



**COMMANDER
RESOURCES LTD.**

**CONDENSED INTERIM
FINANCIAL STATEMENTS**

For the Six Months Ended
June 30, 2013
(Expressed in Canadian Dollars)
(Unaudited – See Notice)



Notice of No Auditor Review of the Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Commander Resources Ltd. (“the Company” or “Commander”), for the six months ended June 30, 2013, 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 Interim Statements of Financial Position

(Expressed in Canadian dollars)

	Note	June 30, 2013	December 31, 2012
Assets			
Current assets			
Cash and cash equivalents	5	\$ 263,225	\$ 523,110
Investment in securities	6	447,806	177,647
Receivables	8	62,943	24,324
Prepaid expenses		1,893	23,849
		775,867	748,930
Non-current assets			
Deposit and others		37,377	37,377
Exploration and evaluation assets	9	18,071,620	17,977,454
Investment in associated company	10	2,330,291	2,610,148
Property and equipment	11	7,078	9,245
		20,446,366	20,634,224
Total Assets		\$ 21,222,233	\$ 21,383,154
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12	\$ 33,007	\$ 46,723
Non-current liability			
Deferred tax liability		461,526	461,526
		494,533	508,249
Shareholders' Equity			
Share capital	13	38,949,931	38,929,431
Reserves		863,511	1,346,892
Accumulated other comprehensive income (loss)		253,453	(16,706)
Deficit		(19,339,195)	(19,384,712)
		20,727,700	20,874,905
Total Liabilities and Shareholders' Equity		\$ 21,222,233	\$ 21,383,154

Note 1 Nature of Operations and Going Concern

Note 15 Commitments

Note 16 Subsequent Events

Approved on behalf of the Board of Directors:

"Eric Norton"

Eric Norton

"Brian Abraham"

Brian Abraham

See Accompanying Notes to the Condensed Interim Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Condensed Interim Statements of Operations

(Expressed in Canadian dollars)

(Unaudited - See Notice)

	Note	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2013	2012	2013	2012
Expenses					
Accounting and audit		\$ 19,319	\$ 27,511	\$ 40,472	\$ 53,871
Administration and others		32,388	38,576	72,085	95,127
Depreciation		1,084	1,084	2,167	2,098
Consulting		15,607	12,200	37,032	33,200
Investor relations and promotion		16,780	27,921	64,867	101,012
Legal		4,244	17,202	4,607	19,683
Salaries and benefits		33,791	65,647	73,785	140,245
Share-based payments	13(c)	2,001	13,395	9,869	15,514
		(125,214)	(203,536)	(304,884)	(460,750)
Other items					
Interest income					
Exchange gain (loss)		2,460	3,655	5,053	(2,849)
Mineral property recovery		8,782	-	8,782	-
Gain on investment in securities	10	30,232	-	30,232	-
Share of loss and dilution loss in associated company	10	(154,517)	(35,812)	(186,916)	(78,282)
Gain on disposal of subsidiary	10	-	-	-	3,186,676
Net income (loss) for the period		\$ (238,257)	\$ (235,693)	\$ (447,733)	\$ 2,644,795
Net income (loss) for the period attributable to:					
Non-controlling interest		\$ -	\$ -	\$ -	\$ (19,955)
Common shareholders		(238,257)	(235,693)	(447,733)	2,664,750
		\$ (238,257)	\$ (235,693)	\$ (447,733)	\$ 2,644,795
Earnings/(loss) per share - basic and diluted		\$ (0.002)	\$ (0.002)	\$ (0.004)	\$ 0.026
Weighted average number of common shares outstanding		100,098,565	99,909,032	100,070,698	99,900,790

See Accompanying Notes to the Condensed Interim Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Condensed Interim Statements of Comprehensive Income (Loss)

(Expressed in Canadian dollars)

(Unaudited - See Notice)

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2013	2012	2013	2012
Net income (loss) for the period	\$ (238,257)	\$ (235,693)	\$ (447,733)	\$ 2,644,795
Fair value adjustment on available-for-sale securities	295,631	(62,261)	270,159	(78,326)
Comprehensive income (loss) for the period	\$ 57,374	\$ (297,954)	\$ (177,574)	\$ 2,566,469
Comprehensive income (loss) for the period attributable to:				
Non-controlling interest	\$ -	\$ -	\$ -	\$ (19,955)
Common shareholders	57,374	(297,954)	(177,574)	2,586,424
Comprehensive income (loss) for the period	\$ 57,374	\$ (297,954)	\$ (177,574)	\$ 2,566,469

See Accompanying Notes to the Condensed Interim Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Condensed Interim Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited - See Notice)

	For the Three Months Ende June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Cash provided from (used in):				
Operating activities				
Net income (loss) for the period	\$ (238,257)	\$ (235,693)	\$ (447,733)	\$ 2,644,795
Items not involving cash:				
Depreciation	1,084	1,084	2,167	2,098
Share-based payments	2,001	13,395	9,869	15,514
Write-off of assets	-	-	-	346
Share of loss in associated company	154,517	35,812	186,916	78,282
Gain on disposal of subsidiary	(30,232)	-	(30,232)	(3,186,676)
	(110,887)	(185,402)	(279,013)	(445,641)
Changes in non-cash working capital items:				
Receivables	(8,326)	33,211	(2,819)	26,227
Prepaid expenses	9,284	6,731	21,956	13,600
Accounts payable and accrued liabilities	(21,256)	(49,169)	(13,716)	14,033
Cash used in operating activities	(131,185)	(194,629)	(273,592)	(391,781)
Investing activities				
Deposit and others	-	-	-	7,792
Expenditures on exploration and evaluation assets	(53,606)	(631,536)	(109,466)	(1,045,666)
Recoveries from exploration and evaluation assets	(35,800)	537,369	(35,800)	737,369
Change in working capital related to exploration and evaluation assets	35,800	(78,155)	35,800	(226,922)
Net proceeds from disposition of shares of former subsidiary	123,173	-	123,173	1,035,000
Cash surrendered on disposal of subsidiary	-	-	-	(202,486)
Cash provided from (used in) investing activities	69,567	(172,322)	13,707	305,087
Decrease in cash and cash equivalents	(61,618)	(366,951)	(259,885)	(86,694)
Cash and cash equivalents, beginning of period	324,843	1,456,033	523,110	1,175,776
Cash and cash equivalents, end of period	\$ 263,225	\$ 1,089,082	\$ 263,225	\$ 1,089,082
Supplemental Cash Flow Information				
Accounts payable and accrued liabilities related to exploration & evaluation assets	\$ -	\$ 2,424	\$ -	\$ 2,424
Accounts receivable related to exploration & evaluation assets	35,800	-	35,800	-
Shares issued for exploration and evaluation assets	\$ 20,500	\$ 12,750	\$ 20,500	\$ 12,750

See Accompanying Notes to the Condensed Interim Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited - See Notice)

	Share Capital		Reserves			Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Shareholders' Equity
	Shares	Amount	Warrants	Share-Based Payments	Deficit			
Balance at December 31, 2011	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	-	-	-	-	2,644,795	-	-	2,644,795
Unrealized loss on available-for-sale marketable securities	-	-	-	-	-	(78,326)	-	(78,326)
Share-based payments	-	-	-	15,514	-	-	-	15,514
Transfer of share-based payments expired	-	-	-	(525,573)	525,573	-	-	-
Shares issued on acquisition of exploration and evaluation assets	150,000	12,750	-	-	-	-	-	12,750
Elimination of NCI on derecognition (Note 10)	-	-	-	(142,317)	-	-	(508,913)	(651,230)
Balance at June 30, 2012	100,042,548	\$ 38,929,431	\$ 211,843	\$ 1,152,906	\$ (17,766,733)	\$ (446,417)	\$ -	\$ 22,081,030
Net loss for the period	-	-	-	-	(1,720,324)	-	-	(1,720,324)
Unrealized loss on available-for-sale securities	-	-	-	-	-	(41,775)	-	(41,775)
Transfer of impairment loss on available-for-sale securities	-	-	-	-	-	471,486	-	471,486
Share-based payments	-	-	-	84,488	-	-	-	84,488
Transfer of share-based payments expired	-	-	-	(102,345)	102,345	-	-	-
Round down of shares re Major General - return to treasury	(27)	-	-	-	-	-	-	-
Balance at December 31, 2012	100,042,521	\$ 38,929,431	\$ 211,843	\$ 1,135,049	\$ (19,384,712)	\$ (16,706)	\$ -	\$ 20,874,905
Net loss for the period	-	-	-	-	(447,733)	-	-	(447,733)
Unrealized gain(loss) on available-for-sale securities	-	-	-	-	-	270,159	-	270,159
Share-based payments	-	-	-	9,869	-	-	-	9,869
Transfer of share-based payments expired	-	-	-	(281,407)	281,407	-	-	-
Shares issued on acquisition of exploration and evaluation assets	250,000	20,500	-	-	-	-	-	20,500
Transfer of warrants expired (Note 13(d))	-	-	(211,843)	-	211,843	-	-	-
Balance at June 30, 2013	100,292,521	\$ 38,949,931	\$ -	\$ 863,511	\$ (19,339,195)	\$ 253,453	\$ -	\$ 20,727,700

See Accompanying Notes to the Condensed Interim Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Interim Financial Statements

For the Six months Ended June 30, 2013 and 2012

(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, V6E 3V6.

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) 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 unaudited condensed interim 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 period ended June 30, 2013, the Company reported a net loss of \$447,733 (2012 - net income of \$ 2,644,795, for which \$3,186,676 was gain on disposal of subsidiary) and as of June 30, 2013 had a deficit of \$19,339,195 (December 31, 2012- \$19,384,712), and working capital of \$742,860 (December 31, 2012 - \$702,207).

2. Statement of Compliance

These unaudited condensed 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. 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, 2012. 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. These financial statements were authorized for issue by the Board of Directors on August 15, 2013.

3. Summary of Significant Accounting Policies

These unaudited condensed interim financial statements have been prepared under the historical cost convention, except for certain financial assets and financial liabilities recorded at fair value, including derivative instruments and available-for-sale instruments. The financial statements are presented in Canadian dollars, values otherwise noted.

(a) Principles of consolidation and deconsolidation

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 is recognized at its fair value and any gain or loss resulted from the deconsolidation is recorded in the statement of operations.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Interim Financial Statements

For the Six months Ended June 30, 2013 and 2012

(Expressed in Canadian dollars)

(Unaudited – See Notice)

3. Summary of Significant Accounting Policies (Continued)

(a) Principles of consolidation and deconsolidation (Continued)

The comparative figures for 2012 in these unaudited condensed 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, "Investment in Maritime", for details.

(b) Basis of presentation

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2012, with the exception of the following new accounting standards and amendments which the Company adopted and are effective for the Company's interim and annual financial statements commencing January 1, 2013.

- IAS 1 Presentation of Financial Statements ("IAS 1")
- IAS 27 Separate Financial Statements ("IAS 27")
- IAS 28 Investments in Associates and Joint Ventures ("IAS 28")
- IFRS 7 Financial Instruments: Disclosures ("IFRS 7")
- IFRS 10 Unaudited condensed interim consolidated financial statements ("IFRS 10")
- IFRS 11 Joint Arrangements ("IFRS 11")
- IFRS 12 Disclosure of Interests In Other Entities ("IFRS 12")
- IFRS 13 Fair Value Measurement ("IFRS 13")

The accounting standards and amendments to standards adopted by the Company that had an impact on financial results or require further explanation are explained as follows:

IAS 1 was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The adoption of the new standard did not have significant impacts to the consolidated statement of loss and comprehensive loss.

IAS 27 has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate financial statements. The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture). The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Interim Financial Statements

For the Six months Ended June 30, 2013 and 2012

(Expressed in Canadian dollars)

(Unaudited – See Notice)

3. Summary of Significant Accounting Policies (Continued)

(b) Basis of presentation (Continued)

IFRS 7 was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognised financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32.

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of Standing Interpretations Committee Standard (“SICs”) 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements. In accordance with the transitional provisions of IFRS 10, the Company re-assessed the control conclusion for its investees at January 1, 2013. The Company made no changes as a result of this process in the current or comparative period.

IFRS 11 replaces the guidance in IAS 31 Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previously jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11, joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method. Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment’s opening balance is tested for impairment in accordance with IAS 28 Investments in Associates and IAS 36 Impairments of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

IFRS 12 Disclosure of Interests in Other Entities (“IFRS 12”) requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. Disclosures arising from the adoption of IFRS 12 did not have significant impacts to the notes of the consolidated financial statements.

IFRS 13 Fair Value Measurement (“IFRS 13”) converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price.

(c) Accounting standards issued but not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after June 30, 2013 or later periods. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Interim Financial Statements

For the Six months Ended June 30, 2013 and 2012

(Expressed in Canadian dollars)

(Unaudited – See Notice)

3. Summary of Significant Accounting Policies (Continued)

(c) Accounting standards issued but not yet effective (Continued)

- IAS 32 Financial Instruments: Presentation (“IAS 32”) was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014 with earlier adoption permitted.
- IFRS 9 Financial Instruments (“IFRS 9”) was issued November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss.

IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with early adoption permitted.

(d) Use of estimates and judgement

Significant areas requiring the use of estimates in the preparation of financial statements include the fair values of financial instruments; collectability of receivables; the balances of accrued liabilities; impairment of exploration and evaluation assets; determination of deferred tax assets; and the assumptions used in the determination of the fair value of share-based payments, agent compensation options and finder’s warrants. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

(e) Segment information

The Company conducts its business as a single segment being the business of exploring and developing mining assets in Canada. All exploration and evaluation assets and equipment are situated in Canada.

4. 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
Investment in securities – as available-for-sale
Receivables – as loans and receivables
Accounts payable and accrued liabilities – as other financial liabilities

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Interim Financial Statements

For the Six months Ended June 30, 2013 and 2012

(Expressed in Canadian dollars)

(Unaudited – See Notice)

4. Financial Instruments and Risk Management (Continued)**(a) Fair value (Continued)**

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

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

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

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

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

The following table summarizes fair value measurement by level at June 30, 2013 and December 31, 2012 for financial assets and liabilities measured at fair value on a recurring basis:

	Total	Level 1	Level 2	Level 3
June 30, 2013				
Investment in securities	\$ 447,806	\$ 447,806	\$ -	\$ -
December 31, 2012				
Investment in securities	\$ 177,647	\$ 117,647	\$ -	\$ 60,000

(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 June 30, 2013, the Company had cash of \$263,225 (December 31, 2012 -\$523,110) and accounts payable and accrued liabilities of \$33,007 (December 31, 2012 - \$46,723). All accounts payable are current.

(c) Credit risk

Credit risk is the risk that a counterparty 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, receivables other than Goods and Services Tax ("GST") and government funding receivable. This risk is minimized as cash and cash equivalents have been placed with a major Canadian financial institution. The Company performs on-going credit evaluations of its receivables. The maximum exposure to loss arising from receivables is equal to their carrying amounts.

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

The Company's concentration of credit risk and maximum exposure at June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013	December 31, 2012
Cash	\$ 263,225	\$ 523,110
Receivables	14,284	5,930
	\$ 277,509	\$ 529,040

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Interim Financial Statements

For the Six months Ended June 30, 2013 and 2012

(Expressed in Canadian dollars)

(Unaudited – See Notice)

4. 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, including:

i. Foreign currency risk

Foreign currency risk arises primarily as a result of the Company having US dollar denominated cash balances. The financial position of the Company may vary at the time that a change in foreign currency rate occurs. For the six months ended June 30, 2013, a change in the foreign currency rate by 10% would increase or decrease exchange loss by \$4,527.

ii. 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 income by \$44,781.

There were no changes in the Company's approach to risk management during the period ended June 30, 2013.

5. Cash and Cash Equivalents

The Company's cash and cash equivalents are broken down as follows:

	June 30, 2013		December 31, 2012	
Cash	\$	108,225	\$	391,110
Term deposit with interest 1.05%		155,000		132,000
	\$	263,225	\$	523,110

6. Investment in Securities

The Company had fair market valued investment in securities as follows:

	June 30, 2013		December 31, 2012	
Cost	\$	230,392	\$	230,392
Unrealized gain (loss)		217,414		(52,745)
	\$	447,806	\$	177,647

The Company holds less than 10% of the outstanding common shares of each investment, except for its investment in Aston Bay Venture Ltd ("Aston Bay") (Note 9(c)), of which the Company owns more than 10% of the common shares but less than 20% of the total common shares outstanding.

There were no transactions in investment in securities during the period ended June 30, 2013.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Condensed Interim Financial Statements

For the Six months Ended June 30, 2013 and 2012

(Expressed in Canadian dollars)

(Unaudited – See Notice)

7. 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. There were no changes in the Company's approach to capital management during the period ended June 30, 2013. The Company is not subject to externally imposed capital requirements.

8. Receivables

The receivables related to government funding receivable, office recoveries, GST input tax credits. The following is an aging summary for the outstanding balances as of June 30, 2013 and December 31, 2012:

	Current	31 - 60 days	61 - 90 days	> 90 days	TOTAL
June 30, 2013	\$ 62,943	\$ -	\$ -	\$ -	\$ 62,943
December 31, 2012	\$ 24,077	\$ -	\$ -	\$ 247	\$ 24,324

9. Exploration and Evaluation Assets

Exploration and evaluation assets are comprised of properties located in Canada. Expenditures incurred on mineral properties as of June 30, 2013 were as follows:

	Baffin, Nunavut		Yukon	Nunavut	B.C.	Ontario	Other	Total
	Qimmiq	Bravo Lake	Glenmorangie	Storm	Omineca	Sabin	Properties	
Note	9(a)		9(b)	9(c)	9(d)	9(e)	9(f)	
Balance at December 31, 2012	\$ 9,303,159	\$ 2,583,797	\$ 522,026	\$ 818,666	\$ 249,386	\$ 262,874	\$ 4,237,546	\$ 17,977,454
Additions during the period:								
Acquisition costs	-	-	10,500	-	-	-	10,000	20,500
Exploration costs:								
Geochemistry	4,817	2,064	-	-	-	-	-	6,881
Geology	17,704	6,131	10,772	1,924	18,203	12,597	15,706	83,037
Property	4,060	200	4,393	-	-	3,363	7,047	19,063
Other	-	-	-	-	-	380	105	485
	26,581	8,395	15,165	1,924	18,203	16,340	22,858	109,466
Less:								
Recoveries	-	-	-	-	(35,800)	-	-	(35,800)
Net additions	26,581	8,395	25,665	1,924	(17,597)	16,340	32,858	94,166
Balance at June 30, 2013	\$ 9,329,740	\$ 2,592,192	\$ 547,691	\$ 820,590	\$ 231,789	\$ 279,214	\$ 4,270,404	\$ 18,071,620

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9. Exploration and Evaluation Assets (Continued)

(a) Baffin Island Properties, Nunavut

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

(b) Glenmorangie, Yukon

The option agreement negotiated in June 2011 for the Glenmorangie property in Yukon allows the Company 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 according to the following schedule:

	Cash	Shares	Exploration Expenditures	Due Date
i)	\$ 12,000	150,000	\$ -	6/08/2011 (incurred)
ii)	15,000	150,000	125,000	6/30/2012 (incurred)
iii)	30,000	150,000	125,000	6/30/2013 (incurred, cash payment deferred)
iv)	30,000	180,000	125,000	6/30/2014
v)	60,000	210,000	125,000	6/30/2015
	\$ 147,000	840,000	\$ 500,000	

*iii) The Company has negotiated with the optioners to have cash and expenditures due in 2013 deferred for one year. 150,000 common shares were issued on June 18, 2013 according to the above schedule (Note 13(b)).

(c) Storm Property, Nunavut

In November 2011, the Company entered into an option agreement with Aston Bay, which allowed Aston Bay to earn an initial 50.1% interest in the Storm Property. In July 2012, the option agreement was amended to provide Aston Bay more flexibility with respect to the timing and size of their initial public offering.

Under the amended agreement, Aston Bay is required to spend \$6 million over 4 years, with a minimum of \$1 million in each of the first 2 years, and complete a public listing by May 31, 2013 (see below). Aston Bay will issue 1 million shares to Commander by August 31, 2012 and an additional 0.5 million shares by December 31, 2015. In the original agreement Aston Bay was required to deliver 1 million shares by December 31, 2014. These issuances are in addition to the 2 million shares that were received by Commander upon signing the Option Agreement. Commander currently holds 3 million shares of Aston Bay (Note 6).

In October 2012, Aston reached an agreement to be acquired by Escudo Capital Corporation (“Escudo”), a Capital Pool Company. Completion of the acquisition of Aston Bay by Escudo will represent a “qualifying transaction” in accordance with the policies of the TSX Venture Exchange (the “Exchange”) and, upon completion all issued and outstanding shares of Aston Bay will be exchanged for common shares in the capital of Escudo.

On May 6, 2013, Aston Bay and Escudo closed the announced Plan of Arrangement. Each of the issued and outstanding common shares of Aston Bay was transferred to Escudo in exchange for common shares of Escudo on a one-for-one basis. As a result of this transaction, Aston Bay became a wholly-owned subsidiary of Escudo. In connection with this transaction, Escudo changed its name to “Aston Bay Holdings”, and commenced trading its common shares under the symbol “BAY”. Commander currently holds 3 million shares of BAY, which represents approximately 12.6% of the issued and outstanding shares of BAY.

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9. Exploration and Evaluation Assets (Continued)**(d) Omineca Properties, British Columbia**

The Company owns a 100% interest in the properties of Abe, Pal, Aten, Mate and Tut (together called the “Omineca Properties”) located within the Quesnel Trough of British Columbia. The vendor of the property retains a 1% net smelter return royalty (“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.

The Company applied for the British Columbia Mining Exploration Tax Credit (BCMETC) for its 2012 exploration expenditures and expected a recovery of \$35,800 on the property.

(e) Sabin, Ontario

The Sabin copper-zinc property consists of 114 claims located in northwest Ontario. Ownership interests of Commander on the property vary from 58.5% to 100%.

(f) Other Properties

The Company owns several other properties in Canada in which it holds interests ranging from 10% to 100%. The Company has granted options on some of these properties. The carrying values of those properties included under Other Properties at June 30, 2013 and December 31, 2012 is as follows:

	Ownership %	Metal	June 30, 2013	December 31, 2012
Labrador Properties				
Sally	100.00	Nickel	\$ 393,241	\$ 393,241
Sandy	100.00	Nickel	46,094	39,736
Sarah Lake	100.00	Nickel	1,794,523	1,778,627
New Brunswick				
Nepisiguit/Stewart	100.00	Copper-Zinc	1,131,375	1,128,853
Ontario				
Houghton Lake			20,206	15,000
Yukon				
Olympic, Rob	100.00	Copper-Gold-Uranium	884,965	882,089
Total Other Properties			\$ 4,270,404	\$ 4,237,546

i. Sarah Lake, Labrador

The Company previously owned a 48.3% interest in the Sarah Lake property. Donner Metals Ltd. (“Donner Metals”) owns 51.68% and is the operator of the property.

In May 2013, the Company reached an agreement with Donner to acquire Donner’s 51.68% interest in the Sarah Lake nickel property in Labrador. Donner and the Company have been Joint Venture partners in this property under the terms of an Option/Joint Venture Agreement dated November 18, 1995. The Company agreed to purchase Donner’s interest in exchange for 100,000 common shares of the Company. 100,000 common shares were issued to Donner on May 28, 2013 and the Company now holds a 100% interest in the property (Note 13(b)).

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9. Exploration and Evaluation Assets (Continued)

(f) Other Properties (Continued)

i. Sarah Lake, Labrador (Continued)

Subsequent to the six months ended June 30, 2013, the Company reached another agreement with Donner and Northern Abitibi Mining to acquire their 100% interest in Mineral License #17714M in Labrador adjacent to the Company's Sarah Lake property. The Company agreed to purchase their claim in exchange for 100,000 shares of the Company to each of Donner and Abitibi. 200,000 common shares were issued respectively on July 26, 2013 (Note 16(b)).

Upon completion of the above transactions, the company consolidated its original Sarah Lake nickel property with the newly acquired adjacent claims and renamed the entire parcel Sarah Lake property.

ii. 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 optionor. 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 five-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.

iii. Houghton Lake, Ontario

In November 2012, the Company acquired several claims, collectively named the "Houghton Lake Property" ("Houghton Lake") adjacent to the Company's Sabin Property. The claims were acquired by the Company together with a syndicate of private individuals, some of whom are related parties. Under this structure, the Company owns 40% of Houghton Lake and will manage all future work programs.

The staking and acquisition costs totalled \$65,000, of which \$50,000 was funded by the syndicate.

iv. Olympic and 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 0.5% at any time for \$1 million. The Olympic property is located within the boundary of the Peel Watershed Regional Land Use Plan and is subject to restrictions on certain mining activities. The final recommendations have not been completed by the regulatory authorities. Any adverse recommendations could lead to an impairment write-down of approximately \$744,000.

(g) 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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9. Exploration and Evaluation Assets (Continued)

(h) 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.

(i) Realization of assets

Exploration and evaluation assets comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

10. Investment in Maritime

Pursuant to the agreement between the parties dated June 14, 2010, on 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, Maritime was responsible for funding all exploration expenditures and 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 control was obtained.

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

On February 15, 2012, the Company sold 4.5 million 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. After the sale, the Company held 12.5 million shares of Maritime, representing 47% of Maritime's issued and outstanding common shares. The Company retains a 2% NSR on future production from portions of the Green Bay Property, which is now wholly owned by Maritime.

Accordingly, the Company discontinued consolidating the financial results of Maritime and applied the equity accounting method to account for the investment in Maritime after February 15, 2012 in accordance with IAS 27. 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.

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10. Investment in Maritime (Continued)

As a result, the Company recorded a gain on deconsolidation of Maritime of \$3,186,676 in its statement of income and a decrease of \$202,486 in “investing activities” in its statement of cash flows for the period ended June 30, 2012.

The value of the Company’s investment in Maritime as at December 31, 2012 and June 30, 2013 was as follows:

	Number of Shares		Amount
Fair value upon deconsolidation	12,500,000	\$	2,875,000
Share of loss of Maritime for the period	-		(161,438)
Dilution loss on issuance of shares by Maritime	-		(103,414)
Balance at December 31, 2012	12,500,000	\$	2,610,148
Share of loss of Maritime for the period	-		(94,911)
Disposition of Maritime shares	(500,000)		(92,941)
Dilution loss on issuance of shares by Maritime	-		(92,005)
Balance at June 30, 2013	12,000,000	\$	2,330,291

On April 3, 2013, the Company sold 500,000 common shares of Maritime at \$0.25 per share for gross cash proceeds of \$125,000. The Company recorded a gain of \$30,232 in its statement of loss during the period ended June 30, 2013. Subsequent to the transaction, the Company’s interest of Maritime decreased to 39%.

A summary of Maritime’s financial information as at June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013		December 31, 2012	
Total assets	\$	4,607,563	\$	4,814,208
Total liabilities	\$	526,312	\$	513,186
Loss for the period	\$	352,040	\$	411,752

11. Property and Equipment

The Company had property and equipment with the following cost and accumulated depreciation at December 31, 2012 and June 30, 2013:

	Furniture & Fixtures		Computer Equipment		Leasehold Improvements		Total	
Cost								
At December 31, 2012	\$	59,504	\$	185,082	\$	3,528	\$	248,114
At June 30, 2013	\$	59,504	\$	185,082	\$	3,528	\$	248,114
Accumulated Depreciation								
At December 31, 2012	\$	58,598	\$	178,506	\$	1,765	\$	238,869
Additions		226		1,589		352		2,167
At June 30, 2013	\$	58,824	\$	180,095	\$	2,117	\$	241,036
Net Book Value								
At December 31, 2012	\$	906	\$	6,576	\$	1,763	\$	9,245
At June 30, 2013	\$	680	\$	4,987	\$	1,411	\$	7,078

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12. Accounts Payable and Accrued Liabilities

The average credit period of purchases is 1 month. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. As of June 30, 2013, the Company had accounts payable of \$14,007 (December 31, 2012 - \$8,723) and accrued liabilities of \$19,000 (December 31, 2012 - \$38,000).

The following is an aging analysis of accounts payable:

	Current	31 - 60 days	61 - 90 days	> 90 days	Total
June 30, 2013	\$ 13,519	\$ 488	\$ -	\$ -	\$ 14,007
December 31, 2012	\$ 8,277	\$ 46	\$ 400	\$ -	\$ 8,723

13. Share Capital**(a) Authorized**

Unlimited common shares without par value.

(b) Shares issued**For the six months ended June 30, 2013:**

On May 28, 2013, 100,000 common shares at a deemed closing market price of \$0.10 per share were issued to Donner Metals for additional interest in the Sarah Lake property (Note 9(f)(i)).

On June 18, 2013, 150,000 common shares at a deemed closing market price of \$0.07 per share were issued for the acquisition of the Glenmorangie property (Note 9(b)).

For the six months ended June 30, 2012:

On June 20, 2012, 150,000 common shares were issued for the acquisition of the Glenmorangie property.

(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 six months ended June 30, 2013, no options were granted and 2,626,500 options expired with a weighted average exercise price of \$0.18. All 7,113,000 outstanding stock options as at June 30, 2013 were exercisable (2012 – 1,835,000 incentive stock options, exercisable with a weighted exercise price of \$0.10 and 1,711,500 options expired with a weighted exercise price of \$0.49.)

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

A summary of the Company's outstanding stock options as at June 30, 2012, December 31, 2012 and June 30, 2013 are as follows:

	Number of Options	Weighted Average Exercise Price	
Outstanding at December 31, 2011	10,071,000	\$	0.25
Granted	1,835,000	\$	0.10
Expired	(1,711,500)	\$	0.49
Outstanding at June 30, 2012	10,194,500	\$	0.19
Granted	400,000	\$	0.10
Forfeited	(52,500)	\$	0.10
Expired	(802,500)	\$	0.20
Outstanding at December 31, 2012	9,739,500	\$	0.18
Expired	(2,626,500)	\$	0.18
Outstanding at June 30, 2013	7,113,000	\$	0.19

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 six months ended June 30, 2013 and 2012 as follows:

	2013	2012
Risk-free interest rate	N/A	1.26%
Expected dividend yield	N/A	0.00%
Expected stock price volatility	N/A	94.0%
Expected option life in years	N/A	4.38
Grant date fair value	N/A	\$0.051

The Company has estimated the forfeiture rate to be 0.00%.

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 June 30, 2013:

Number of Options	Exercise Price	Expiry Date
210,000	\$ 0.100	October 17, 2013
987,000	\$ 0.100	May 12, 2014
200,000	\$ 0.390	January 19, 2015
1,131,000	\$ 0.350	January 27, 2015
500,000	\$ 0.270	May 25, 2015
100,000	\$ 0.180	October 6, 2015
1,755,000	\$ 0.185	February 11, 2016
400,000	\$ 0.170	April 6, 2016
1,430,000	\$ 0.100	June 12, 2017
400,000	\$ 0.100	November 14, 2017
7,113,000	\$ 0.186	

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

The following is a breakdown of the share-based payments charged to operations on options vested as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Accounting and audit	\$ -	\$ 391	\$ -	\$ 391
Consultants	1,812	6,378	9,182	6,378
Investor relations	189	404	687	2,523
Salaries and benefits	-	6,222	-	6,222
	\$ 2,001	\$ 13,395	\$ 9,869	\$ 15,514

(d) Warrants and agent's warrants

In May 2013, 4,250,015 warrants at an exercise price of \$0.30 expired. These warrants were issued in 2011 in relation to a private placement and were valued at \$211,843, using the Black-Scholes pricing model. As a result, the fair market allocated to these warrants of \$211,843 was transferred to deficit. There were no outstanding warrants as at June 30, 2013.

14. Related Party Transactions**(a) Services**

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 periods as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Legal	\$ -	\$ 2,073	\$ -	\$ 7,593
Office rent and administrative	21,194	21,583	42,962	42,308
	\$ 21,194	\$ 23,656	\$ 42,962	\$ 49,901

During the six months ended June 30, 2013, the Company charged Maritime \$53,268 (2012 - \$30,676), in respect of office administration, accounting, rent, insurance and investor relation expense shared by the companies.

At June 30, 2013, included in receivables were \$13,647 (December 31, 2012 - \$322) for administrative and office expenses from companies related by common directors.

At June 30, 2013 included in accounts payable were amounts due to related parties of \$1,959 for administrative and office expenses to companies related by a director in common (December 31, 2012 - \$1,414) and \$2,730 for consulting services, to a company related by an officer (December 31, 2012 - \$Nil).

At June 30, 2013, investment in securities included 34,457 (December 31, 2012 - 258,000) common shares of a company related by a director in common. The change in number of shares was due to an amalgamation and share restructuring of the related company.

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14. Related Party Transactions (Continued)**(b) Compensation of key management personnel**

The remuneration, including share-based payments, of directors and other members of key management personnel during the three and six months ended June 30, 2013 and 2012 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Accounting	\$ -	\$ 15,500	\$ -	\$ 30,500
Consulting	17,200	12,200	34,400	33,200
Geological consulting	14,400	-	19,200	6,300
Salaries and benefits	59,546	111,159	141,856	225,950
Share-based payments	1,812	11,347	9,182	11,347
	\$ 92,958	\$ 150,206	\$ 204,638	\$ 307,297

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the periods ended June 30, 2013 and 2012.

15. 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
2013	\$ 26,276
2014	52,973
2015	35,315
Total	\$ 114,564

16. Subsequent Events

- a) On July 17 and 18, 2013, the Company sold a total of 200,000 shares of Fjordland Exploration Inc at \$0.03 per share.
- b) On July 9, 2013 the Company reached an agreement with Donner and Northern Abitibi to acquire their 100% interest in Mineral License #17714M in Labrador adjacent to the Company's Sarah Lake property (Note 9(f)(i)). The Company agreed to purchase their claim in exchange for 100,000 shares of the Company to each of Donner and Abitibi, and the shares were issued pursuant to the purchase agreement on July 26, 2013.

Upon completion of the transaction, the company consolidated its original Sarah Lake nickel property with the newly acquired adjacent claims and renamed the entire parcel Sarah Lake property.



**COMMANDER
RESOURCES LTD.**

Management Discussion and Analysis

For the Three and Six Months Ended
June 30, 2013

Commander Resources Ltd.
Management Discussion and Analysis
For the Three and Six Months Ended June 30, 2013

This management's discussion and analysis ("MD&A") of Commander Resources Ltd. (the "Company" or "Commander") has been prepared by management for the three and six month periods ended June 30, 2013 and to the date of this report in accordance with the requirements under National Instrument 51-102. The following information should be read in conjunction with the Company's audited financial statement for the year ended December 31, 2012 and the Company's condensed interim financial statements for the period ended June 30, 2013 together with the notes thereto (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

All information related to Commander is available on SEDAR at www.sedar.com or on the Company's website at www.commanderresources.com.

This MD&A contains information up to and including August 15, 2013.

Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Description of Business

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".

Summary of Activities and Results

Commander's leveraging strategies and strategic partnerships helped weather the arduous economic headwinds in fiscal 2012. 2012 field programs were completed on several of its 100% owned gold and base metal properties, with the focus on the Omineca copper-gold project in central British Columbia, Sabin copper-gold project in Ontario, and the Glenmorangie gold project in southeast Yukon.

The focus for 2013 will be to continue marketing and leveraging our property portfolio while minimizing corporate overhead expenses.

Active Projects

[Glenmorangie Gold Property, Yukon](#)

The property was acquired by Commander in May 2011, and is located in southeast Yukon. The property is situated 35 km north of the 3Ace property, a recently discovered shear hosted gold system and 7 km west of the North American Tungsten Cantung mine.

The following points highlight the results from the last two years:

- A target area called the Camp Zone, has been defined by anomalous gold in soil values of up to 1050 ppb (1.05 g/t in 2012 sampling, and grab rock samples assaying up to 4.5 g/t Au (in last year's sampling). This zone now measures 2 km by 1.5 km.
- A second anomalous zone to the south, called the Hidden Valley Zone, has returned values of up to 131 ppb Au in soils.
- There are highly elevated levels of bismuth and arsenic with gold, suggesting a strong possibility of the veins being associated with a buried intrusive system.
- Mapping of the area has discovered localized higher grades of metamorphism and strong deformation, mineralized quartz

veins, as well as the presence of intrusive bodies, which again suggests the possibility of gold mineralization associated with buried intrusions.

[Omineca Copper-Gold Property, BC](#)

The property is located in North Central BC within the prolific copper-gold producing Quesnel trough. Commander holds six properties in the area.

2012's field program on the Omineca project included reconnaissance prospecting, mapping and geochemical sampling, which identified additional high copper and gold soil geochemistry within the Abe property. An overlapping anomalous zone of >1,000 ppm Cu (0.1%) in soils and 250 ppb Au in soils (0.25 g/t Au) covers over 1.8 km in extent. Anomalous gold values (>50 ppb) extend a further 1.5 km beyond this zone. This extensive gold-copper zone was not drill tested in the 2007 program and is a highly prospective target for a 2013 drilling program. Values of up to 1,650 ppm Cu and 654 ppb Au were discovered in this year's soils program. In addition, testing for Au and PGE's in rock samples discovered one sample with 1.16% Cu, 0.29 g/t Au, 0.57 g/t Pd as well as 0.54% Ni. Another sample recorded 2.24 g/t Au with 55.5 g/t Ag. With the known mafic intrusions on the property, a new dimension to the opportunities may occur on Abe.

[Sabin Copper-Gold Property, Ontario](#)

The property is located in the Sturgeon Lake Greenstone belt of Archean metavolcanic and metasedimentary rocks in the Wabigoon Sub-Province of the Superior Province, 400 km northwest of Thunder Bay, Ontario. The property is known to host a VMS base-precious metal deposit called the Marchington Zone.

The soil sampling program in 2012 was to correlate soil geochemistry with the known Marchington VMS deposit, and to determine if this method could be useful for detecting anomalous levels of metals on other zones. Approximately 650 samples were collected on a north-south grid at 50m spacing with lines 100m apart.

Conclusions from the 2012 geochemical program are as follows:

- The method was successful in outlining the existing zones as well as identifying additional zones to the west and north that have not been drill tested.
- Numerous anomalous gold samples are irregularly distributed, likely due to overburden variation, however there is a coincidence of gold values with the Marchington zone.
- The program indicates that the area has potential for further discoveries. Previous work did not close off the existing known mineralized zones, with potential to depth and along strike, and additional new zones have been identified.
- The detailed plot showing the combined results of base metals in soils across the area, as well as anomalous values (>10ppb) for gold is posted on the Company's website at www.commanderresources.com.

[Houghton Lake Gold Property, Ontario](#)

A range package of new claims, collectively named the Houghton Lake Property, was acquired by a syndicate led by Commander. A syndicate of private individuals was assembled by Commander to fund the staking program in order to minimize cost to shareholders while maintaining significant exposure to the upside potential of this opportunity. Under this structure, Commander owns 40% of Houghton Lake and will manage all future work programs. The syndicate has no ownership rights to Commander's adjacent Sabin Property.

The acquisition allows Commander to add a strategic land package in an area of increasing exploration activity and adjacent to its existing Sabin holdings - becomes the dominant land holder in the greenstone belt. Recent research of private and public exploration records by Commander has shown that a number of drill hole intersections and grab samples located on the Savant Lake Greenstone belt assayed from 2 to 6 g/t gold.

Gold mineralization located to date is hosted in both the local volcanic sequences as well as smaller granitic bodies situated within the Greenstone belt. Structurally, gold appears to be associated with northeasterly trending shear zones which occur throughout the newly acquired property. One of the strongest N-E structures forms the axis on the Sabin property where the volcanic

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stratigraphy flexes from trending north-south to east-west. The property has year-round access and is in close proximity to paved roads and power in an area of historic mined operations.

Storm Copper Property, Nunavut

In November 2011, the Company entered into an option agreement with Aston Bay, which allowed Aston Bay to earn an initial 50.1% interest in the Storm Property. In July 2012, the option agreement was amended to provide Aston Bay more flexibility with respect to the timing and size of their initial public offering.

Commander has received payments totaling \$150,000 and three million shares of Aston Bay under the terms of the Option Agreement. In 2012, Aston Bay completed an exploration program which included staking of an additional 75,000 acres (30,000 Ha), rock sampling of the main copper showings, geological mapping and regional prospecting. Historical drill core was examined and selectively re-sampled over extensive, previously un-sampled intersections. A condition of the agreement is that work programs be conducted on the property in 2013 and 2014. Commander shareholders will continue to see the benefit of work being done on our property at no cost to Commander during these difficult market conditions.

In October 2012, Aston reached an agreement to be acquired by Escudo Capital Corporation ("Escudo"), a Capital Pool Company. Completion of the acquisition of Aston Bay by Escudo will represent a "qualifying transaction" in accordance with the policies of the TSX Venture Exchange (the "Exchange") and, upon completion all issued and outstanding shares of Aston Bay will be exchanged for common shares in the capital of Escudo.

On May 6, 2013, Aston Bay and Escudo closed the announced Plan of Arrangement. Each of the issued and outstanding common shares of Aston Bay was transferred to Escudo in exchange for common shares of Escudo on a one-for-one basis. As a result of this transaction, Aston Bay became a wholly-owned subsidiary of Escudo. In connection with this transaction, Escudo changed its name to "Aston Bay Holdings", and commenced trading its common shares under the symbol "BAY". Commander currently holds 3 million shares of BAY, which represents approximately 12.6% of the issued and outstanding shares of BAY.

Other Properties

Baffin Island Gold Project, Nunavut

This property has yielded discovery of numerous orogenic gold occurrences over 10 years in several geological environments permissive to hosting major gold deposits. The Company's property covers a 140 km long belt of Proterozoic aged metavolcanic and metasedimentary rock within the Fox Fold Belt. Approximately 18,000 m of drilling has been carried out over three prospective areas, known as Malrok, Ridge Lake and Kanosak, with appreciable gold intersections.

The present focus is on the Kanosak prospect, a 3 km² area that was the subject of a detailed 3D Induced Polarization ("IP") survey in 2011. The IP survey 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. This survey defined a 3 km linear zone of interest, coincident with surface channel samples with values as high as 1,440 g/t gold (46 oz/t Au). The Kanosak target is over 3,000 metres long and remains open. The area is fully permitted and a camp is in place. Commander is continuing discussions with potential JV partners to carry out a drill program along the IP identified zone.

Olympic Copper-Gold Property, Yukon

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 Watershed Regional Land Use Plan area. The final recommendations regarding use of the land within this area has not yet been completed by the Planning Commission.

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Sarah Lake, Labrador

The Company previously owned a 48.3% interest in the Sarah Lake property. Donner Metals Ltd. (“Donner”) owns 51.68% and is the operator of the property.

In May 2013, the Company reached an agreement with Donner to acquire Donner’s 51.68% interest in the Sarah Lake nickel property in Labrador, in exchange for 100,000 common shares of the Company. Donner and the Company have been Joint Venture partners in this property under the terms of an Option/Joint Venture Agreement dated November 18, 1995. Following completion of the sale the Joint Venture Agreement was terminated and the Company now holds a 100% interest in the property.

In July 2013 the Company reached another agreement with Donner and Northern Abitibi Mining Corp. (“Abitibi”) to acquire their 100% interest in Mineral License #17714M in Labrador adjacent to the Sarah Lake property. The Company agreed to purchase their claim in exchange for an additional 100,000 common shares of the Company to Donner and 100,000 common shares to Abitibi. 200,000 common shares were issued respectively on July 26, 2013.

Upon completion of the above transactions, the company consolidated its original Sarah Lake nickel property with the newly acquired adjacent claims and renamed the entire parcel Sarah Lake property.

Nepisiquit-Stewart Copper Property, New Brunswick

Commander’s JV partner encountered significant intervals of high grade copper mineralization at the Stewart copper prospect on Commander’s Nepisiquit 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. Stratabound expended approximately \$175,000 on the first year program in late 2010. Four holes, totaling 1,064 metres, were drilled by Stratabound.

The Year 2 Program was estimated to cost approximately \$200,000 by Stratabound for the partnership to remain in good standing on the property. Commander has no cost obligation in the program. 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.

In the first quarter of 2013, Stratabound commenced mining on their property, adjacent to Commander’s property, and shipped 62,720 dry metric tonnes of ore grading 8.13% zinc, 3.22% lead, and 111 g/t silver to Xstrata’s mill before it was permanently closed. Some of the proceeds from the sale of the concentrates produced will be used to continue exploration activities on Commander’s property.

Investment in Maritime

During the first quarter of 2012, Commander sold its remaining 50% interest in the Green Bay Property in Newfoundland to Maritime Resources Corp. (“Maritime”) (MAE-TSX), in exchange for 5 million shares of Maritime. After completing the transaction and transfer of the property to Maritime, Commander held 17 million shares of MAE and retained a 2% NSR royalty on any future production from most of the property. These 17 million shares represented 64.15% of the 26.5 million common shares of Maritime that were issued and outstanding at that time. Subsequently, Commander sold another 4.5 million shares of MAE through a private transaction with the cash proceeds netting over \$1million. With this sale, Commander realized immediate and significant value, providing cash to the treasury without any shareholder dilution.

Maritime spent over \$600,000 working on the Newfoundland gold deposits in 2012 and recently received its first National Instrument 43-101 (“NI-43-101”) Compliant Resources Estimate.

The highlight of the resource is summarized below, at a 3 g/t cut-off grade:

- 428,600 ounces of gold in the Measured and Indicated category
- 661,100 ounces in the Inferred category.

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On April 3, 2013, Commander sold 500,000 common shares of Maritime at \$0.25 per share for gross cash proceeds of \$125,000. Subsequent to the transaction, the Company's interest of Maritime decreased to 39%.

Commander continues to be exposed to the future upside of Maritime through its remaining equity stake and a royalty on future production from the Green Bay Property.

Results of Operations

Second Quarter Results

During the quarter ended June 30, 2013, Commander incurred exploration costs of \$53,606 on various properties and issued a total of 250,000 shares pursuant to purchase agreements for the Glenmorangie property and Sarah Lake property. Commander applied a British Columbia Mining Exploration Tax Credit (BCMETC) of \$44,582 on its 2012 exploration expenditures. \$35,800 was related to the Omineca property and \$8,782 to the previously impaired Stump Lake property. Additional information is available on the Mineral Property Expenditure Table on page 13.

Three Months Ended June 30, 2013 Compared with the Three Months Ended June 30, 2012

Compared to the quarter ended June 30, 2012, Commander's total general and administrative expenses decreased by \$78,322 (38%) to \$125,214 (2012 - \$203,536), including share-based payments of \$2,001 (2012 - \$13,395).

Some notable variances are analyzed below:

- Accounting and audit decreased by \$8,192 (30%) to \$19,319 (2012 - \$27,511).
- Investor relations and promotion expense decreased to \$16,780 from \$27,921 with the following breakdown:

	2013	2012	Change	%
Conferences and trade shows	\$ 1,021	\$ (1,334)	\$ 2,355	-177%
Consulting, wages and benefits	11,548	24,993	(13,445)	-54%
Media and printing	3,927	1,351	2,576	191%
Promotion and advertising	284	2,911	(2,627)	-90%
	\$ 16,780	\$ 27,921	\$ (11,141)	-40%

- Legal fees were \$4,244 compared to \$17,202 in 2012. In the prior year comparative period, an invoice of \$14,672 was issued by the former legal counsel covering services for the period from 2009 to 2012.
- Salaries and benefits for the period decreased by \$31,856 (49%) from \$65,647 to \$33,791. This difference includes a reduction in the CEO's salaries (\$22,000) and a reclassification of the Corporate Secretary's fees (\$9,300).

Three Months Ended June 30, 2013 Compared with the Three Months Ended March 31, 2013

Compared to the quarter ended March 31, 2013 ("Q1 2013"), Commander's total general and administrative expenses decreased by \$54,456 (30%) from \$179,670 to \$125,214, including share-based payments of \$2,001 (Q1 2013 - \$7,868).

Some notable variances are analyzed below:

- Investor relations and promotions decreased from \$48,087 to \$16,780 (65%) as most of Commander's tradeshow events occurred during the beginning of the year.
- In light of current economic conditions, Commander also reduced overhead costs in the following areas:
 - Administration and others from \$39,695 to \$32,388;
 - Salaries and benefits from \$39,995 to \$33,791;
 - Consulting fees from \$21,425 to \$15,607.

Commander Resources Ltd.**Management Discussion and Analysis**

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Six Months Ended June 30, 2013 Compared with the Six Months Ended June 30, 2012

Commander had no revenue and general and administrative expenses decreased by \$155,866 to \$304,884 compared to \$460,750. Excluding share-based payments, general and administrative expenses decreased by \$150,221 (approximately 34%) to \$295,015 for the six months ended June 30, 2013 as compared with \$445,236 for 2012. The share-based payments for options vested was \$9,869 for the six months period ended June 30, 2013 (2012 - \$15,514). Decreases in most expenses were the result of deconsolidation of Maritime as at February 15, 2012 and also from the effort put in to minimize overhead cost for the current period.

Some notable variances are analyzed below:

- Accounting and audit decreased by \$13,399 (25%) to \$40,472 (2012 - \$53,871).
- Administration and others decreased by \$23,042 (24%) to \$72,085 (2012 - \$95,127) in relation to the following:

	2013	2012	Change	%
Annual report and meeting	\$ 2,751	\$ 5,141	\$ (2,390)	-46%
Insurance	8,483	11,980	(3,497)	-29%
Office and miscellaneous	15,620	25,510	(9,890)	-39%
Regulatory and transfer agent fees	16,518	19,704	(3,186)	-16%
Rent and storage	28,713	32,792	(4,079)	-12%
	\$ 72,085	\$ 95,127	\$ (23,042)	-24%

- Investor relations and promotion expenses decreased by \$36,145 (36%) to \$64,867 (2012 - \$101,012) in relation to the following:

	2013	2012	Change	%
Conferences and trade shows	\$ 18,279	\$ 24,207	\$ (5,928)	-24%
Consulting, wages and benefits	32,720	57,502	(24,782)	-43%
Media and printing	12,338	9,963	2,375	24%
Promotion and advertising	1,530	9,340	(7,810)	-84%
	\$ 64,867	\$ 101,012	\$ (36,145)	-36%

- Commander's share of loss and dilution loss in Maritime was \$186,915 (2012 - \$78,282).
- Commander's gain on disposition of 500,000 shares of Maritime was \$30,232 (2012 - \$Nil).
- Commander applied a BCMETC credit of \$44,582 on its 2012 exploration expenditures. \$35,800 was recorded as a cost recovery on the Omineca property and \$8,782 was recorded as a mineral property recovery on its statement of operations for the Stump Lake property previously impaired.

For the six months period ended June 30, 2013, Commander's net loss was \$447,733 (2012 - net income of \$2,644,795). The main difference was due to the gain of \$3,186,676 on the disposal of a subsidiary in 2012 and the reduction in expenses post deconsolidation.

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Summary of Quarterly Results

	Sep. 30 2011 Q3	Dec. 31 2011 Q4	Mar. 31 2012 Q1	Jun. 30 2012 Q2	Sep. 30 2012 Q3	Dec. 31 2012 Q4	Mar. 31 2013 Q1	Jun. 30 2013 Q2
Mineral property costs deferred, net	\$ 728,872	\$ (3,667,394)	\$ (980,182)	\$ 106,917	\$ (676,554)	\$ 62,830	\$ 55,860	\$ 38,306
G&A (incl. share-based payments)	\$ 275,342	\$ 308,773	\$ 257,214	\$ 203,536	\$ 204,484	\$ 144,447	\$ 179,670	\$ 125,214
Share-based payments expense	\$ 49,377	\$ 82,648	\$ 2,118	\$ 13,395	\$ 63,174	\$ 21,315	\$ 7,868	\$ 2,001
Adjusted G&A (less share-based payments)	\$ 225,965	\$ 226,125	\$ 255,096	\$ 190,141	\$ 141,310	\$ 123,132	\$ 171,802	\$ 123,213
Income (loss)	\$ (224,672)	\$ (2,966,616)	\$ 2,880,488	\$ (235,693)	\$ (1,136,743)	\$ (583,581)	\$ (209,476)	\$ (238,257)
Income (loss) attributable to owners of the parent	\$ (196,114)	\$ (2,979,290)	\$ 2,900,443	\$ (235,693)	\$ (1,136,743)	\$ (583,581)	\$ (209,476)	\$ (238,257)
Income (loss) per share - basic	\$ (0.002)	\$ (0.030)	\$ 0.029	\$ (0.002)	\$ (0.011)	\$ (0.006)	\$ (0.002)	\$ (0.002)
Income (loss) per share - diluted	\$ (0.002)	\$ (0.030)	\$ 0.025	\$ (0.002)	\$ (0.011)	\$ (0.006)	\$ (0.002)	\$ (0.002)
Weighted avg. common shares	99,853,418	99,892,548	99,892,548	99,909,032	100,042,548	100,042,521	100,042,521	100,098,565

Liquidity and Capital Resources

At June 30, 2013, Commander had \$263,225 in cash.

Commander has relied on equity financings to meet its cash requirements however there were no equity financings during the six months ended June 30, 2013.

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 expenditures.

Off-Balance Sheet Arrangements

Commander has not entered into any off-balance sheet arrangements.

Subsequent Events

- On July 17 and 18, 2013, the Company sold a total of 200,000 shares of Fjordland Exploration Inc at \$0.03 per share.
- On July 26, 2013, 100,000 common shares were issued to Donner and 100,000 common shares to Abitibi to acquire their 100% interest in mineral claim adjacent to the Company's Sarah Lake Nickel property in Labrador. Following completion of the sale, Commander consolidated its original Sarah Lake nickel property with the newly acquired adjacent claims and renamed the entire parcel Sarah Lake property. Please refer to Page 4 Other Properties – Sarah Lake, Labrador for additional details.

Related Party 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 periods as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Legal	\$ -	\$ 2,073	\$ -	\$ 7,593
Office rent and administrative	21,194	21,583	42,962	42,308
	\$ 21,194	\$ 23,656	\$ 42,962	\$ 49,901

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During the six months ended June 30, 2013, the Company charged Maritime \$53,268 (2012 - \$30,676), in respect of office administration, accounting, rent, insurance and investor relation expense shared by the companies.

At June 30, 2013, included in receivables were \$13,647 (December 31, 2012 - \$322) for administrative and office expenses from companies related by common directors.

At June 30, 2013 included in accounts payable were amounts due to related parties of \$1,959 for administrative and office expenses to companies related by a director in common (December 31, 2012 - \$1,414) and \$2,730 for consulting services, to a company related by an officer (December 31, 2012 - \$Nil).

At June 30, 2013, investment in securities included 34,457 (December 31, 2012 - 258,000) common shares of a company related by a director in common. The change in number of shares was due to an amalgamation and share restructuring of the related company.

Compensation of Key Management Personnel

The remuneration, including share-based payments, of directors and other members of key management personnel during the periods were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Accounting	\$ -	\$ 15,500	\$ -	\$ 30,500
Consulting	17,200	12,200	34,400	33,200
Geological consulting	14,400	-	19,200	6,300
Salaries and benefits	59,546	111,159	141,856	225,950
Share-based payments	1,812	11,347	9,182	11,347
	\$ 92,958	\$ 150,206	\$ 204,638	\$ 307,297

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the periods ended June 30, 2013 and 2012.

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
2013	\$ 26,276
2014	52,973
2015	35,315
Total	\$ 114,564

Proposed Transactions

No transactions are 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.

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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.

Risks and Uncertainties Related to the Company's Business

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial. The following sets out the principal risks faced by the Company.

Exploration. The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity Price. The Company's exploration projects are primarily related to exploration for gold and other precious metals in Canada. While these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

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Title. Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

Financing. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties. To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

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History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

Legal proceedings. As at the date of the Report, there were no legal proceedings against or by the Company.

Critical Accounting Estimates. In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.. Management's estimates of exploration, operating, capital and reclamation costs, if any, 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. The Company also uses the Black-Scholes Option Pricing Model in relation to share based payments. 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 the Company's stock options granted/vested during the period.

New Accounting Policies

These unaudited interim condensed financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2012, with the exception of the following new accounting standards and amendments which the Company adopted and are effective for the Company's interim and annual financial statements commencing January 1, 2013.

- IAS 1 Presentation of Financial Statements ("IAS 1")
- IAS 27 Separate Financial Statements ("IAS 27")
- IAS 28 Investments in Associates and Joint Ventures ("IAS 28")
- IFRS 7 Financial Instruments: Disclosures ("IFRS 7")
- IFRS 10 Unaudited interim condensed consolidated financial statements ("IFRS 10")
- IFRS 11 Joint Arrangements ("IFRS 11")
- IFRS 12 Disclosure of Interests In Other Entities ("IFRS 12")
- IFRS 13 Fair Value Measurement ("IFRS 13")

The accounting standards and amendments to standards adopted by the Company that had an impact on financial results or require further explanation are explained in Note 3(b) of the accompanying unaudited condensed interim financial statements.

Accounting standards issued but not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after June 30, 2013 or later periods. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

Commander Resources Ltd.

Management Discussion and Analysis

For the Three and Six Months Ended June 30, 2013

- IAS 32 Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014 with earlier adoption permitted.
- IFRS 9 Financial Instruments ("IFRS 9") was issued November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with early adoption permitted.

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 June 30, 2013, Commander had cash in the amount of \$263,225 and accounts payable and accrued liabilities of \$33,007.

Commander is exposed to credit risk with respect to its cash and cash equivalents, receivables 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 receivables. The maximum exposure to loss arising from receivables 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 June 30, 2013, if the market prices of the marketable securities had decreased 10% with all other variables held constant, the comprehensive income for the period would have been \$44,781 lower. Conversely, if the market prices of the marketable securities had increased 10% with all other variables held constant, the comprehensive income for the period would have been \$44,781 higher.

Foreign currency risk arises primarily as a result of the Company having US dollar denominated cash balances. The financial position of the Company may vary at the time that a change in foreign currency rate occurs. For the six months ended June 30, 2013, if the Canadian dollar strengthened/weakened by 10% against the US dollar with all other variables held constant, the Company's income would have been approximately \$4,527 higher/lower as a result of foreign exchange losses/gains on translation of USD dollar denominated bank account.

The following table illustrates the classification of the Commander's financial instruments carried at fair value within the fair value hierarchy at June 30, 2013. Please refer to the financial statements (note 4(a)).

	Total	Level 1	Level 2	Level 3
June 30, 2013				
Investment in securities	\$ 447,806	\$ 447,806	\$ -	\$ -

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.

Additional information on Maritime is available on the Internet at the SEDAR website, www.sedar.com and Maritime's website, www.maritimeresourcescorp.com.

Commander Resources Ltd.
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Outstanding Share Data

As at the Report Date, the Company had:

- 100,492,521 issued common shares outstanding.
- Incentive stock options allowing for the purchase of shares in the capital of the Company, as follows:

Number of Options	Exercise Price	Expiry Date
210,000	\$0.100	October 17, 2013
987,000	\$0.100	May 12, 2014
200,000	\$0.390	January 19, 2015
1,131,000	\$0.350	January 27, 2015
500,000	\$0.270	May 25, 2015
100,000	\$0.180	October 6, 2015
1,755,000	\$0.185	February 11, 2016
400,000	\$0.170	April 6, 2016
1,430,000	\$0.100	June 12, 2017
400,000	\$0.100	November 14, 2017
7,113,000	Outstanding	
7,113,000	Exercisable	

Mineral Property Expenditure Table

At June 30, 2013 and December 31, 2012, the Company's exploration and evaluation assets comprise properties located in Canada. Expenditures incurred on mineral properties during the period are as follows:

	Baffin, Nunavut		Yukon	Nunavut	B.C.	Ontario	Other	Total
	Qimmiq	Bravo Lake	Glenmorangie	Storm	Omineca	Sabin	Properties	
Balance at December 31, 2012	\$ 9,303,159	\$ 2,583,797	\$ 522,026	\$ 818,666	\$ 249,386	\$ 262,874	\$ 4,237,546	\$ 17,977,454
Additions during the period:								
Acquisition costs	-	-	10,500	-	-	-	10,000	20,500
Exploration costs:								
Geochemistry	4,817	2,064	-	-	-	-	-	6,881
Geology	17,704	6,131	10,772	1,924	18,203	12,597	15,706	83,037
Property	4,060	200	4,393	-	-	3,363	7,047	19,063
Other	-	-	-	-	-	380	105	485
	26,581	8,395	15,165	1,924	18,203	16,340	22,858	109,466
Less:								
Recoveries	-	-	-	-	(35,800)	-	-	(35,800)
Net additions	26,581	8,395	25,665	1,924	(17,597)	16,340	32,858	94,166
Balance at June 30, 2013	\$ 9,329,740	\$ 2,592,192	\$ 547,691	\$ 820,590	\$ 231,789	\$ 279,214	\$ 4,270,404	\$ 18,071,620



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Director

Mark Lotz, C.A.
Director

Steve Potts, P.Geo.
Vice President, Exploration

Alnesh Mohan, C.A.
Chief Financial Officer

Janice Davies
Corporate Secretary

LISTINGS

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

CAPITALIZATION

(As at June 30, 2013)

Shares Authorized: Unlimited
Shares Issued: 100,292,521

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