deposit represents collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

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Notes to Condensed Consolidated Interim Financial Statements

For the Three months Ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

(Unaudited – See Notice)

9. Exploration and Evaluation Assets

Exploration and evaluation assets are comprised of properties located in Canada. Expenditures incurred on mineral properties as at March 31, 2012 were as follows:

	Qimmiq	Bravo Lake	Stump Lake	Glenmorangie	Storm	Other	Green Bay	
	Baffin, Nunavut		BC	Yukon	Nunavut	Properties	Newfoundland	Total
Note	9(a)		9(b)	9(c)	9(d)	9(e)	10	
Balance at December 31, 2011	\$ 9,243,700	\$ 2,554,797	\$ 562,806	\$ 405,687	\$ 930,260	\$ 4,486,866	\$ 1,280,327	\$ 19,464,443
Exploration costs:								
Drilling	(139)	-	206,396	(96)	-	-	2,016	208,177
Geochemistry	2,409	1,032	25,424	164	-	-	-	29,029
Geology	39,106	14,683	46,012	12,031	3,848	15,809	11,587	143,076
Geophysics	-	(489)	16,000	-	-	-	-	15,511
Property	4,123	-	150	2,100	530	2,864	-	9,767
Other	-	79	3,726	-	-	4,383	382	8,570
	45,499	15,305	297,708	14,199	4,378	23,056	13,985	414,130
Less:								
Recoveries	-	-	-	-	(100,000)	-	-	(100,000)
Net additions	45,499	15,305	297,708	14,199	(95,622)	23,056	13,985	314,130
Derecognition of Green Bay Property							(1,294,312)	(1,294,312)
Balance at March 31, 2012	\$ 9,289,199	\$ 2,570,102	\$ 860,514	\$ 419,886	\$ 834,638	\$ 4,509,922	\$ -	\$ 18,484,261

(a) Baffin Island Properties, Nunavut

The Baffin Island Properties consist of two separate properties named Qimmiq and Bravo Lake (collectively, “Baffin Properties”). The Company owns 100% of the Qimmiq property, subject to an underlying agreement with Nunavut Tunngavik Inc. (“NTI”) and certain future considerations to BHP Billiton. The Company owns 100% of the Bravo Lake property subject to certain future considerations to Xstrata Nickel, 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.

In March 2012, the Company received a notice from AngloGold Ashanti (“Anglo”) that they do not intend to put forward a 2012 exploration program on Baffin Island and has withdrawn from the Farm-in and Joint Venture agreement. Under the agreement, Anglo had the option of earning an initial 51% in the Baffin Island property by spending \$20 million. Anglo did not complete the expenditures required to vest their initial interest and therefore retains no participating interest. The Company now retains 100% interest in the property.

For the quarter ended March 31, 2012, there were no recoveries on the Baffin Properties from Anglo (2011 - \$912,506, including management fee of \$82,955).

(b) Stump Lake, British Columbia

The Company entered into a Letter of Intent dated June 10, 2011 (“Agreement”) to acquire a package of claims on a newly discovered epigenetic gold prospect in Southern British Columbia. The package of claims was held by The Marlow Prospecting Syndicate of Kamloops (“Marlow”) and was increased by additional staking of adjacent claims by Commander. Marlow held five claims, and the Company staked an additional eight claims, all of which will comprise the Stump Lake Property covering over 57 square kilometers.

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Notes to Condensed Consolidated Interim Financial Statements

For the Three months Ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

(Unaudited – See Notice)

9. Exploration and Evaluation Assets (Continued)

(b) Stump Lake, British Columbia (Continued)

Under the terms of the Agreement, the Company may earn a 100% interest in the property over a five year period by making total cash payments of \$625,000, issuing two million shares to Marlow and completing \$3 million in exploration work. Of this, there is a firm commitment in the first year of \$60,000 cash, issuance of 300,000 shares and work on the property totaling \$400,000. This commitment has been met with the completion of the first year's work program. The property is subject to a 2% NSR in favour of Marlow. The Company may reduce the NSR to 1% by paying \$2 million to Marlow.

(c) Glenmorangie, Yukon

On June 2, 2011, the Company negotiated an option agreement, for a package of claims located in the Little Highland River Valley, Watson Lake mining district in the Yukon. The package of 127 claims is owned by a prospector syndicate based out of Whitehorse. In addition, the Company has added another 150 claims to the area, for a total package of 277 claims.

Under the terms of the option agreement, the Company has an option to earn a 100% interest in the Property through the staged issue of 840,000 shares, staged cash payments of \$147,000 and a total exploration expenditure of \$500,000 over four years. The NSR terms are 2% plus an advance smelter return of \$12,000 per year, with an option to buy down to 1% NSR, each half per cent costing \$1 million. The first year's commitment calls for \$125,000 of exploration, issuance of 300,000 shares and cash payments of \$27,000. This commitment has been met with completion of the first year's work program.

(d) Storm Property, Nunavut

The Storm property, first acquired in 2008, consists of four permits and is located on the northwest corner of Somerset Island adjacent to the Northwest Passage. The project was activated for the first time in 2011 since acquired.

On November 23, 2011, the Company entered into an Option Agreement with Aston Bay which allows Aston Bay to earn an initial 50.1 percent interest in the Storm Property by incurring \$6 million in exploration expenditures over three years, issuing to Commander an additional 1,000,000 shares of Aston Bay and achieving a public stock market listing by December 31, 2012. Aston Bay may earn an additional 19.9 percent interest by funding a further \$9 million in exploration expenditures and delivering an Indicated Resource by December 31, 2019. It is Aston Bay's intention, and also a requirement of the Agreement, to complete the necessary steps to become a publicly listed company before the end of 2012.

The Company received the second cash payment of \$100,000 during the three months ended March 31, 2012. The initial 2,000,000 common shares and \$150,000 cash from Aston Bay was received in 2011.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

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For the Three months Ended March 31, 2012 and 2011

(Expressed in Canadian dollars)

(Unaudited – See Notice)

9. Exploration and Evaluation Assets (Continued)**(e) 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 March 31, 2012 and December 31, 2011:

	Ownership %	Metal	March 31, 2012	December 31, 2011
Labrador Properties				
Sally	100.00	Nickel	\$ 393,241	\$ 393,241
Sandy	100.00	Nickel	29,648	27,482
Sarah Lake (i)	48.20	Nickel	1,770,925	1,766,060
Yukon				
Olympic, Rob (ii)	100.00	Copper-Gold-Uranium	875,341	874,258
British Columbia				
Abe, Pal, Hal, Hunter and Takla (iii)	100.00	Copper - Gold	116,210	113,275
Aten, Mate and Tut (iii)	100.00	Copper - Gold	9,434	8,712
Tam (iv)	10.00	Copper	9,524	9,524
New Brunswick				
Nepisiguit/Stewart (v)	100.00	Copper-Zinc	1,129,925	1,126,894
Ontario				
Matheson	41.20	Gold	15,685	15,685
McVean	100.00	Gold	11,350	9,835
Sabin (vi)	100 - 58.50	Copper-Zinc	148,639	141,900
Total Other Properties			\$ 4,509,922	\$ 4,486,866

(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) 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.

(iii) 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.

(iv) Tam, 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.

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9. Exploration and Evaluation Assets (Continued)

(e) Other properties (Continued)

(v) Nepisiguit/Stewart, New Brunswick

The Company owns 100% of the properties located in the Bathurst Mining Camp of New Brunswick, subject to a 2.75% NSR retained by BHP. The NSR is subject to a buy-down to 1% NSR for \$1.5 million at any time.

In 2010, the Company entered into an option agreement with Stratabound providing Stratabound the right to earn an initial 60% interest in the Company's Nepisiguit and Stewart properties. 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 the Company 400,000 Stratabound shares and completing \$1,500,000 in eligible exploration expenditures. 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 the Company.

Once a joint venture is formed the Company may elect at any time to convert its interest into a 1% NSR. Stratabound will have the option, for 12 months following the Company's election, to buy one-half of the royalty on either property for \$1,000,000, or to buy one-half of the royalty on both properties for \$2,000,000. 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.

In 2011, an additional 100,000 common shares of Stratabound were received and are included in investment in securities.

(vi) Sabin, Ontario

The Sabin copper-zinc property consists of 114 claims located in northwest Ontario. The Company in conjunction with Granges Inc. and Noranda have explored the Sabin property following its acquisition in 1990. Ownership interests of Commander on the property vary from 58.5% to 100%.

(g) 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.

(h) 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.

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10. Deconsolidation of Maritime

Effective October 5, 2010, the Company received 12 million common shares of Maritime in exchange for a 50% interest in the Green Bay Property, located in the King's Point area, Newfoundland. Under the agreement between the parties dated June 14, 2010, Maritime is responsible for funding all exploration expenditures and is committed to conducting \$750,000 of mineral exploration activities on the property by April 5, 2012. The company commenced consolidating the results of Maritime from October 5, 2010, the date of acquisition.

On January 31, 2012, the Company sold its remaining 50% interest in the Green Bay Property to Maritime in exchange for 5 million common shares of Maritime, as provided in the agreement dated June 14, 2010.

On February 15th, 2012, the Company sold 4,500,000 common shares of Maritime to Rambler Metals and Mining Canada Ltd through a private transaction at a price of \$0.23 per share for gross cash proceeds of \$1,035,000. The Company currently holds 12,500,000 shares of Maritime, representing 47% of Maritime's current issued and outstanding common shares. The Company also retains a 2% NSR on future production from portions of the Green Bay Property, which is now wholly owned by Maritime.

The Company reviewed the elements of control over Maritime in accordance with IAS 27 – *Consolidated and Separate Financial Statements*. The Company determined that it ceased control of Maritime as it held less than 50% interest and therefore no longer needed to consolidate Maritime into its financial statements as at February 15, 2012. The following facts were taken into consideration:

- a) On February 15, 2012, the ownership of common shares in Maritime decreased to approximately 47% from 55% at December 31, 2011.
- b) The company holds minority representation and has no veto power on the Board of Directors of Maritime.
- c) There are no contracts signed between these two companies that would result in one company being dependent over the other.
- d) The Company's ownership will likely continue to decline as Maritime continues to raise capital on the TSX Ventures.

Accordingly, it was determined that the Company should discontinue to consolidate the financial results of Maritime and utilize the equity accounting methodology to account for the investment in Maritime after February 15, 2012 in accordance with IAS 27. A gain was recognized on the deconsolidation of Commander's interest.

As a result, the Company derecognized the carrying amounts of assets, liabilities and non-controlling interest and recognized its remaining investment in Maritime at its fair value as of the date of deconsolidation. The Company recorded a gain on deconsolidation of Maritime of \$3,186,676 for the period ended March 31, 2012 in "other items" in the statement of operations. The Company recorded the cash decrease of \$202,486 from deconsolidation of Maritime in its "investment activities" in the condensed interim statement of cash flows for the period March 31, 2012.

The gain on deconsolidation is calculated as below:

5 million shares received @\$0.20 on January 31, 2012		\$	1,000,000
Reclassification of Government refund for Green Bay as a gain			22,450
			<u>1,022,450</u>
Cash proceeds of 4.5 million shares sold	1,035,000		
Average cost base @0.186 (12 mil @ \$0.18 + 5 mil @ \$0.20)	<u>(836,471)</u>		198,529
Fair value adjustment of investment in Maritime as of Feb. 15, 2012			551,471
Recording of previous unrealized gain due to deconsolidation			<u>1,414,226</u>
Gain on disposal of Green Bay and Non-Controlling Interest		\$	<u>3,186,676</u>

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Notes to Condensed Consolidated Interim Financial Statements

For the Three months Ended March 31, 2012 and 2011

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(Unaudited – See Notice)

10. Deconsolidation of Maritime (Continued)

The movement of non-controlling interest up to February 15, 2012 is as follows:

Balance at December 31, 2011	\$	508,913
Share of loss from January 1 to January 31, 2012		(16,736)
Share of share-based payments from January 1 to January 31, 2012		1,063
Balance at January 31, 2012	\$	493,240
Transfer to parent (8.34%/44.19%)		(93,064)
Amended balance at January 31, 2012	\$	400,176
Share of loss from February 1 to February 15, 2012		(3,219)
Share of share-based payments from February 1 to February 15, 2012		431
Balance as at February 15, 2012	\$	397,388
Derecognition of NCI		(397,388)
Balance as at February 15, 2012 after derecognition	\$	-

The Company determined the fair value of Maritime on the date of deconsolidation based upon fair value of the 12.5 million common shares it owns as of February 15, 2012. As at March 31, 2012, the investment in Maritime is \$2,832,530.

Fair value upon deconsolidation	\$	2,875,000
Share of loss of Maritime for the period		(42,470)
Balance at March 31, 2012	\$	<u>2,832,530</u>

11. Property and Equipment

The Company had the following breakdown of property and equipment at March 31, 2012 and December 31, 2011:

Net Book Value	Furniture & Fixtures	Computer Equipment	Leasehold Improvements	Total
At March 31, 2012	\$ 1,246	\$ 8,958	\$ 2,292	\$ 12,496
At December 31, 2011	\$ 1,636	\$ 9,752	\$ 2,469	\$ 13,857

12. Accounts Payable and Accrued Liabilities

The average credit period of purchases is one month. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The following is an aging analysis of accounts payable:

	Current	31 - 60 days	61 - 90 days	> 90 days	TOTAL
March 31, 2012	\$ 145,413	\$ 224	\$ 224	\$ 10,504	\$ 156,365
December 31, 2011	\$ 337,785	\$ -	\$ 15,168	\$ -	\$ 352,953

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For the Three months Ended March 31, 2012 and 2011

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13. Income Taxes

The Company's deferred income tax liability arises primarily from the renunciation of mineral exploration costs on flow-through shares issued to investors. Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

14. Share Capital

(a) Authorized

Unlimited common shares without par value

(b) Shares issued

There were no shares issued during the three months ended March 31, 2012 or 2011.

(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.

During the three months ended March 31, 2012, 100,000 incentive stock options, exercisable at a price of \$0.13, were granted to a consultant and 400,000 options expired at a price of \$0.87 (2011 – 2,020,000 incentive stock options granted, exercisable at \$0.185 and none expired).

A summary of the Company's outstanding stock options as at January 1 and March 31, 2011 and 2012 are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at January 1, 2011	8,802,500	\$ 0.280
Granted	2,020,000	\$ 0.185
Outstanding at March 31, 2011	10,822,500	\$ 0.262
Granted	400,000	\$ 0.170
Expired	(1,151,500)	\$ 0.317
Outstanding at January 1, 2012	10,071,000	\$ 0.215
Granted	100,000	\$ 0.130
Expired	(400,000)	\$ 0.870
Outstanding at March 31, 2012	9,771,000	\$ 0.187

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For the Three months Ended March 31, 2012 and 2011

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14. Share Capital (Continued)**(c) Stock options (Continued)**

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for the grants for the three months ended March 31, 2012 and 2011 as follows:

	2012	2011
Exercise price	\$ 0.130	\$ 0.185
Grant date share price	\$ 0.120	\$ 0.190
Forfeiture rate	0.00%	0.00%
Risk-free interest rate	1.04%	2.76%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	60.0%	99%
Expected option life in years	1	5
Grant date fair value	\$0.025	\$ 0.139

Expected volatility was determined based on the historical movements in the closing price of the Company's stocks for a length of time to the expected life of each option.

The following tables summarize information about stock options outstanding as at March 31, 2012:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
200,000	\$0.41	May 8, 2012	
1,111,500	\$0.36	June 7, 2012	
50,000	\$0.19	December 21, 2012	
100,000	\$0.17	January 19, 2013	
740,000	\$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	
1,351,000	\$0.10	May 12, 2014	
200,000	\$0.39	January 19, 2015	
1,818,500	\$0.35	January 27, 2015	
500,000	\$0.27	May 25, 2015	
100,000	\$0.18	October 6, 2015	
2,020,000	\$0.19	February 11, 2016	
400,000	\$0.17	April 6, 2016	
9,771,000	\$0.23		2.37

As of March 31, 2012, among the 9,771,000 outstanding options, 9,671,000 options were exercisable with a weighted average exercise price of \$0.23 and a weighted average remaining contractual life in years of 2.36. 400,000 stock options expired unexercised during the three months ended March 31, 2012 (2011 – Nil).

At March 31, 2011, among the 10,822,500 outstanding options, 8,752,500 were exercisable with a weighted average exercise price of \$0.28 and a weighted average remaining contractual life in years of 2.45.

COMMANDER RESOURCES LTD.

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14. Share Capital (Continued)

(c) Stock options (Continued)

The following is a breakdown of the share-based payments charged to operations on options vested for the three months ended March 31:

	2012		2011	
Accounting and audit	\$	-	\$	1,105
Consultants		-		56,761
Investor relations		2,119		8,481
Salaries and benefits		-		53,038
	\$	2,119	\$	119,385

(d) Warrants and agent's warrants

The Company had 4,250,015 warrants outstanding at March 31, 2012 with an exercise price of \$0.30, expiring May 2013 (March 31, 2011 - 5,000,000 warrants outstanding with an exercise price of \$0.24, expiring November 2011). There was no change to the status of the warrants during the three months ended March 31, 2012 and 2011.

15. Related Party Transactions

(a) Transactions

The Company's related parties consist of companies controlled by executive officers and directors. The Company incurred the following fees and expenses in the normal course of operations in connection with those companies for the three months ended March 31, 2012 and 2011 as follows:

	2012		2011	
Accounting	\$	15,000	\$	18,000
Consulting		21,000		16,500
Geological consulting		6,300		29,960
Legal		5,520		46
Office rent and administrative		20,725		18,218
	\$	68,545	\$	82,724

These transactions were recorded at fair value, being the amount agreed upon by the related parties.

At March 31, 2012, included in accounts receivable were \$322 from a company related by a director in common for administrative and office expenses (December 31, 2011 - \$254).

At March 31, 2012 included in accounts payable were amounts due to related parties of 1,414 for administrative and office expenses to a company related by a director in common (December 31, 2011 - \$2,158), \$2,321 for expense reimbursement to an executive officer (December 31, 2011 - \$1,054) and \$2,154 for legal fees to a law firm related by a director in common (December 31, 2011 - \$17,706).

At March 31, 2012, investment in securities included 258,000 (December 31, 2011 - 258,000) common shares of Diamonds North Resources Ltd., a company related by a director in common.

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15. Related Party Transactions (Continued)

(b) Compensation of key management personnel

The remuneration, including stock-based compensations, of directors and other key management personnel during the three months ended March 31, 2012 and 2011 were as follows:

		2012		2011
Accounting	\$	15,000	\$	18,000
Consulting		21,000		16,500
Geological consulting		6,300		29,960
Salaries and benefits		114,791		74,783
Share-based payments		-		94,882
	\$	157,091	\$	234,125

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the period ended March 31, 2012.

16. Commitments

The Company 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 annual minimum lease commitments are as follows:

Lease		Total
2012	\$	36,182
2013		50,367
2014		51,806
2015		34,537
Total	\$	172,892

17. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the presentation adopted for the current period.



**COMMANDER
RESOURCES LTD.**

Management Discussion and Analysis

For the Period Ended
March 31, 2012

Commander Resources Ltd.
Management Discussion and Analysis
For the Period Ended March 31, 2012

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", "estimate", "expect" 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 May 18, 2012 (the "Report Date") and should be read in conjunction with the consolidated financial statements and the notes thereto for the year ended December 31, 2011 prepared in accordance with International Financial Reporting Standards ("IFRS").

Summary of Activities and Results

1. Green Bay Gold Property

- In January 2012, the Company sold its remaining 50% interest in the Green Bay Property to its option partner, Maritime Resources Corp. ("Maritime") in exchange for 5 million common shares of Maritime, as provided in the agreement between the parties dated June 14, 2010. After completing the transaction and transfer of the property to Maritime, Commander held 17 common million shares of Maritime and retained a 2% NSR royalty on any future production from the property, with the exception of production from the Orion deposit.
- In February 2012, the Company sold 4,500,000 common shares of Maritime to Rambler Metals Canada ("Rambler") through a private transaction at a price of \$0.23 per share for gross cash proceeds of \$1,035,000. The Company currently holds 12,500,000 shares of Maritime, representing 47% of Maritime's current issued and outstanding common shares. The Company also retains a 2% NSR on future production from portions of the Green Bay Property, which is wholly owned by Maritime.

2. Storm Copper Property

- In March 2012, the Company received a second cash payment of \$100,000 from Aston Bay Ventures Ltd ("Aston Bay") as part of the \$15 Million Option Agreement on Commander's Storm Copper Property. Aston Bay has now fulfilled the requirements to commence the option on the property.

3. Baffin Island Gold Property

In March 2012, the Company received a notice from AngloGold Ashanti ("Anglo") that they do not intend to put forward a 2012 exploration program on Baffin Island and has withdrawn from the Farm-in and Joint Venture agreement. Under the agreement, Anglo had the option of earning an initial 51% in the Baffin Island property by spending \$20 million. Anglo did not complete the expenditures required to vest their initial interest and therefore retains no participating interest. The Company has retained 100% interest in the property.

Anglo has considerably advanced Commander's district-scale gold project, which covers a 140 km long mineralized greenstone belt. Highlights from the exploration programs conducted during Anglo's period of involvement can be summarized as follows:

- In 2009, Anglo provided Commander with the cash required to buy-out one of the original option agreements underlying a portion of the property, thus eliminating all remaining earn-in expenditures that were part of that agreement. Also that year, the Kanosak gold zone was advanced to the drill stage and the strike length doubled to 3 km.
- In 2010 a drill program at Malrok (first discovered in 2004) confirmed the continuity and structural thickening of the known zones. The Kanosak gold zone was tested for the first time over a 2.5 km strike length. The drilling confirmed the presence of gold over the entire strike length and revealed a previously unknown interval of

prospective arsenopyrite bearing metasediments. A strong Induced Polarization chargeability anomaly was defined and prospecting revealed new areas of gold mineralization.

- In 2011, a 3D IP survey on the Kanosak gold prospect revealed strong anomalies with a source commencing at approximately 150 metres depth directly below high grade surface showings. The anomaly is interpreted to be the primary feeder source of the gold showings. The anomaly increases in intensity with depth, with maximum penetration to 300 metres. These extremely strong IP anomalies are likely arsenopyrite sulphides, which are the primary associate of gold at Baffin. The Kanosak target is over 3,000 metres long and remains open.

Mineral Projects

1. 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.

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).

Bravo Lake Property

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 Tuku claim group on the far western portion of the property.

Malrok

Diamond drilling at Malrok in 2004 (3,617 metres in 39 holes) and the initial 2010 drilling (3,597.5 metres in 19 holes – results waited for 10 holes) confirmed 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.

Kanosak

The Kanosak gold prospect is identified to cover a large area of about 4 km by at least 300 metres. It is characterized by two silicified strata, averaging 20 metres and 10 metres thick respectively, which carry gold mineralization associated with arsenopyrite. The area was first examined in 2010 with a drill campaign of 13 widely spaced shallow holes over a 2.5 km strike

length. The drilling confirmed that a large gold bearing system is present over the entire strike length. The host strata dip gently to the east over a long distance, and can be traced to depth using a wide spaced IP array. In the 2011 field season an extensive IP survey, covering a nine square kilometre area and modelled in 3 dimensions, was carried out in order to expand the prospect area and identify the best potential targets for follow-up drilling in upcoming years.

The results from the deep sensing, 3-D Induced Polarization (IP) Survey conducted at the Kanosak gold prospect in the 2011 field season indicate the presence of a steeply dipping, cross-cutting zone of high chargeability and low resistivity below gold anomalous strata bound sulphide mineralization hosted in flat lying sediments over a 3 km strike length. The IP anomaly is interpreted as a possible feeder to the extensive surface mineralization. Trenching and shallow drilling has previously found widespread free gold in quartz veins and associated with disseminated arsenopyrite and pyrite.

2. Glenmorangie, Yukon

Commander negotiated an option agreement in early June 2011, for a package of claims located in the Little Highland River Valley, Watson Lake Mining District in Yukon. Recently, this region has seen a great deal of gold exploration activity following the success of the 3Ace property, owned by Northern Tiger, which is situated immediately south of Commander's new claims. 2010 reported drill results on the 3Ace property included intercepts of up to 14.8 g/t gold over 10.9 m, including 145 g/t over 1.05 m. The Property is located in the Selwyn Basin and the rock types consist of phyllites and shales of the Hyland Group and Vampire formation.

The field campaign carried out by Commander at the Glenmorangie gold property during 2011 identified two anomalous gold zones with values of up to 4.5 g/t gold in grab rock samples and anomalous soil values of up to 106 ppb gold. The first three km long by two km wide zone lies in the northern part of the claims where a significant number of quartz veins have been mapped and which trend in a north westerly direction.

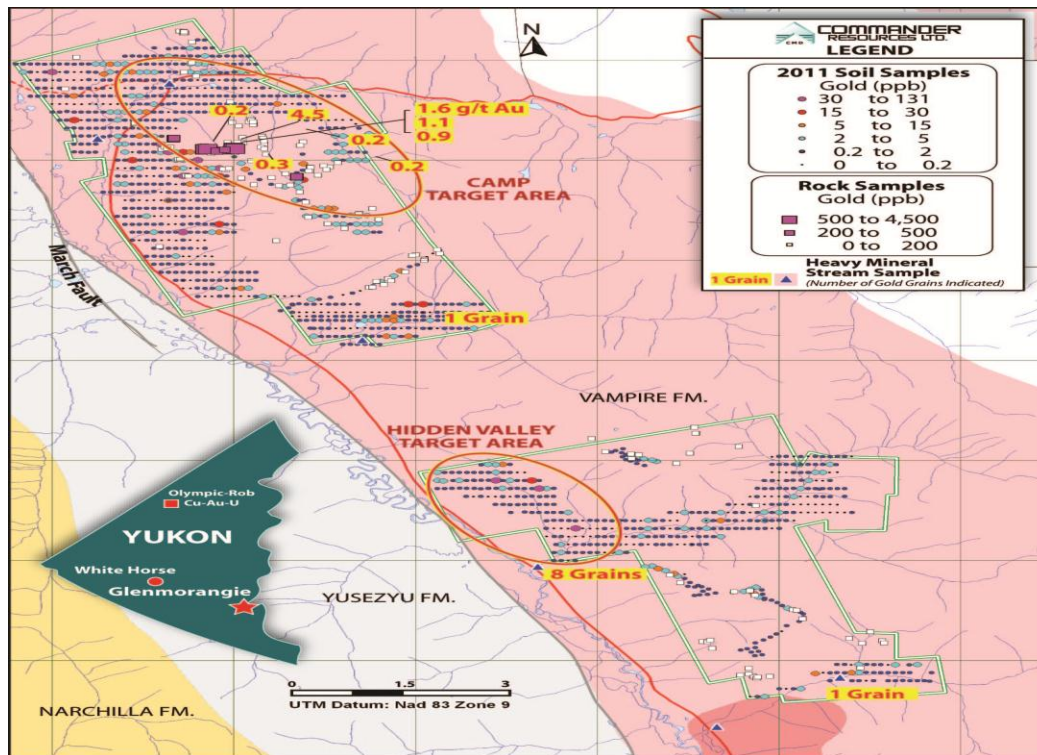
The second zone is to the south, and was identified through mapping and sampling. Again, a north west trending fault system was discovered and along with this, gold was found in soils, with values up to 131 ppb gold. Heavy metal concentrate sampling of silts draining from this area returned 8 grains of gold, the highest number found to date from this method of sampling.

Results of field program:

A total of 1,350 soil samples, 205 rock samples, 20 silt samples and six bulk silt samples were obtained from the Company's 5,600 ha property over a two month period last year. The samples were processed by ALS Minerals in their Whitehorse and Vancouver labs, using ICP-MS methods. A total of \$320,000 has been spent.

Geological mapping of the area has identified a significant amount of structural complexity, and identified a number of small intrusive bodies that had not been previously recorded. Further work will shed light on the coincidence of gold values along these structural corridors. A program for 2012 will be planned in the following months.

Glenmorangie, Yukon – Soil and Rock Samples



3. Storm Copper Property, Nunavut

The property consists of four permits covering 208,286 acres (84,291 ha) and is located on the northwest corner of Somerset Island adjacent to the Northwest Passage. The target is a large tonnage, high-grade sedimentary (carbonate) hosted copper deposit.

The 4100N zone, the largest discovered, contains a consistent interval of copper mineralization starting at a depth of about 50 metres from surface, based on 17 widely spaced diamond drill holes. The zone extends over an area of at least 1000 metres x 400 metres and remains open. The 2750N zone is a pipelike breccia body that extends to depths in excess of 100 metres.

Examples of drill intersections from the 4100 and 2750 zones are highlighted in the following table:

Zone	Drill Hole	Intersected Width (m)	Grade Cu %
4100N	ST 99-47	17.20	3.50
	<i>Including</i>	11.00	4.90
	ST 00-62	52.60	1.14
	<i>Including</i>	7.30	2.41
	ST 97-13	71.70	1.01
2750N	ST 97-8	105.00	2.92
	<i>Including</i>	53.00	5.09
	ST 97-9	24.60	2.65
	ST 99-19	58.40	3.10
	<i>Including</i>	13.30	9.56
	ST99-43	35.50	1.00
	ST99-47	13.70	4.20
	ST00-62	52.60	1.14

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The copper mineralization discovered previously is exposed over a 7 km portion of a 30 km long structural corridor. Mineralization occurs as stratabound bodies and as large-scale fault-related high-grade breccia structures. The contact between the host Allen Bay and overlying Cape Storm formations appears to be favourable for mineral deposition. The most prominent feature on the property is a 7 km long block fault (graben) structure. This graben may hide offset portions of the known mineralization or new zones. There has been very little investigation carried out along strike or down dip beneath the cover of the Cape Storm formation. Drilling has been conducted only to a shallow depth in a few areas. Most of the mineralization found to date has been in the form of chalcocite, bornite and native copper. With higher prices now being used for the evaluation of copper projects (compared to prices used in the 1990's) the model being pursued is for a higher tonnage, lower grade copper resource at depth.

In November 2011, Commander entered into an Option Agreement with Aston Bay Ventures Ltd. The Agreement provides Aston Bay the right to earn up to a 70% interest in Commander's wholly owned Storm Property, Nunavut by issuing a total of 3,000,000 shares to Commander, making total cash payments of \$150,000 and funding \$15 million in exploration expenditures that must include delivery of an Indicated Resource as defined in NI 43-101.

4. Stump Lake, British Columbia

In 2011 Commander acquired a package of claims on a newly discovered epigenetic gold prospect in Southern BC. The package of claims is held by The Marlow Prospecting Syndicate of Kamloops (the "Marlows") and has been increased by additional staking of adjacent claims by Commander. The property is located near Stump Lake, 25 km south of Kamloops and can be worked year-round with good access by road.

On April 26, 2012, the Company received all the results from its first phase 2,000 meter drill program located at Stump Lake, B.C. The drill program was designed to test an anomalous 2.5 km strike length of a quartz carbonated brecciated vein system which has been sampled by rock grab sampling and found to consistently contain gold values of up to 6 g/t Au. The highlights of the drilling program included Hole SL 12-06 which returned Au mineralization found over 43.15 m, the best intersection being 19.0 metres grading 0.44 g/t Au, which included a 1 m interval grading 4.79 g/t Au.

5. Other Properties

Olympic Property

The Olympic copper-gold property is located north of Dawson City in the Yukon and has claims covering 4,431 hectares. The property covers a very large (+10 km) hematite breccia complex with numerous copper and copper-gold showings which are similar in style and age to the Olympic Dam deposit in Australia. Two deep seated magnetic blocks have recently been identified which underlie the western portion of the breccia complex based on airborne EM-Mag surveys. Although some drilling has been completed at Olympic, these new targets have not been evaluated or tested.

The Olympic property is located just within the boundary of the Peel River Land Use Planning area. The final recommendations regarding use of the land within this area has not yet been completed by the Planning Commission.

Sabin Property, Ontario

The Sabin copper-zinc property is a large (114 claims) holding located in northwest Ontario. It is situated at the north end of the Sturgeon Lake Greenstone Belt which hosted the precious metal rich Mattabi and Lynn Lake VMS deposits. As the property is crossed by major paved highways and is only 8 km from the CN Mainline at Savant Lake, it can be worked year round. Historic work on this property discovered significant base metal and precious metal showings.

Work on Sabin in 2011 consisted of detailing several large geochemical/geophysical targets on highly altered felsic volcanics. As Sabin has never been explored for gold, Commander's 2011 program was to evaluate the Rainy River style of mineralization on the property for its gold potential.

Nepisiguit-Stewart Property, New Brunswick

Commander's joint venture partner, Stratabound, encountered significant intervals of high grade copper mineralization at the Stewart copper prospect on Commander's Nepisiguit property, Bathurst district, New Brunswick. Hole STW-10-1 intersected 3.5 metres grading 2.07% copper. Hole STW-10-2 cut 89.5 meters grading 0.75% copper with high grade intervals up to 3.1% copper over 4 meters, and significant gold, silver and cobalt credits. Detailed drill results and descriptions from hole STW- 10-

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2 are given below. Stratabound expended approximately \$ 175,000 on this first year program in late 2010. Four holes, totaling 1,064 metres, were drilled by Stratabound.

The Year 2 Program is planned for mid 2012 and is estimated to cost close to \$200,000. The Stewart Copper Prospect is again the main focus of work this year. The Program is aimed to follow this copper zone southward and to depth. Detailed geophysical surveys will be followed by a drilling program.

Deconsolidation of Maritime

Effective October 5, 2010, the Company received 12 million common shares of Maritime in exchange for a 50% interest in the Green Bay Property, located in the King's Point area, Newfoundland. Maritime is responsible for funding all exploration expenditures and is committed to conducting \$750,000 of mineral exploration activities on the property by April 5, 2012. The company commenced consolidating the results of Maritime from October 5, 2010, the date of acquisition.

In January 2012, the Company sold its remaining 50% interest in the Green Bay Property to Maritime in exchange for 5 million common shares of Maritime, as provided in the agreement between the parties dated June 14, 2010.

On February 15th, 2012, the Company sold 4,500,000 common shares of Maritime to Rambler through a private transaction at a price of \$0.23 per share for gross cash proceeds of \$1,035,000. The Company now holds 12,500,000 shares of Maritime, representing 47% of Maritime's current issued and outstanding common shares. The Company also retains a 2% NSR on future production from portions of the Green Bay Property, which is wholly owned by Maritime.

The Company has recently reviewed the elements of control over Maritime in accordance with International Accounting Standard ("IAS") 27 – *Consolidated and Separate Financial Statements*. The Company determined that it ceased control of Maritime as it held less than 50% interest and therefore no longer needed to consolidate Maritime into its financial statements as at February 15, 2012. The following facts were taken into consideration:

- a) On February 15, 2012, the ownership of common shares in Maritime decreased to approximately 47% from 55% at December 31, 2011.
- b) The Company holds minority representation and have no veto power of the Board of Directors of Maritime.
- c) There are no contracts signed between these two companies that would result in one company being dependent over the other one.
- d) The Company's ownership will continue to decline as Maritime continues to raise capital on the TSX Ventures.

Accordingly, it was determined that the Company should discontinue to consolidate the financial results of Maritime and apply equity accounting methodology to account for the investment in Maritime after February 15, 2012 in accordance with IAS 27. The Company deconsolidated its interest in Maritime and recorded a gain on deconsolidation.

As a result, the Corporation derecognized the carrying amounts of assets, liabilities and non-controlling interest and recognized its retained investment in Maritime at its fair value as at the date of deconsolidation of Maritime. The Company recorded a gain on deconsolidation of Maritime of \$3,186,676 for the period ended March 31, 2012 in other income in the statement of operations. The Company recorded the cash decrease of \$202,486 from deconsolidation of Maritime in its investment activities in the condensed consolidated interim statement of cash flows for the period ended March 31, 2012.

The gain on deconsolidation is calculated as below:

5 million shares received @\$0.20 on January 31, 2012		\$ 1,000,000
Reclassification of Government refund for Green Bay as a gain		<u>22,450</u>
		1,022,450
Cash proceeds of 4.5 million shares sold	1,035,000	
Average cost base @0.186 (12 mil @ \$0.18 + 5 mil @ \$0.20)	<u>(836,471)</u>	198,529
Fair value adjustment of investment in Maritime as of Feb. 15, 2012		551,471
Recording of previous unrealized gain due to deconsolidation		<u>1,414,226</u>
Gain on disposal of Green Bay and Non-Controlling Interest		<u>\$ 3,186,676</u>

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The movement of non-controlling interest to February 15, 2012 is as follows:

Balance at December 31, 2011	\$	508,913
Share of loss from January 1 to January 31, 2012		(16,736)
Share of share-based payments from January 1 to January 31, 2012		1,063
Balance at January 31, 2012	\$	493,240
Transfer to parent (8.34%/44.19%)		(93,064)
Amended balance at January 31, 2012	\$	400,176
Share of loss from February 1 to February 15, 2012		(3,219)
Share of share-based payments from February 1 to February 15, 2012		431
Balance as at February 15, 2012	\$	397,388
Derecognition of NCI		(397,388)
Balance as at February 15, 2012 after derecognition	\$	-

The Company determined the fair value of Maritime on the date of deconsolidation based upon fair value of the 12.5 million common shares it owns as of February 15, 2012.

As at March 31, 2012, the investment in Maritime is as follows:

Fair value upon deconsolidation	\$	2,875,000
Share of loss of Maritime for the period		<u>(42,470)</u>
Balance at March 31, 2012	\$	<u>2,832,530</u>

Results of Operations

Quarter Results

During the quarter ended March 31, 2012, Commander incurred exploration costs of \$414,130 on various properties. The largest mineral property exploration expenditures were for the Stump Lake drilling program, which amounted to \$297,708. Spending on other properties totalled to \$116,422 for the quarter, including \$60,804 on Baffin properties, \$14,199 on the Glenmorangie property, and \$13,985 on the Green Bay property. More information is available on the Mineral Property Expenditure Table.

Total general and administrative expenses incurred during the quarter were \$257,215 of which share-based payments were \$2,119. During the same period of 2011, the total general and administrative expenses were \$381,844 of which share-based payments were \$119,385.

Three Months Ended March 31, 2012 compared with the Three Months Ended March 31, 2011

During this quarter, Commander focused primarily on the drilling program of Stump Lake Gold, BC and other mineral properties. Commander had no revenue and general and administrative expenses decreased by \$124,629 to \$257,215 compared to \$381,844 mainly attributable to a decrease of \$117,266 in non-cash share-based payments and deconsolidation of Maritime. Please note that Commander ceased to consolidate Maritime's financials as of February 15th, 2012.

Some notable variances are analyzed below:

- Accounting and audit decreased by \$14,400 to \$26,360 (2011 - \$40,760) due to the deconsolidation of Maritime's accounting and audit expense, which was included as a subsidiary of Commander during the same period last year.
- Salaries and benefits expense increased to \$74,598 from \$61,802 in 2011.
- Legal fees decreased to \$2,481 as compared to \$10,702 during the same period last year. The decrease is also due to the deconsolidation of Maritime.

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- Investor relations (“IR”) and promotion expenses increased to \$73,092 (2011 - \$65,912), mainly due to the addition of an external IR consultant. Consulting, promotion and other expenses during the three months ended are as follows:

	2012	2011
Conferences and trade shows	\$ 25,542	\$ 19,075
Consulting, wages and benefits	32,509	22,464
Media	8,611	13,175
Administration	-	4,719
Promotion and advertising	6,430	6,479
	\$ 73,092	\$ 65,912

- Share-based payments were \$2,119 comparing to \$119,385 in 2011. There were fewer options granted with lower exercise value during this period.
- A total gain of \$3,186,676 was realized on the deconsolidation of Maritime, including a cash gain of \$198,529 and non-cash gain of \$2,988,147.
- Commander’s share of loss of investment in Maritime after deconsolidation from February 16 through March 31 was \$42,470.
- For the quarter ended March 31, 2012, Commander’s net income was \$2,880,487 (2011 – net loss of \$324,725) and income attributable to common shareholders was \$2,900,442 (2011 – loss of \$346,364). The increase in income was mainly due to the gain of \$3,186,676 from the disposal of a controlling interest in Maritime in the current period.

Summary of Quarterly Results

	In accordance with							
	IFRS							
	June 30 2010 Q2	Sept. 30 2010 Q3	Dec. 31 2010 Q4	Mar. 31 2011 Q1	Jun. 30 2011 Q2	Sep. 30 2011 Q3	Dec. 31 2011 Q4	Mar. 31 2012 Q1
Mineral property costs deferred, net	\$ (73,092)	\$ (59,498)	\$ (141,138)	\$ (377,968)	\$ 896,791	\$ 728,872	\$ (3,667,394)	\$ (980,182)
G&A (incl. share-based payments)	\$ 432,631	\$ 326,211	\$ 415,996	\$ 381,846	\$ 425,098	\$ 275,342	\$ 308,773	\$ 257,215
Share-based payments expense	\$ 206,561	\$ 91,093	\$ 211,206	\$ 119,385	\$ 173,711	\$ 49,377	\$ 82,648	\$ 2,119
Adjusted G&A (less share-based payments)	\$ 226,070	\$ 235,118	\$ 204,790	\$ 262,461	\$ 251,387	\$ 225,965	\$ 226,125	\$ 255,096
Income (loss)	\$ (439,881)	\$ (332,606)	\$ (1,120,662)	\$ (324,725)	\$ (458,800)	\$ (224,672)	\$ (2,966,616)	\$ 2,880,487
Income (loss) attributable to owners of the parent	\$ (439,881)	\$ (332,606)	\$ (1,018,258)	\$ (346,364)	\$ (423,109)	\$ (196,114)	\$ (2,979,290)	\$ 2,900,442
Income (loss) per share								
-basic	\$ (0.005)	\$ (0.004)	\$ (0.012)	\$ (0.004)	\$ (0.004)	\$ (0.002)	\$ (0.030)	\$ 0.029
-diluted	\$ (0.005)	\$ (0.004)	\$ (0.012)	\$ (0.004)	\$ (0.005)	\$ (0.002)	\$ (0.030)	\$ 0.025
Loss per share attributable to owners of the parent								
-basic	\$ (0.005)	\$ (0.004)	\$ (0.011)	\$ (0.004)	\$ (0.004)	\$ (0.002)	\$ (0.030)	\$ 0.029
-diluted	\$ (0.005)	\$ (0.004)	\$ (0.011)	\$ (0.004)	\$ (0.004)	\$ (0.002)	\$ (0.030)	\$ 0.025

Non-GAAP Financial Measures

Since the adoption of the accounting standard for share-based payments, 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 share-based payments expense to be more reflective of normal operations. This financial measure does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other corporations or entities.

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Liquidity and Capital Resources

At March 31, 2012, Commander had \$1,456,033 in cash and cash equivalents.

Commander has relied on equity financings to meet its cash requirements. In May, 2011, Commander completed a non-brokered private placement of 8,500,032 units priced at \$0.24 per unit to raise \$2,040,008 to finance exploration on Commander's projects in Canada. Each unit consists of one flow-through common share and one-half non flow-through share purchase warrant. Each whole non flow-through share purchase warrant entitles the holder to purchase one common share at a price of \$0.30 for two years following the closing.

In February 2012, the Company sold 4,500,000 common shares of Maritime to Rambler Metals Canada ("Rambler") through a private transaction at a price of \$0.23 per share for gross cash proceeds of \$1,035,000.

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.

There is no significant commitment for capital expenditure.

Off-Balance Sheet Arrangements

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

Related Party Transactions

(a) Transactions

Commander's related parties consist of companies controlled by officers and directors. Commander incurred the following fees and expenses in the normal course of operations in connection with companies controlled by key management and directors for the three months ended March 31, 2012 and 2011:

	2012	2011
Accounting	\$ 15,000	\$ 18,000
Consulting	21,000	16,500
Geological consulting	6,300	29,960
Legal	5,520	46
Office rent and administrative	20,725	18,218
	\$ 68,545	\$ 82,724

These transactions were recorded at fair value, being the amount agreed upon by the related parties.

At March 31, 2012 included in accounts payable were amounts due to related parties of \$1,414 for administrative and office expenses to a company related by a director in common (December 31, 2011 - \$2,158), \$2,321 for expense reimbursement to an executive officer (December 31, 2011 - \$1,054) and \$2,154 for legal fees to a law firm related by a director in common (December 31, 2011 - \$17,706).

At March 31, 2012, marketable securities included 258,000 common shares of Diamonds North Resources Ltd., a company related by a director in common.

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(b) Compensation of key management personnel

The remuneration of directors and other key management personnel during the three months ended March 31, 2012 and 2011 were as follows:

	2012		2011	
Accounting	\$	15,000	\$	18,000
Consulting		21,000		16,500
Geological consulting		6,300		29,960
Salaries and benefits		114,791		74,783
Share-based payments		-		94,882
	\$	157,091	\$	234,125

The compensation includes transactions disclosed above in (a) section. Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended March 31, 2012.

Proposed Transactions

No transaction proposed.

Disclosure Controls and Internal Controls Over Financial Reporting

Commander's President & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for Commander.

In accordance with the requirements of National Instrument 52-109, Certification and Disclosure in Commander's annual and interim filings, evaluations of the design and operating effectiveness of disclosure controls and procedures ("DC&P") and the design effectiveness of internal control over financial reporting ("ICFR") were carried out under the supervision of the CEO and CFO as of the end of the period covered by this report.

The CEO and CFO have concluded that the design and operation of disclosure controls and procedures were adequate and effective to provide reasonable assurance that material information relating to Commander would have been known to them and by others within those entities. The CEO and CFO have also concluded that Commander's internal controls over financial reporting are designed effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

While there were no changes that occurred for the most recent fiscal period that have materially affected Commander's internal control procedures, the CEO and CFO will continue to attempt to identify areas to improve controls and intend to incorporate such improvement over the next fiscal period.

Commander Resources Ltd. disclosed that

(1) the Company is not required to certify the design and evaluation of the Company's DC&P and ICFR and has not completed such an evaluation; and

(2) inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Critical Accounting Estimates

The most significant accounting estimates for Commander relates to the carrying value of its exploration and evaluation 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.

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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 share-based payments and derivative instruments. Commander uses the Black-Scholes Option Pricing Mode to estimate the fair value of share-based payments and warrants. 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.

Financial Instruments

Commander is exposed to liquidity risk as it may have difficulty in obtaining funds to meet financial obligations as they become due. As at March 31, 2012, Commander had cash and cash equivalents in the amount of \$1,456,033. Accounts payable and accrued liabilities as at March 31, 2012 amounted to \$156,365. Commander believes that it has sufficient funds to complete the planned business objectives for 2012.

Commander is exposed to credit risk with respect to its cash and cash equivalents, accounts receivable and due from related parties. This risk is minimized as the cash and cash equivalents have been placed with major Canadian financial institutions. Commander performs on-going credit evaluations of its accounts receivable. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts. 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 March 31, 2012, 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 \$21,215 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 \$21,215 lower. The following table illustrates the classification of the Commander's financial instruments carried at fair value within the fair value hierarchy at March 31, 2012. Please refer to the condensed consolidated interim financial statements (note 3(a)).

	Total	Level 1	Level 2	Level 3
March 31, 2012				
Investment in securities	\$ 252,142	\$ 252,142	\$ -	\$ -

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 and Commander's website, www.commanderresources.com.

Commander had 99,892,548 issued common shares outstanding as at the report date as follows:

	Number of Shares	Amount
Balance, January 1, 2011	90,942,516	\$ 37,450,106
Issued for cash:		
Private placement	8,500,032	2,040,008
Private placement issuance cost		(76,048)
Fair value assigned to warrants issued under IFRS		(221,086)
Other liability on flow-through share premium under IFRS		(345,299)
Issued for other consideration:		
Property acquisitions per option agreements	450,000	69,000
Balance, December 31, 2011, March 31, 2012 and Report Date	99,892,548	\$ 38,916,681

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The Company also has the following unexercised stock options and warrants outstanding as at the report date:

Stock Options

Number of Options	Exercise Price	Expiry Date
1,111,500	\$0.36	June 7, 2012
50,000	\$0.19	December 21, 2012
100,000	\$0.13	January 19, 2013
740,000	\$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
1,351,000	\$0.10	May 12, 2014
200,000	\$0.39	January 19, 2015
1,818,500	\$0.35	January 27, 2015
500,000	\$0.27	May 25, 2015
100,000	\$0.18	October 6, 2015
2,020,000	\$0.19	February 11, 2016
400,000	\$0.17	April 6, 2016
9,571,000		

200,000 stock options expired unexercised on May 8, 2012 after the period end March 31, 2012.

Warrants

Number of Shares	Exercise Price	Expiry Date	Amount
2,819,166	\$0.30	May 3, 2013	\$ 140,958
1,430,849	\$0.30	May 18, 2013	80,128
4,250,015			\$ 221,086

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Mineral Property Expenditure Table

At March 31, 2012, the Company's exploration and evaluation assets comprise properties located in Canada. Expenditures incurred on mineral properties during the year are as follows:

	Qimmiq	Bravo Lake	Stump Lake	Glenmorangie	Storm	Other	Green Bay	Total
	Baffin, Nunavut		BC	Yukon	Nunavut	Properties	Newfoundland	
Note	9(a)		9(b)	9(c)	9(d)	9(e)	10	
Balance at December 31, 2011	\$ 9,243,700	\$ 2,554,797	\$ 562,806	\$ 405,687	\$ 930,260	\$ 4,486,866	\$ 1,280,327	\$ 19,464,443
Exploration costs:								
Drilling	(139)	-	206,396	(96)	-	-	2,016	208,177
Geochemistry	2,409	1,032	25,424	164	-	-	-	29,029
Geology	39,106	14,683	46,012	12,031	3,848	15,809	11,587	143,076
Geophysics	-	(489)	16,000	-	-	-	-	15,511
Property	4,123	-	150	2,100	530	2,864	-	9,767
Other	-	79	3,726	-	-	4,383	382	8,570
	45,499	15,305	297,708	14,199	4,378	23,056	13,985	414,130
Less:								
Recoveries	-	-	-	-	(100,000)	-	-	(100,000)
Net additions	45,499	15,305	297,708	14,199	(95,622)	23,056	13,985	314,130
Derecognition of Green Bay Property							(1,294,312)	(1,294,312)
Balance at March 31, 2012	\$ 9,289,199	\$ 2,570,102	\$ 860,514	\$ 419,886	\$ 834,638	\$ 4,509,922	\$ -	\$ 18,484,261



COMMANDER RESOURCES LTD.

HEAD OFFICE

Commander Resources Ltd.
1100 - 1111 Melville Street
Vancouver, British Columbia
V6E 3V6

TEL: (604) 685-5254

TOLL FREE: 1-800-667-7866

Email: info@commanderresources.com

OFFICERS & DIRECTORS

Eric W. Norton, P.Eng.
*President, Chief Executive Officer and
Director*

David Watkins, M.Sc.
Chairman and Director

Bernard H. Kahlert, P.Eng.
*Vice President, Corporate Development and
Director*

Kenneth Leigh, MSc.
Director

William J. Coulter, B.A.Sc.
Director

Brian Abraham, LLB., P.Geo.
Director

Michael W. Byrne, C.A.
Director

Steve Potts, P.Geo.
Vice President, Exploration

Michael Chen, CPA, MBA
Chief Financial Officer

Janice Davies
Corporate Secretary

LISTINGS

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

CAPITALIZATION

(As at March 31, 2012)

Shares Authorized: Unlimited
Shares Issued: 99,892,548

REGISTRAR & TRUST AGENT

CIBC Mellon Trust Company
Suite 1600, The Oceanic Plaza
1066 West Hastings Street
Vancouver, British Columbia
V6C 3X1

AUDITOR

Smythe Ratcliffe LLP
7th Floor, Marine Building
355 Burrard Street
Vancouver, British Columbia
V6C 2G8

LEGAL COUNSEL

Salley Bowes Harwardt
1750 - 1185 West Georgia St.
Vancouver, British Columbia
V6E 4E6