COMMANDER RESOURCES LTD.

CMD

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended
June 30, 2011
(Expressed in Canadian Dollars)
(Unaudited – See Notice)

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

The accompanying unaudited condensed interim consolidated financial statements of Commander Resources Ltd. (“the Company”), for the six months ended June 30, 2011, have been prepared by management and have not been the subject of a review by the Company’s independent auditor.

COMMANDER RESOURCES LTD.
(An Exploration Stage Company)
Condensed Consolidated Statements of Operations
(Expressed in Canadian dollars)
(Unaudited - See Notice)

	Note	For the Three Months Ended June 30 2011	For the Three Months Ended June 30 2010 (note 22)	For the Six Months Ended June 30 2011	For the Six Months Ended June 30 2010 (note 22)
Expenses					
Accounting and audit		$ 41,160	$ 20,943	$ 81,920	$ 45,843
Administration and others		59,773	66,704	120,059	121,944
Amortization		1,625	3,683	3,200	6,166
Consultants		39,891	36,167	61,313	54,589
Investor relations and promotion		44,466	30,413	110,378	80,267
Legal		7,250	6,944	17,952	9,084
Salaries and benefits		57,223	61,795	119,025	107,165
Share-based payments	18(c)	173,711	206,561	293,097	443,172
Loss before other items		**(425,099)**	**(433,210)**	**(806,943)**	**(868,230)**
Other items					
Exchange loss		(18,932)	-	(38,111)	-
Mineral property recovery		-	-	22,450	-
Realized gain on disposal of marketable securities		6,120	-	6,120	-
Realized loss on warrants		(20,889)	(6,671)	(96,041)	(22,767)
Loss before income taxes		**(458,800)**	**(439,881)**	**(912,525)**	**(890,997)**
Deferred tax recovery		-	-	129,000	-
Net loss for the period		**$ (458,800)**	**$ (439,881)**	**$ (783,525)**	**$ (890,997)**
Loss for the period attributable to:					
Non-controlling interest		$ (35,691)	$ -	$ (14,052)	$ -
Common shareholders		(423,109)	(439,881)	(769,473)	(890,997)
		$ (458,800)	**$ (439,881)**	**$ (783,525)**	**$ (890,997)**
Loss per share - basic and diluted		$ (0.004)	$ (0.005)	$ (0.008)	$ (0.010)
Weighted average number of common shares outstanding		95,904,894	90,589,516	93,437,413	90,504,433

See Accompanying Notes to the Condensed Consolidated Financial Statements

COMMANDER RESOURCES LTD.
(An Exploration Stage Company)
Condensed Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited - See Notice)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2011	**2010** (note 22)	**2011**	**2010** (note 22)
Net loss for the period	$ (458,800)	$ (439,881)	$ (783,525)	$ (890,997)
Unrealized gain (loss) on available-for-sale marketable securities	(37,981)	(43,083)	(94,046)	17,351
Transfer to income on sale of marketable securities	(4,467)	-	(4,467)	-
Other comprehensive loss	(42,448)	(43,083)	(98,513)	17,351
Comprehensive loss for the period	$ (501,248)	$ (482,964)	$ (882,038)	$ (873,646)
Comprehensive loss attributable to:				
Non-controlling interest	$ (35,691)	$ -	$ (14,052)	$ -
Common shareholders	(465,557)	(482,964)	(867,986)	(873,646)
	$ (501,248)	$ (482,964)	$ (882,038)	$ (873,646)

See Accompanying Notes to the Condensed Consolidated Financial Statements

COMMANDER RESOURCES LTD.
(An Exploration Stage Company)
Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited - See Notice)

	Note	June 30, 2011	December 31, 2010 (note 22)	January 1, 2010 (note 22)
ASSETS				
Current assets				
Cash and cash equivalents	5	$ 3,434,570	$ 1,744,514	$ 1,425,152
Marketable securities	6	399,373	515,294	321,066
Investment in warrants	8	-	96,041	66,600
Accounts receivable	9	143,644	112,607	120,481
Prepaid expenses	10	21,438	35,295	38,227
		3,999,025	2,503,751	1,971,526
Non-current assets				
Deposit and others	11	131,356	32,377	20,000
Exploration and evaluation assets	13	22,402,965	21,884,142	22,339,510
Property and equipment	14	17,243	18,578	10,555
		22,551,564	21,935,097	22,370,065
Total assets		**$ 26,550,589**	**$ 24,438,848**	**$ 24,341,591**
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	15	$ 213,466	$ 426,316	$ 244,980
Advance from optionee	16	1,066,815	-	-
Other liability	17	345,299	327,750	-
		1,625,580	754,066	244,980
Non-current liabilities				
Deferred tax liabilities		1,674,609	1,475,859	1,472,945
Total liabilities		3,300,189	2,229,925	1,717,925
EQUITY				
Equity attributable to owners of the parent				
Share capital	18	39,080,524	37,450,106	37,232,067
Share-based payments reserve		1,765,048	1,653,818	1,078,438
Deficit		(17,817,206)	(17,226,160)	(15,352,420)
Accumulated other comprehensive loss		(266,482)	(167,969)	(334,419)
		22,761,884	21,709,795	22,623,666
Non-controlling interest	12	488,516	499,128	-
Total equity		23,250,400	22,208,923	22,623,666
Total liabilities and equity		**$ 26,550,589**	**$ 24,438,848**	**$ 24,341,591**

Nature of Operations and Going Concern (Note 1)
Commitments (Note 20)
Subsequent Events (Note 23)

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

See Accompanying Notes to the Condensed Consolidated Financial Statements

COMMANDER RESOURCES LTD.
(An Exploration Stage Company)
Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited - See Notice)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2011	**2010** (note 22)	**2011**	**2010** (note 22)
Cash provided from (used for):				
Operating activities				
Net loss for the period	$ (458,800)	$ (439,881)	$ (783,525)	$ (890,997)
Items not involving cash:				
Amortization	1,625	3,683	3,200	6,166
Gain on sale of marketable securities	(6,120)	-	(6,120)	-
Share-based payments	173,711	206,561	293,097	443,172
Realized/ unrealized loss on warrants	20,889	6,671	96,041	22,767
Deferred income tax recovery	-	-	(129,000)	-
	(268,695)	**(222,966)**	**(526,307)**	**(418,892)**
Changes in non-cash working capital items:				
Accounts receivable	(43,838)	(167,486)	(31,037)	(70,642)
Prepaid expenses	7,507	8,951	13,857	29,944
Accounts payable and accrued liabilities	(14,670)	(129,409)	(7,663)	(121,910)
Cash provided by (used in) operating activities	**(319,696)**	**(510,910)**	**(551,150)**	**(581,500)**
Investing activities				
Proceeds from sale of marketable securities	23,529	-	23,529	-
Deposit and others	187,401	380,000	(98,979)	(50,000)
Advance from optionee	738,254	(168,192)	1,066,815	1,251,482
Recoveries from exploration and evaluation assets	679,255	3,095,505	1,591,762	3,511,234
Acquisition and exploration costs for exploration and evaluation assets	(1,555,046)	(3,025,790)	(2,089,585)	(3,438,142)
Accounts payable and accrued liabilities related to exploration and evaluation assets	22,798	613,798	(205,187)	744,651
Purchase of equipment	(1,865)	(318)	(2,211)	(10,371)
Reclassification of furniture and fixture	345	-	345	-
Cash provided by (used in) investing activities	**94,671**	**895,003**	**286,489**	**2,008,854**
Financing activities				
Shares issued for cash, net of issue costs	1,954,717	-	1,954,717	44,400
Cash provided by financing activities	**1,954,717**	**-**	**1,954,717**	**44,400**
Increase in cash and cash equivalents	**1,729,692**	**384,093**	**1,690,056**	**1,471,754**
Cash and cash equivalents, beginning of period	1,704,878	2,512,813	1,744,514	1,425,152
Cash and cash equivalents, end of period	**$ 3,434,570**	**$ 2,896,906**	**$ 3,434,570**	**$ 2,896,906**

Supplemental Cash Flow Information (Note 20)

See Accompanying Notes to the Condensed Consolidated Financial Statements

COMMANDER RESOURCES LTD.
(An Exploration Stage Company)
Condensed Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited - See Notice)

	Share Capital		Share-Based Payments		Accumulated Other Comprehensive	Non-Controlling	Total Shareholders'
	Shares	**Amount**	**Reserve**	**Deficit**	**Income (Loss)**	**Interest**	**Equity**
Balance, January 1, 2010 (note 22)	**90,207,516**	**$ 37,232,067**	**$ 1,078,438**	**$ (15,352,420)**	**$ (334,419)**	**$ -**	**$ 22,623,666**
Non-controlling interest on acquisition							-
Net loss for the period				(890,997)			(890,997)
Unrealized gain on available-for-sale marketable securities, net of taxes					17,351		17,351
Shares issued for cash							
Exercise of options	382,000	44,400					44,400
Non-cash transactions							
Reclassification of option compensation on exercise of options		26,165	(26,165)				-
Share-based payments			443,172				443,172
Balance, June 30, 2010 (note 22)	**90,589,516**	**$ 37,302,632**	**$ 1,495,445**	**$ (16,243,417)**	**$ (317,068)**	**$ -**	**$ 22,237,592**
Balance, January 1, 2011 (note 22)	**90,942,516**	**$ 37,450,106**	**$ 1,653,818**	**$ (17,226,160)**	**$ (167,969)**	**$ 499,128**	**$ 22,208,923**
Net loss for the period				(769,473)		(14,052)	(783,525)
Reclassification of option compensation expired			(178,427)	178,427			-
Unrealized loss on available-for-sale marketable securities, net of taxes					(94,046)		(94,046)
Transfer to income on sale of marketable securities					(4,467)		(4,467)
Shares issued for cash							
Private placement	8,500,032	2,040,008					2,040,008
Share issuance cost		(85,291)					(85,291)
Non-cash transactions							
Other liability on flow-through share premium		(345,299)				-	(345,299)
Shares issued for acquistion of property	150,000	21,000					21,000
Share-based payments			289,657			3,440	293,097
Balance, June 30, 2011	**99,592,548**	**$ 39,080,524**	**$ 1,765,048**	**$ (17,817,206)**	**$ (266,482)**	**$ 488,516**	**$ 23,250,400**

See Accompanying Notes to the Condensed Consolidated Financial Statements

1. Nature of Operations and Going Concern

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

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

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

For the six months ended June 30, 2011, the Company reported a net loss of $783,525 (2010 - $890,997) and has a deficit of $17,817,206 (December 31, 2010 - $17,226,160). The Company also has working capital of $2,373,445 (December 31, 2010 - $1,749,685: January 1, 2010 - $1,726,546).

2. Statement of Compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting.* These are the Company's second condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") for part of the period covered by the Company's first IFRS consolidated annual financial statements for the year ending December 31, 2011. First-time Adoption of International Financial Reporting Standards ("IFRS 1") has been applied. These financial statements do not include all of the information required for full annual financial statements.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 22.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 24, 2011.

3. Summary of Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at December 31, 2010 except as noted below. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited Canadian GAAP annual financial statements for the year ended December 31, 2010.

These condensed interim consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value, including derivative instruments and available for sale instruments.

3. Summary of Significant Accounting Policies (Continued)

The Company's significant accounting policies are outlined below:

(a) Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its 55.81% owned subsidiary, Maritime Resources Corp. ("Maritime") (note 12).

The interest of non-controlling shareholders is initially measured at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets. Subsequent to acquisition, non-controlling interests consist of the amount attributed to such interests at initial recognition and the non-controlling interest's share of changes in equity since the date of the combination.

All material intercompany transactions, balances, income and expenses are eliminated on consolidation. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Company.

(b) Foreign currency translation

The functional and reporting currency of the Company and its subsidiary is the Canadian dollar. Amounts recorded in foreign currency are translated into Canadian dollars as follows:

i. Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
ii. Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
iii. Income and expenses (excluding amortization, which is translated at the same rate as the related asset), at the rate of exchange on the transaction date.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss for the period.

(c) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of environmental obligations, asset retirement obligations ("ARO"), accrued liabilities, the fair values of financial instruments, including derivatives and available for sale investments, impairment and rates of amortization for property and equipment, recoverability of exploration and evaluation assets, calculation of deferred income taxes and the variables used in the calculation of share-based payments. While management believes the estimates used are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. Summary of Significant Accounting Policies (Continued)

(c) Use of estimates (Continued)

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Depreciation rates

The estimated maximum useful lives of property and equipment are as follows:

Furniture & fixtures	5 years
Computer equipment	5 years
Leasehold improvements	Duration of the lease

(d) Cash and cash equivalents

Cash and cash equivalents include bank deposits and cashable highly-liquid investments that are readily convertible to known amounts of cash and have maturities of three months or less from the date acquired.

(e) Exploration and evaluation assets

All costs related to the acquisition of, exploration for and development of mineral properties, net of recoveries, are capitalized on a property-by-property basis. If economically recoverable ore reserves are developed, capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is abandoned, all related costs are written-off to operations. If after management review it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated fair value. A mineral property interest is reviewed at each statement of financial position date for impairment or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Interest on borrowings incurred to finance mining assets is capitalized until the asset is capable of carrying out its intended use.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(f) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is recorded using the straight-line method over five years. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

(i) Subsequent costs

The cost of replacing part of an item within property and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

3. Summary of Significant Accounting Policies (Continued)

(f) Property and equipment (Continued)

(ii) Impairment

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(iii) Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

(g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(h) Asset retirement obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property and equipment, or site closure or reclamation activities when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

3. Summary of Significant Accounting Policies (Continued)

(h) Asset retirement obligations (Continued)

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the income statement.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the income statement in the period incurred.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged to the income statement as incurred.

At present, the Company has determined that it has no material asset retirement obligations to record in these financial statements.

(i) Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance its resource exploration activities. Canadian income tax law permits the Company to renounce to the flow-through shareholders the income tax attributes of resource exploration costs financed by such shares. Flow-through common shares are recognized in equity based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits.

When flow-through expenditures are renounced, a portion of the deferred income tax assets that were not previously recognized, due to the recording of a valuation allowance, are recognized as a recovery of income taxes in the statements of operations.

(j) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and non-employees. The board of directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the options are earned. For directors and employees, the fair value of the options is measured at the date of grant. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

3. Summary of Significant Accounting Policies (Continued)

(k) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Loss per share

Loss per share is calculated based on the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings per share. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

(m) Field supplies

Field supplies consists of fuel and other supplies, which were stored in a facility in the hamlet of Clyde River and Resolute Bay, Nunavut, and stated at the lower of cost and net realizable value. Field supplies which were previously disclosed separately in current assets have been reclassified as exploration and evaluation assets.

(n) Financial instruments

(i) Financial assets

Financial assets are classified into one of four categories:

- fair value through profit or loss (“FVTPL”);
- held-to-maturity (“HTM”);
- available for sale (“AFS”); and,
- loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

3. Summary of Significant Accounting Policies (Continued)

(n) Financial instruments (Continued)

(i) Financial assets (Continued)

(i) FVTPL financial assets

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL.

A financial asset is classified as FVTPL if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified cash and cash equivalents and investment in warrants as FVTPL financial assets.

(ii) HTM investments

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

(iii) AFS financial assets

Short-term investments and other assets held are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive income. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in other comprehensive income is included in profit or loss for the period. The Company has classified marketable securities as AFS financial assets.

(iv) Investment in warrants

Warrants of publicly traded securities, which do not have a quoted price, are carried at an estimated fair value calculated using the Black-Scholes option pricing model. The warrants are considered a derivative financial instrument and consequently are classified as FVTPL and are measured at fair value. Resulting gains or losses are included in operations.

3. Summary of Significant Accounting Policies (Continued)

(n) Financial instruments (Continued)

(i) Financial assets (Continued)

(v) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the period in which they are identified. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(vi) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the bad debt account. Subsequent recoveries of amounts previously written off are credited against the bad debt account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

3. Summary of Significant Accounting Policies (Continued)

(n) Financial instruments (Continued)

(i) Financial assets (Continued)

(vii) Derecognition of financial assets

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than fair value through profit or loss, which are expensed as incurred, are included in the initial carrying value of such 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).

(ii) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified trade and other payables, short-term financial liabilities and long-term financial liabilities as other financial liabilities.

3. Summary of Significant Accounting Policies (Continued)

(n) Financial instruments (Continued)

(ii) Financial liabilities and equity (Continued)

(ii) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

(o) Unit offerings

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

(p) Segment information

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

(q) Accounting standards issued but not yet effective

The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on the financial statements.

(i) IFRS 9 Financial instruments: classification and measurement

IFRS 9 as issued reflects the first phase of the International Accounting Standards Board ("IASB") work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

(Expressed in Canadian dollars)

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
Marketable securities – as available-for-sale
Accounts receivable – as loans and receivables
Due from related parties – as loans and receivables
Investment in warrants – as fair value through profit or loss
Accounts payable – as other financial liabilities.
Advance from optionee – as other financial liabilities

The following is the classification of the Company's financial instruments:

		June 30, 2011		December 31, 2010		January 1, 2010
Financial assets						
Fair value through profit or loss:						
Cash and cash equivalents	$	3,434,570	$	1,744,514	$	1,425,152
Investment in warrants		-		96,041		66,600
Available for sale:						
Marketable securities		399,373		515,294		321,066
Loans and receivables:						
Accounts receivable		13,134		29,297		103,404
	$	3,847,077	$	2,385,146	$	1,916,222
Financial liabilities						
Other financial liabilities:						
Accounts payable	$	183,466	$	373,316	$	78,980
Advance from optionee		1,066,815		-		-
	$	1,250,281	$	373,316	$	78,980

(Expressed in Canadian dollars)

4. Financial Instruments and Risk Management (Continued)

(a) Fair value (Continued)

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

The following table summarizes fair value measurement by level at June 30, 2011 for assets and liabilities measured at fair value on a recurring basis:

	Total	Level 1	Level 2	Level 3
Assets				
Marketable securities	$ 399,373	$ 399,373	$ -	$ -

(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, 2011, the Company had cash and cash equivalents of $3,434,570 of which $1,525,888 were funds raised through the issuance of flow-through shares and are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation, and accounts payable and accrued liabilities of $213,466. Most of the Company's accounts payable is due within 30 days.

(c) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents, accounts receivable and amounts due from related parties. This risk is minimized as cash and cash equivalents have been placed with major Canadian financial institutions. The Company performs on-going credit evaluations of its accounts receivable. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

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

Concentration of credit risk exists with respect to the Company's cash and cash equivalents as all amounts are held at one major Canadian financial institution. The Company's concentration of credit risk and maximum exposure at June 30, 2011 thereto is as follows:

	June 30, 2011	December 31, 2010
Cash and cash equivalent	$ 3,434,570	$ 1,744,514
Accounts receivable	13,134	29,297
	$ 3,447,704	**$ 1,773,811**

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. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

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

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

The Company's cash and cash equivalents consist of cash held in bank accounts and a term deposit that earns interest at 0.5%. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of June 30, 2011.

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

(ii) Foreign currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has cash at banks denominated in US dollars. The foreign currency risk arises primarily as a result of the Company having US dollar denominated bank accounts. The financial position of the Company may vary at the time that a change in foreign currency rate occurs, causing the impact on the Company's results to differ from that shown above. For the six months ended June 30, 2011, the impact of the fluctuation in exchange rates had been immaterial.

(iii) Other price risk

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

There were no changes in the Company's approach to risk management during the six months ended June 30, 2011.

(Expressed in Canadian dollars)

5. Cash and Cash Equivalents

		June 30, 2011		December 31, 2010
Cash (for general purposes)	$	841,867	$	1,122,206
Cash (flow-through funds for exploration)		1,525,888		622,308
Cash (advanced from joint venture partner)		1,066,815		-
	$	3,434,570	$	1,744,514

As at June 30, 2011, the Company's cash balance was $3,434,570 (December 31, 2010 - $1,744,514), including its subsidiary, Maritime's, cash balance of $282,649 (December 31, 2010 - $958,056). The Company's exploration funds raised through the issuance of flow-through shares were $1,525,888 at June 30, 2011, of which $16,009 were Maritime's (December 31, 2010 - $622,308). These exploration funds are required to be spent on mineral exploration related activities in Canada only. There was also an advance balance from the Company's joint venture partner amounted to $1,066,815 (December 31, 2010 - $Nil) to be used in the Company's Baffin Island project (note 16).

6. Marketable Securities

	As at June 30, 2011				As at December 31, 2010		
	Number of Shares	Cost	Close Price	Market Value	Number of Shares	Cost	Market Value
Fjordland Exploration Inc.	1,392,647	$ 193,945	0.195	$ 271,566	1,517,647	$ 211,353	$ 349,059
Diamonds North Resources Ltd.	258,000	141,280	0.140	36,120	258,000	141,280	36,120
Uranium North Resources Corporation	333	333	0.135	45	333	333	60
Alto Ventures Ltd.	1,875,000	281,250	0.040	75,000	1,875,000	281,250	103,125
Bayswater Uranium Corp.	40	204	0.385	15	40	204	32
Global Gold Corporation	75,000	72,439	0.135	10,127	75,000	72,439	18,648
Pamlico Resources Ltd.	100,000	-	-	-	100,000	-	-
Stratabound Minerals Corp.	50,000	4,000	0.130	6,500	50,000	4,000	8,250
Total		**$ 693,451**		**$399,373**		**$ 710,859**	**$ 515,294**

The Company sold 125,000 shares of Fjordland Exploration Inc. ("Fjordland") in June 2011. The realized gain on sale of $6,120 has been recorded in the statement of operations.

(Expressed in Canadian dollars)

7. Capital Management

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

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months ended June 30, 2011. The Company is not subject to externally imposed capital requirements.

a) Private Placement

The Company raised $2,040,008 to finance exploration projects in Canada in May 2011. The financing consisted of a non-brokered private placement of 8,500,032 units (the "Units") priced at $0.24 per Unit. Each unit consists of one flow-through common share and one-half non flow-through share purchase warrant. Each whole non flow-through share purchase warrant entitles the holder to purchase one common share at a price of $0.30 for two years following the closing. 6% finder's fees of $73,800 were paid on the gross proceed of $1,230,000 for 5,125,000 units.

8. Investment in Warrants

On June 4, 2009, the Company and Fjordland reached a settlement in respect to a shortfall on drilling by Fjordland on the Olympic and Rob properties as part of an option agreement between the parties dated August 2, 2006. Under the terms of the settlement, Fjordland issued 1,000,000 units consisting of one common share and one purchase warrant of Fjordland. Each warrant entitled the Company to purchase one common share at a price of $0.16, expired on June 23, 2011.

The fair value of the warrants was estimated using the Black-Scholes option pricing model on receipt and recorded at $68,200 as a recovery of exploration and evaluation assets. During the quarter ended June 30, 2011, the Company has written off the estimated fair value and recognized a loss of $20,889 on the expired warrants in the statements of operations.

9. Accounts Receivable

The accounts receivable mainly related to input tax credit paid by the Company receivable from the government, and other receivables.

The following is an aging analysis of the accounts receivable:

		Neither past due nor impaired	Past due but not impaired 31 - 60 days		61 - 90 days		> 90 days		TOTAL
June 30, 2011	$	134,588	$	2,691		-		6,365	$ 143,644
December 31, 2010	$	96,989	$	-	$	11,013	$	4,605	$ 112,607

(Expressed in Canadian dollars)

10. Prepaid Expenses

The following is an analysis of the prepaid expenses:

	June 30, 2011	December 31, 2010
Insurance	$ 3,815	$ 19,077
Trade shows and conferences	-	4,514
Software rental	3,165	-
Storage rental	6,259	-
Others	8,199	11,704
	$ 21,438	$ 35,295

11. Deposit and Others

As at June 30, 2011, deposit and others included project advances of $98,979 (December 31, 2010 - $ Nil) and rent deposit of $32,377 (December 31, 2010 - $32,377).

12. Transaction with Maritime

Effective October 5, 2010, the Company received 12,000,000 common shares of Maritime in exchange for a 50% interest in the Green Bay Property, located in the King's Point area, Newfoundland. Maritime is responsible for funding all exploration expenditures and is committed to conducting $750,000 of mineral exploration activities on the property by April 5, 2012 (note 13(b)).

As a result of the above transaction, the Company acquired a controlling interest of 55.81% of Maritime's issued and outstanding shares and has consolidated the results of Maritime from October 5, 2010, the date of acquisition. The Company has recorded the interest in the Green Bay Property at its carrying value as it has retained control of the property. Maritime is considered a subsidiary of Commander at this stage and its financial results are consolidated into Commander's financial statements. Additional information on Maritime, as a publicly listed company, is available on the Internet at the SEDAR website, www.sedar.com and Maritime's website, www.maritimeresourcescorp.com.

The amount of non-controlling interest as at June 30, 2011 is as follows:

	Previously Reported	IFRS Adjustments	Adjusted Amount
Proportionate share of identifiable net assets of Maritime on acquisition	$ 664,649	$ (144,820)	$ 519,829
Share of post acquisition loss for the period	(102,404)		(102,404)
Share of post acquisition option compensation	81,703		81,703
Balance at December 31, 2010	$ 643,948	$ (144,820)	499,128
Share of profit for the period			(14,052)
Share of option compensation for the period			3,440
Balance at June 30, 2011			$ 488,516

Please refer to note 22(e) for explanations on the IFRS adjustments.

(Expressed in Canadian dollars)

13. Exploration and Evaluation Assets

Exploration and evaluation assets are comprised of properties located in Canada. Expenditures incurred on mineral properties as at June 30, 2011 were as follows:

	Qimmiq	Bravo Lake	Green Bay	Glenmorangie	Storm	Other	
	Baffin, Nunavut		Newfoundland	Yukon	Nunavut	Properties	Total
Balance at Dec. 31, 2010	**$ 10,041,443**	**$ 2,590,023**	**$ 769,268**	**$ -**	**$ 116,144**	**$ 8,367,264**	**$ 21,884,142**
Acquisition costs	-	-	1,750	60,373	-	2,873	**64,996**
Exploration costs:							
Drilling	613,949	-	560,183	-	1,200	1,484	**1,176,816**
Geochemistry	4,588	-	-	-	521	-	**5,109**
Geology	107,651	9,723	46,037	13,099	111,332	60,285	**348,127**
Geophysics	91,725	-	-	267	398,695	391	**491,078**
Property	111,828	-	-	-	-	3,870	**115,698**
Other	5,869	1,312	79	395	135	970	**8,760**
	935,610	11,035	606,299	13,761	511,883	67,000	**2,145,588**
Less:							
Recoveries	(1,585,655)	(6,106)	(100,000)	-	-	-	**(1,691,761)**
Net additions	(650,045)	4,929	508,049	74,134	511,883	69,873	**518,823**
Balance at Jun. 30, 2011	**$ 9,391,398**	**$ 2,594,952**	**$ 1,277,317**	**$ 74,134**	**$ 628,027**	**$ 8,437,137**	**$ 22,402,965**

Field supplies of $103,862 which were previously disclosed separately in current assets have been reclassified as exploration and evaluation assets.

13. Exploration and Evaluation Assets (Continued)

(a) Baffin Island Properties, Nunavut

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

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

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

- AngloGold at its option, advanced a cash payment of $575,000 to the Company so that the Company could exercise its right to purchase the remaining interest in the Bravo Lake ("Bravo Lake") property to 100%, which is treated as part of the exploration expenditures to be funded by AngloGold. Accordingly, these amounts have been presented as a recovery to the relevant property in 2009; and

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

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

For the six months ended June 30, 2011, total recoveries on the Baffin Island Properties from AngloGold amounted to $1,585,655, including management fee of $144,150 (December 31, 2010 - $6,483,438, including management fee of $543,441).

(i) Qimmiq

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

13. Exploration and Evaluation Assets (Continued)

(a) Baffin Island Properties, Nunavut (Continued)

(i) Qimmiq (Continued)

On April 30, 2009, the Company exercised its right to accelerate its interest to 100% in the Property after BHP agreed to waive the $400,000 cash payment required under the Option Acceleration Agreement. The Revised Agreement is now the only agreement between the Company and BHP pertaining to the Qimmiq Property.

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

(ii) Bravo Lake

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

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

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

13. Exploration and Evaluation Assets (Continued)

(b) Green Bay, Newfoundland

The primary assets on the Green Bay Property are the Orion Gold Deposit ("Orion") and the surrounding exploration lands. Orion is located 14 kilometres northwest of Springdale, Newfoundland.

The Company held a 100% interest in the Green Bay property, which includes Orion. Orion contains an Inferred Resource of 119,000 ounces of gold contained within 710,285 tonnes average grading 5.227 g/t Au using a 3 g/t cut-off grade, as defined in a 43-101 Technical Report published in July 2010.

On October 5, 2010, the Company entered into an Option Agreement with Maritime for the right to acquire a 50% interest in the Green Bay Property, located in the King's Point area, Newfoundland, by issuing to the Company 12,000,000 common shares. In addition, Maritime is responsible for funding all exploration expenditures and is committed to conducting $750,000 of mineral exploration activities on the Property by April 5, 2012. The Option Agreement also provides Maritime the further option of increasing its ownership in the Property to 100% by issuing 5,000,000 additional common shares to the Company before the earlier of the date of commencement of commercial production and the expiry date of 5 years after the acquisition of the Initial Interest. In the event Maritime exercises the Second Option to acquire a 100% interest in the Property, the 100% interest of Maritime in the Property will be subject to a 2% NSR.

Once Maritime vests its Initial Interest and completes the committed expenditures, it may elect not to increase its interest to 100% in which event the parties agree that further exploration and development on the Green Bay Property will be operated under a 50/50 Joint Venture ("JV") between the parties in accordance with standard industry terms. It is agreed that for the purposes of the JV, the deemed expenditures will be calculated based on the actual expenditures incurred by Maritime from the approval date to the date of its election to form a JV.

Furthermore it is agreed that at that time, the Company's deemed expenditures shall be calculated at one and one-half times (150%) Maritime's actual expenditures, but remain as a 50:50 JV. For greater clarity, should a JV be formed, The Company's 50% interest will be carried until Maritime's actual expenditures equal the Company's deemed expenditures.

The exploration lands outside the current boundary of Orion shall be subject to a 2% NSR payable to the Company with Maritime having the right to acquire 50% of the NSR for $1,000,000 at any time up to commercial production from the exploration lands.

(c) Glenmorangie, Yukon

On June 2, 2011, the Company negotiated an option agreement, for a package of claims located in the Little Highland River Valley, Watson Lake mining district in the Yukon. The package of 127 claims is owned by a prospector syndicate based out of Whitehorse. In addition, the Company has added another 150 claims to the area, for a total package of 277 claims, covering approx. 5,800 ha over a 20 km strike extent.

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

(Expressed in Canadian dollars)

13. Exploration and Evaluation Assets (Continued)

(d) Storm Property, Nunavut

The Storm property, first acquired in 2008, consists of four permits covering 208,286 acres (84,291 ha) and is located on the northwest corner of Somerset Island adjacent to the Northwest Passage. The target is a large tonnage, high-grade sedimentary (carbonate) hosted copper deposit. The project has being activated for the first time in 2011 since acquired.

(e) Other properties

The Company owns several other properties in Canada in which it holds interests ranging from 10% to 100%. The Company has granted options on some of these properties. The carrying values of those properties included under Other Properties at June 30, 2011 and December 31, 2010 are as follows:

	Ownership %	June 30, 2011	December 31, 2010
Labrador Properties			
Sadie	*100.00*	$ 127,856	$ 127,856
Sally	*100.00*	$ 393,127	393,127
Sandy	*100.00*	19,143	11,462
Sarah Lake (i)	*48.20*	1,764,652	1,760,949
Nunavut			
Dewar Lake	-	516	516
Newfoundland			
Hermitage (ii)(a)	*100.00*	2,750,079	2,748,351
Strickland (ii)(b)	*100.00*	927,164	926,545
Cochrane Pond (ii)(c)	*50.00*	48,978	48,978
Others	*100.00*	92,563	92,563
Yukon			
Olympic, Rob (iii)	*100.00*	870,737	862,931
British Columbia			
Abe, Pal, Hal, Hunter and Takla (iv)	*100.00*	115,950	110,923
Aten, Mate and Tut (iv)	*100.00*	3,760	1,250
Tam (v)	*10.00*	9,524	9,524
Stump Lake (vi)		16,046	-
New Brunswick			
Nepisiguit/Stewart (vii)	*100.00*	1,133,609	1,130,978
Ontario			
Matheson	*41.36*	15,685	14,213
McVean	*100.00*	7,383	71
Sabin (viii)	*100 - 58.50*	140,365	127,027
Total Other Properties		**$ 8,437,137**	**$ 8,367,264**

(i) Sarah Lake, Labrador

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

13. Exploration and Evaluation Assets (Continued)

(e) Other properties (Continued)

(ii) Hermitage Project, Newfoundland

(a) Hermitage

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

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

(b) Strickland

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

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

(c) Cochrane Pond

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

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

(iii) Olympic & Rob, Yukon

The Olympic property is located north of Dawson City in the Yukon and has claims covering 4,431 hectares. The Company owns 100% of the Olympic and Rob properties subject to a 1% NSR registered to Blackstone Ventures Inc. on the Rob property. The NSR may be reduced to 0.50% at any time for $1 million.

(iv) Abe, Pal, Hal, Hunter, Takla, Aten, Mate and Tut, British Columbia

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

13. Exploration and Evaluation Assets (Continued)

(e) Other properties (Continued)

(v) Tam, British Columbia

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

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

(vi) Stump Lake, British Columbia

The Company has entered into a Letter of Intent dated June 10, 2011 ("Agreement") to acquire a package of claims on a newly discovered epigenetic gold prospect in Southern BC. The package of claims is held by The Marlow Prospecting Syndicate of Kamloops ("Marlow") and has been increased by additional staking of adjacent claims by Commander.

Marlow held five claims (2,140.84 hectares), and the Company has staked an additional eight claims (3,583.15 hectares), all of which will comprise the Stump Lake Property covering over 57 square kilometers. Under the terms of the Agreement, the Company may earn a 100% interest in the property over a five year period by making total cash payments of $625,000, issuing two million shares to Marlow and completing $3 million in exploration work. Of this, there is a firm commitment in the first year of $60,000 cash, issuance of 300,000 shares and work on the property totaling $400,000. The property is subject to a 2% Net Smelter Return Royalty ("NSR") in favour of Marlow. The Company may reduce the NSR to 1% by paying $2 million to Marlow.

(vii) Nepisiguit/Stewart, New Brunswick

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

On July 29, 2010, the Company announced that it had entered into an option agreement with Stratabound providing Stratabound the right to earn an initial 60% interest in the Company's Nepisiguit and Stewart properties.

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

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

13. Exploration and Evaluation Assets (Continued)

(e) Other properties (Continued)

(vii) Nepisiguit/Stewart, New Brunswick (Continued)

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

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

The initial 50,000 common shares of Stratabound were received and are included in marketable securities.

(viii) Sabin, Ontario

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

Environmental

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

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

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

Title to resource properties

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

(Expressed in Canadian dollars)

13. Exploration and Evaluation Assets (Continued)

Realization of assets

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

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

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

14. Property and Equipment

		Furniture and Fixtures		Computer Equipment		Leasehold Improvements		Total
Cost								
At January 1, 2010	$	57,240	$	169,950	$	28,293	$	255,483
Additions		-		10,372		-		10,372
Disposals		-		-		-		-
At June 30, 2010		57,240		180,322		28,293		265,855
Additions		2,670		2,895		3,528		9,093
Disposals		-		-		(28,293)		(28,293)
At December 31, 2010	$	59,910	$	183,217	$	3,528	$	246,655
Additions		345		1,865		-		2,210
Disposals		(406)		-		-		(406)
At June 30, 2011	$	59,849	$	185,082	$	3,528	$	248,459
Accumulated depreciation								
At January 1, 2010		57,240		161,753		25,935		244,928
Additions		-		3,809		2,358		6,167
Disposals		-		-		-		-
At June 30, 2010		57,240		165,562		28,293		251,095
Additions		514		4,408		353		5,275
Disposals		-		-		(28,293)		(28,293)
At December 31, 2010	$	57,754	$	169,970	$	353	$	228,077
Additions		281		2,587		353		3,221
Disposals		(82)		-		-		(82)
At June 30, 2011	$	57,953	$	172,557	$	706	$	231,216
Net Book Value								
At January 1, 2010	$	-	$	8,197	$	2,358	$	10,555
At June 30, 2010	$	-	$	14,760	$	-	$	14,760
At December 31, 2010	$	2,156	$	13,247	$	3,175	$	18,578
At June 30, 2011	**$**	**1,896**	**$**	**12,525**	**$**	**2,822**	**$**	**17,243**

(Expressed in Canadian dollars)

15. 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.

The following is an aging analysis of accounts payable:

		Current		31 - 60 days		61 - 90 days		> 90 days		TOTAL
June 30, 2011		127,598	$	26,205	$	45,742	$	13,921	$	213,466
December 31, 2010	$	426,316	$	-	$	-	$	-	$	426,316

16. Advance from Optionee

The Company's optionee, AngloGold, advanced $2,658,577 to the Company for the Baffin properties including $241,689 for management fees. During the six months ended June 30, 2011, $1,447,056 of exploration expenses and $144,706 of management fees were recovered leaving an advance balance of $1,066,815.

17. Other Liability

Other liability of $345,299 consisted of the tax premium portion of 8,500,032 flow-through shares issued at $0.24 per unit in May 2011. The difference between the closing prices and issued prices, net of the value of the one-half warrants issued with each share, was treated as a liability in accordance with IFRS. It will be reversed into earnings as Commander renounces the incurred eligible expenditures at the end of the year.

18. Share Capital

(a) Authorized

Unlimited common shares without par value

(b) Shares issued

In May 2011, the Company issued 8,500,032 units at a price of $0.24 per unit, for gross proceeds of $2,040,008. Each unit consists of one flow-through common share and one-half non flow-through share purchase warrant. Each whole non flow-through share purchase warrant entitles the holder to purchase one common share at a price of $0.30 for two years following the closing. Share issuance costs of $85,291 were incurred by the Company, resulting in net proceeds of $1,954,717. These flow-through shares were recognized based on the quoted price of the existing shares on the date of the issuance. The difference between the quoted price and the flow-through share price has been recognized as a liability.

On June 20, 2011, 150,000 shares were issued for the acquisition of the Glenmorangie property in connection with the option agreement (note 13(c)).

(Expressed in Canadian dollars)

18. Share Capital (Continued)

(b) Shares issued (Continued)

The issued and outstanding common shares at January 1, 2010, December 31, 2010 and June 30, 2011 were as follows:

	Number of Shares		Amount
Balance, January 1, 2010	**90,207,516**	**$**	**37,232,067**
Issued for cash:			
Exercise of options, for cash	735,000	$	129,650
Issued for other consideration:			
Exercise of options, stock-based payments			88,389
Balance, December 31, 2010	**90,942,516**		**37,450,106**
Issued for cash:			
Private placement, net of issuance cost	8,500,032	$	1,954,717
Flow-through share premium transferred to other liability under IFRS		$	(345,299)
Issued for other consideration:			
Glenmorangie property acquisition per option agreement	150,000		21,000
Balance, June 30, 2011	**99,592,548**	**$**	**39,080,524**

(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, 2011, the Company granted 2,420,000 stock options to directors, employees and consultants. There were 928,500 unexercised stock options expired during the period.

A summary of the Company's outstanding stock options as at January 1, 2010, December 31, 2010 and June 30, 2011, and changes during the respective periods are as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at January 1, 2010	**6,864,000**	**$0.252**
Granted	2,673,500	$0.329
Exercised	(735,000)	$0.178
Outstanding at December 31, 2010	8,802,500	**$0.280**
Granted	2,420,000	$0.183
Expired	(928,500)	$0.327
Outstanding at June 30, 2011	**10,294,000**	**$0.253**

(Expressed in Canadian dollars)

18. Share Capital (Continued)

(c) Stock options (Continued)

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for the grants for the six months ended June 30, 2011 as follows:

	Feb 11, 2011	Apr 16, 2011	Weighted Average
Number of shares granted	2,020,000	400,000	2,420,000
Exercise price	$ 0.185	$ 0.170	$ 0.183
Grant date share price	$ 0.190	$ 0.170	$ 0.187
Risk-free interest rate	2.76%	2.84%	2.77%
Expected dividend yield	-	-	-
Expected stock price volatility	99%	97%	99%
Expected option life in years	5	5	5
Grant date fair value	$ 0.139	$ 0.126	$ 0.137

The following summarizes information about stock options outstanding as at June 30, 2011:

Number of Shares	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
400,000	$0.87	January 2, 2012	0.51
200,000	$0.41	May 8, 2012	0.86
1,196,500	$0.36	June 7, 2012	0.94
70,000	$0.19	December 21, 2012	1.48
760,000	$0.18	February 7, 2013	1.61
200,000	$0.21	June 24, 2013	1.99
280,000	$0.10	October 17, 2013	2.30
700,000	$0.10	February 20, 2014	2.65
1,394,000	$0.10	May 12, 2014	2.87
200,000	$0.39	January 19, 2015	3.56
1,778,500	$0.35	January 27, 2015	3.58
95,000	$0.35	January 27, 2015	3.58
500,000	$0.27	May 25, 2015	3.90
100,000	$0.18	October 6, 2015	4.27
2,020,000	$0.19	February 11, 2016	4.62
400,000	$0.17	April 6, 2016	4.77
10,294,000			**2.99**

At June 30, 2011, the Company had 8,864,000 options vested and exercisable with a weighted average exercise price of $0.27 and a weighted average remaining contractual life in years of 2.72.

(Expressed in Canadian dollars)

18. Share Capital (Continued)

(c) Stock options (Continued)

The following is a breakdown of the share-based payments charged to operations on options vested for the six months ended June 30:

	For the Three Months Ended		For the Six Months Ended	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
Accounting and audit	$ 1,361	$ 4,697	$ 2,466	$ 10,829
Consultants	65,333	97,317	122,094	231,114
Investor relations	6,952	6,817	15,433	14,024
Salaries and benefits	100,065	97,730	153,104	187,205
	$ 173,711	**$ 206,561**	**$ 293,097**	**$ 443,172**

(d) Warrants and agent's warrants

The Company had the following warrants outstanding at June 30, 2011:

Exercise Price	Jan. 1, Jun. 30, & Dec. 31, 2010 Outstanding	Issued	Exercised	Expired	Jun. 30, 2011 Outstanding
$0.24	5,000,000	-	-	-	5,000,000
$0.30	-	4,250,015	-	-	4,250,015
	5,000,000	**4,250,015**	**-**	**-**	**9,250,015**

The following summarizes information about warrants outstanding as at June 30, 2011:

Number of Shares	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
5,000,000	$0.24	November 17, 2011	0.21
2,819,166	$0.30	May 3, 2013	0.56
1,430,849	$0.30	May 18, 2013	0.29
9,250,015			**1.06**

(Expressed in Canadian dollars)

19. Related Party Transactions

At June 30, 2011, marketable securities included 258,000 common shares (December 31, 2010 – 258,000 common shares) of Diamonds North Resources Ltd., a company related by a director in common.

(a) Trading transactions

The Company's related parties consist of companies controlled by executive officers and directors. The Company incurred the following fees and expenses in the normal course of operations in connection with those companies for the three months and six months ended June 30, 2011 and 2010 as follows:

	Three Months ended June 30, 2011	Three Months ended June 30, 2010	Six Months ended June 30, 2011	Six Months ended June 30, 2010
Accounting	$ 18,000	$ -	$ 36,000	$ -
Consulting	33,000	9,000	49,500	18,000
Geological consulting	25,600	11,025	55,560	22,050
Legal	3,498	9,712	3,544	12,719
Office rent and administrative	19,752	18,837	37,970	37,674
	$ 99,850	$ 48,574	$ 182,574	$ 90,443

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

There were $5,728 due from related parties included in accounts receivable as at June 30, 2011 (2010 - $6,669) for office expense reimbursements and expense advance.

Accounts payable includes $12,906 (2010 - $Nil) due to two companies controlled by a director and an officer, $880 (2010 $1,997) payable to a company related by a common director, and $402 (2010 $680) to an officer for expenses to be reimbursed.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three and six months ended June 30, 2011 and 2010 were as follows:

	Three Months ended June 30, 2011	Three Months ended June 30, 2010	Six Months ended June 30, 2011	Six Months ended June 30, 2010
Accounting	$ 18,000	$ -	$ 36,000	$ -
Consulting	33,000	9,000	49,500	18,000
Geological consulting	25,600	11,025	55,560	22,050
Salaries and benefits	100,903	182,146	175,686	240,536
Share-based payments	141,579	166,263	236,461	345,212
	$ 319,082	$ 368,434	$ 553,207	$ 625,798

The compensation includes trading transactions disclosed in note 19(a) above.

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the six months ended June 30, 2011 and 2010.

(Expressed in Canadian dollars)

20. 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:

Leases		Total
2011	$	21,721
2012		44,788
2013		47,095
2014		48,441
2015		32,294
Total	**$**	**194,339**

21. Supplemental Cash Flow Information

Significant non-cash, investing and financing activities		For Three Months Ended June 30 2011		2010		For Six Months Ended June 30 2011		2010
Investing activities:								
Shares issued for exploration and evaluation assets	$	21,000	$	-	$	21,000	$	-
Exploration and evaluation assets in accounts payable and accrued liabilities		144,028		-		144,028		-
	$	**165,028**	**$**	**-**	**$**	**165,028**	**$**	**-**
Financing activity:								
Other liability on FT share premiums	$	345,299	$	-	$	345,299	$	-
Exploration and evaluation assets in accounts payable and accrued liabilities		144,028		-		144,028		-
Fair value of options exercised		-		-		-		26,165
	$	**489,327**	**$**	**-**	**$**	**-**	**$**	**26,165**

22. IFRS

As stated in note 2, these are the Company's second condensed interim consolidated financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS. An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position and comprehensive loss is set out in this note.

IFRS 1 sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustments to assets and liabilities taken to retained earnings unless certain exemptions are applied.

22. IFRS (Continued)

The Company has applied the following exemptions to its transitional financial statements at January 1, 2010:

(a) Business combinations

The Company has elected under IFRS 1 to not apply IFRS 3 *Business Combinations* retrospectively to business combinations that occurred before the date of transition to IFRS.

(b) Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 *Share- based Payment* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which have been accounted for in accordance with Canadian GAAP.

(c) Assets and liabilities of subsidiaries and associates

In accordance with IFRS 1, if a parent company adopts IFRS subsequent to its subsidiary or associate adopting IFRS, the assets and the liabilities of the subsidiary or associate are to be included in the consolidated financial statements at the same carrying amounts as in the financial statements of the subsidiary or associate. The Company's subsidiary, Maritime, adopted IFRS with a transition date of April 1, 2010.

(d) Share-based payments

When a share-based payment award vests in instalments over the vesting period (graded vesting), each instalment is accounted for as a separate arrangement under IFRS. Under Canadian GAAP, an entity can elect to recognize graded vesting equity instruments as separate arrangements, like IFRS. Alternatively, unlike IFRS, an entity can elect to treat the equity instruments as a pool and determine fair value using the average life of the instruments, provided that compensation then is recognized on a straight line basis, subject to at least the value of the vested portion of the award being recognized at each reporting date.

The Company currently accounts for each instalment under graded vesting as a separate arrangement in accordance with IFRS. Under Canadian GAAP, a recognized asset, cost, or sales discount should not be reversed if a stock option that the counterparty has the right to exercise expires unexercised.

The Company has elected to change its accounting policy to transfer the value of the unexercised expired options to deficit as allowed under IFRS. Previously under Canadian GAAP the Company had no such policy. The value of the unexercised options as at January 1, 2010 amounted to $965,352 was transferred to deficit.

(e) Flow-through shares

Canadian GAAP – Flow-through shares were recorded at their face value, net of related issuance costs. On the date the tax credits were renounced, a future tax liability was recognized as a cost of issuing the shares.

IFRS – Flow-through shares are recognized based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a liability which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits. The tax portion of the 5,000,000 flow-through shares issued on October 1, 2010 by the Company's subsidiary amounted to $327,750. Of the $327,750, the portion belonging to the Company amounted to $182,930, and the portion belonging to the non-controlling interest amounted to $144,820. The amount of gain on acquisition was accordingly adjusted (note 12).

(Expressed in Canadian dollars)

22. IFRS (Continued)

The January 1, 2010, June 30, 2010, and December 31, 2010 Canadian GAAP statements of financial position has been reconciled to IFRS as follows:

		January 1, 2010			June 30, 2010			December 31, 2010		
	Note	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS										
Current assets										
Cash and cash equivalents		$ 1,425,152	$	$ 1,425,152	$ 2,896,906	$	$ 2,896,906	$ 1,744,514	$	$ 1,744,514
Marketable securities		321,066		321,066	338,416		338,416	515,294		515,294
Investment in warrants		66,600		66,600	43,833		43,833	96,041		96,041
Accounts receivable		120,481		120,481	191,124		191,124	112,607		112,607
Prepaid expenses		38,227		38,227	8,283		8,283	35,295		35,295
		1,971,526	-	1,971,526	3,478,562	-	3,478,562	2,503,751	-	2,503,751
Non-current assets										
Deposit		20,000		20,000	70,000		70,000	32,377		32,377
Exploration and evaluation assets		22,339,510		22,339,510	22,266,418		22,266,418	21,884,142		21,884,142
Property and equipment		10,555		10,555	14,760		14,760	18,578		18,578
		22,370,065	-	22,370,065	22,351,178	-	22,351,178	21,935,097	-	21,935,097
Total assets		**$ 24,341,591**	**$ -**	**$ 24,341,591**	**$ 25,829,740**	**$ -**	**$ 25,829,740**	**$ 24,438,848**	**$ -**	**$ 24,438,848**
LIABILITIES AND EQUITY										
Current liabilities										
Accounts payable and accrued liabilities		$ 244,980	$	$ 244,980	$ 867,721	$	$ 867,721	$ 426,316	$	$ 426,316
Advance from optionee		-		-	1,251,482		1,251,482	-		-
Other liability	22(e)	-		-	-	-	-	-	327,750	327,750
		244,980	-	244,980	2,119,203	-	2,119,203	426,316	327,750	754,066
Non-current liabilities										
Deferred tax liabilities		1,472,945		1,472,945	1,472,945		1,472,945	1,475,859		1,475,859
Total liabilities		1,717,925	-	1,717,925	3,592,148	-	3,592,148	1,902,175	327,750	2,229,925
EQUITY										
Equity attributable to owners of the parent										
Share capital		37,232,067		37,232,067	37,302,632		37,302,632	37,450,106		37,450,106
Contributed surplus	22(d)	965,352	(965,352)	-	965,352	(965,352)	-	965,352	(965,352)	-
Share-based payments reserve		1,078,438		1,078,438	1,495,445		1,495,445	1,653,818		1,653,818
Deficit	22(d)&(e)	(16,317,772)	965,352	(15,352,420)	(17,208,769)	965,352	(16,243,417)	(18,008,582)	782,422	(17,226,160)
Accumulated other comprehensive loss		(334,419)		(334,419)	(317,068)		(317,068)	(167,969)		(167,969)
Total equity attributable to owners of the par		22,623,666	-	22,623,666	22,237,592	-	22,237,592	21,892,725	(182,930)	21,709,795
Non-controlling interest	22(e)	-		-	-	-	-	643,948	(144,820)	499,128
		22,623,666	-	22,623,666	22,237,592	-	22,237,592	22,536,673	(327,750)	22,208,923
Tota liabilities and equity		**$ 24,341,591**	**$ -**	**$ 24,341,591**	**$ 25,829,740**	**$ -**	**$ 25,829,740**	**$ 24,438,848**	**$ -**	**$ 24,438,848**

(Expressed in Canadian dollars)

22. IFRS (Continued)

The Canadian GAAP statements of operations for the three and six months ended June 30, 2010 and year ended December 31, 2010 have been reconciled to IFRS as follows:

	Note	For Three Months Ended June 30, 2010			For Six Months Ended June 30, 2010			For Year Ended December 31, 2010		
		Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Expenses										
Accounting and audit		$ 20,943	$	$ 20,943	$ 45,843	$	$ 45,843	$ 107,276	$	$ 107,276
Administration and others		66,704		66,704	121,944		121,944	234,289		234,289
Amortization		3,683		3,683	6,166		6,166	11,443		11,443
Consultants		36,167		36,167	54,589		54,589	92,789		92,789
Investor relations and promotion		30,413		30,413	80,267		80,267	165,411		165,411
Legal		6,944		6,944	9,084		9,084	21,428		21,428
Salaries and benefits		61,795		61,795	107,165		107,165	230,966		230,966
Share-based payments		206,561		206,561	443,172		443,172	745,471		745,471
Loss before other items		**(433,210)**	**-**	**(433,210)**	**(868,230)**	**-**	**(868,230)**	**(1,609,073)**	**-**	**(1,609,073)**
Other items										
Interest income								1,635		1,635
Exchange loss								(451)		(451)
Property investigation								(1,906)		(1,906)
Write-down of mineral properties								(784,776)		(784,776)
Gain on acquisition	22(e)							551,051	(182,930)	368,121
Unrealized gain (loss) on warrants		(6,671)		(6,671)	(22,767)		(22,767)	29,441		29,441
Loss before income taxes		**(439,881)**	**-**	**(439,881)**	**(890,997)**	**-**	**(890,997)**	**(1,814,079)**	**(182,930)**	**(1,997,009)**
Deferred income tax recovery		-		-				20,865		20,865
Net loss for the period		**$ (439,881)**	**$ -**	**$ (439,881)**	**$ (890,997)**	**-**	**(890,997)**	**$ (1,793,214)**	**$ (182,930)**	**$ (1,976,144)**
Loss for the period attributable to:										
Non-controlling interest		$ -	$	$ -	$ -		$ -	$ (102,404)	$	$ (102,404)
Common shareholders	22(e)	(439,881)		(439,881)	(890,997)		(890,997)	(1,690,810)	(182,930)	(1,873,740)
		$ (439,881)	**$ -**	**$ (439,881)**	**(890,997)**	**-**	**(890,997)**	**$ (1,793,214)**	**$ (182,930)**	**$ (1,976,144)**
Loss per share - basic and diluted		$ (0.005)	$ -	$ (0.005)	$ (0.010)	-	$ (0.010)	$ (0.020)	$ -	$ (0.022)
Weighted average number of common shares outstanding		90,589,516		90,589,516	90,504,433	-	90,504,433	90,709,946		90,709,946

(Expressed in Canadian dollars)

22. IFRS (Continued)

The Canadian GAAP statements of comprehensive loss for the three and six months ended June 30, 2010 and year ended December 31, 2010 have been reconciled to IFRS as follows:

	Note	For Three Months Ended June 30, 2010			For Six Months Ended June 30, 2010			For Year ended December 31, 2010		
		Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS
Net loss for the period	22(e)	$ (439,881)	$	$ (439,881)	$ (890,997)	$	$ (890,997)	$ (1,793,214)	$ (182,930)	$ (1,976,144)
Unrealized gain on available-for-sale marketable securities		(43,083)		(43,083)	17,351		17,351	190,229		190,229
Deferred income tax recovery		-		-	-		-	(23,779)		(23,779)
Other comprehensive income (loss)		(43,083)	-	(43,083)	17,351	-	17,351	166,450	-	166,450
Comprehensive loss for the period		$ (482,964)	$ -	$ (482,964)	$ (873,646)	$ -	$ (873,646)	$ (1,626,764)	$ (182,930)	$ (1,809,694)
Total comprehensive loss attributable to:										
Non-controlling interest		$ -	$	$ -	$ -	$	$ -	$ (102,404)	$	$ (102,404)
Common shareholders		(482,964)	-	(482,964)	(873,646)	-	(873,646)	(1,524,360)	(182,930)	(1,707,290)
		$ (482,964)	$ -	$ (482,964)	$ (873,646)	$ -	$ (873,646)	$ (1,626,764)	$ (182,930)	$ (1,809,694)

(Expressed in Canadian dollars)

22. IFRS (Continued)

The following is the reconciliation of the statements of cash flows for the three and six months ended June 30, 2010 and year ended December 31, 2010:

	Note	For Three Months Ended June 30, 2010			For Six Months Ended June 30, 2010			For Year Ended December 31, 2010		
		Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS (No Change)	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
Cash provided from (used for):										
Operating activities										
Net loss for the period		$ (439,881)	$	$ (439,881)	$ (890,997)	$	$ (890,997)	$ (1,793,214)	$ (182,930)	$ (1,976,144)
Items not involving cash:										
Amortization		3,683		3,683	6,166		6,166	11,443		11,443
Share-based payments		206,561		206,561	443,172		443,172	745,471		745,471
Unrealized loss (gain) on warrants		6,671		6,671	22,767		22,767	(29,441)		(29,441)
Write-down of mineral properties		-		-	-		-	784,776		784,776
Deferred income tax recovery		-		-	-		-	(20,865)		(20,865)
Gain on acquisition	22(e)	-		-	-		-	(551,051)	182,930	(368,121)
		(222,966)	**-**	**(222,966)**	**(418,892)**	**-**	**(418,892)**	**(852,881)**	**-**	**(852,881)**
Changes in non-cash working capital items:										
Accounts receivable		(167,486)		(167,486)	(70,642)		(70,642)	(88,281)		(88,281)
Prepaid expenses		8,951		8,951	29,944		29,944	2,932		2,932
Accounts payable and accrued liabilities		(129,409)		(129,409)	(121,910)		(121,910)	(97,913)		(97,913)
Advance from optionee		(168,192)		(168,192)	1251482		1,251,482	-		-
Cash provided by (used in) operating activities		**(679,102)**	**-**	**(679,102)**	**669,982**	**-**	**669,982**	**(1,036,143)**	**-**	**(1,036,143)**
Investing activities										
Deposit and others		380,000		380,000	(50,000)		(50,000)	(12,377)		(12,377)
Recoveries from exploration and evaluation assets		3,095,505		3,095,505	3,511,234		3,511,234	6,533,840		6,533,840
Acquisition and exploration costs for exploration and evaluation assets		(3,025,790)		(3,025,790)	(3,438,142)		(3,438,142)	(6,867,248)		(6,867,248)
Accounts receivables related to exploration and evaluation assets		-		-	-		-	96,155		96,155
Accounts payable and accrued liabilities related to exploration and evaluation assets		613,798		613,798	744,651		744,651	279,249		279,249
Purchase of equipment		(318)		(318)	(10,371)		(10,371)	(19,464)		(19,464)
Cash acquired on acquisition		-		-	-		-	1,174,263		1,174,263
Asset acquisition, net of cash acquired		-		-	-		-	41,437		41,437
Cash provided by investing activities		**1,063,195**	**-**	**1,063,195**	**757,372**	**-**	**757,372**	**1,225,855**	**-**	**1,225,855**
Financing activities										
Shares issued for cash, net of issue costs		-		-	44,400		44,400	129,650		129,650
Cash provided by financing activities		**-**	**-**	**-**	**44,400**	**-**	**44,400**	**129,650**	**-**	**129,650**
Increase in cash and cash equivalents		**384,093**	**-**	**384,093**	**1,471,754**	**-**	**1,471,754**	**319,362**	**-**	**319,362**
Cash and cash equivalents, beginning of period		2,512,813		2,512,813	1,425,152		1,425,152	1,425,152		1,425,152
Cash and cash equivalents, end of period		**$ 2,896,906**	**$ -**	**$ 2,896,906**	**$ 2,896,906**	**$ -**	**$ 2,896,906**	**$ 1,744,514**	**$ -**	**$ 1,744,514**

23. Subsequent Events

On July 14, 2011, the company issued 300,000 shares and made a payment of $30,000 to Marlow Prospecting Syndicate in connection with the option letter agreement for the Stump Lake Property (note 13 (e)(vi)).

In July 2011, the Company has commenced its detailed airborne VTEM survey with Geotech Ltd. over the Storm property. The survey will cover approximately 5,000 line kilometres over an area of 350 km^2 and the estimated total charge is of $748,400.

In July 2011, the Company commenced the 2011 field program at the Glenmorangie gold property, located in south east Yukon.

On August 3, 2011, Stratabound has issued an additional 100,000 common shares with the option letter agreement previously entered for the Nepisiguit and Stewart properties (note 13(e)(vii)).

24. Comparative Figures

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

Management Discussion and Analysis

For the Period Ended
June 30, 2011

Description of Business

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

Forward-Looking Information and Report Date

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

The following discussion and analysis of the financial position and results of operations for Commander is dated August 24, 2011 (the "Report Date") and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the notes thereto for the six months ended June 30, 2011 prepared in accordance with International Financial Reporting Standards ("IFRS"), and the audited consolidated financial statements and the notes thereto for the year ended December 31, 2010.

Summary of Activities and Results

Highlights for the three months ended June 30, 2011 included:

1. In May 2011, Commander closed a non-brokered private placement of 8,500,032 units, priced at $0.24 per unit and raised a gross proceed of approximately $1,954,717 net of issuance cost.
2. Early June 2011, Commander optioned and staked the Glenmorangie property in the Little Highland River Valley, Watson Lake mining district in the Yukon – total package of 277 claims, covering approx. 5,800 ha over a 20 km strike extent. Work on the property is planned for Q3, 2011 starting in July.
3. Commander entered into a Letter of Intent dated June 10, 2011 to acquire a package of claims on a newly discovered epigenetic gold prospect in Southern BC – the Stump Lake property. The package of claims is held by The Marlow Prospecting Syndicate of Kamloops and has been increased by additional staking of adjacent claims by Commander.
4. Commander signed a contract with Geotech Ltd. to complete a detailed airborne VTEM survey over Commander's wholly-owned Storm property. The contract will cover approximately 5,000 line kilometres over an area of 350 km2. The survey has commenced in the first week of July and is near completion.
5. Commander and Subsidiary Maritime entered into an Exploration and Development Alliance with London and Newfoundland based Rambler Metals and Mining plc. The Alliance will see the sharing of technical expertise for the exploration and development of two main properties in the Green Bay area of Newfoundland and Labrador. Both projects are in the advanced exploration stage. The highlights of the agreement include completing an economic assessment on reopening the Hammerdown mine and evaluating the mine potential of the Orion Deposit as a potential feed source for Nugget Pond.
6. Maritime's 2011 drill program drilling of 13 core holes totalling 4,948 metres was completed at the Orion gold project in Newfoundland. The program is expected to add new gold resources to the previously identified gold resources as defined in the published 43-101 Technical Report.
7. Commander announced its plans for the upcoming 2011 field season. Commander will have a very active year with work occurring on up to six of its properties. The focus of the activities will be on Commander's copper and gold holdings, with a program being planned on the Storm copper project in Nunavut.

   - Programs to be funded by Commander's partners:

     a. AngloGold Ashanti at Baffin Island gold
     b. Maritime at the Orion gold project in Newfoundland
     c. Stratabound Resources at the Nepisiguit base metals project in New Brunswick.

   - Programs to be funded by Commander:

     a. Storm copper property in Nunavut
     b. Glenmorangie gold property in Yukon

c. Stump Lake gold in BC
d. Sabin base metals property in Ontario.

Highlights of Subsequent Events:

1. The mobilization for the summer field program on the Baffin Island gold property has commenced. The 2011 exploration program will focus on the extensive, sediment hosted Kanosak gold prospect.
2. The 2011 field program at the Glenmorangie gold property has begun. Camp has been established and crews have started the planned work program. Commander is budgeting for a first year program of prospecting, mapping, extensive soil sampling, and follow-up trenching and rock chip sampling. The initial focus of the geological and prospecting programs will be to locate fault structures and quartz vein systems.
3. Commander has mobilized a crew to site on the Stump Lake property in July. The 2011 program will consist of detailed prospecting and mapping, soil grid sampling, ground geophysics and trenching. Drilling, if warranted, could be conducted in the fourth quarter of 2011.

Active Projects

Baffin Island Gold Project, Nunavut

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

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

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

Qimmiq Property

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

Bravo Lake Property

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

Malrok

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

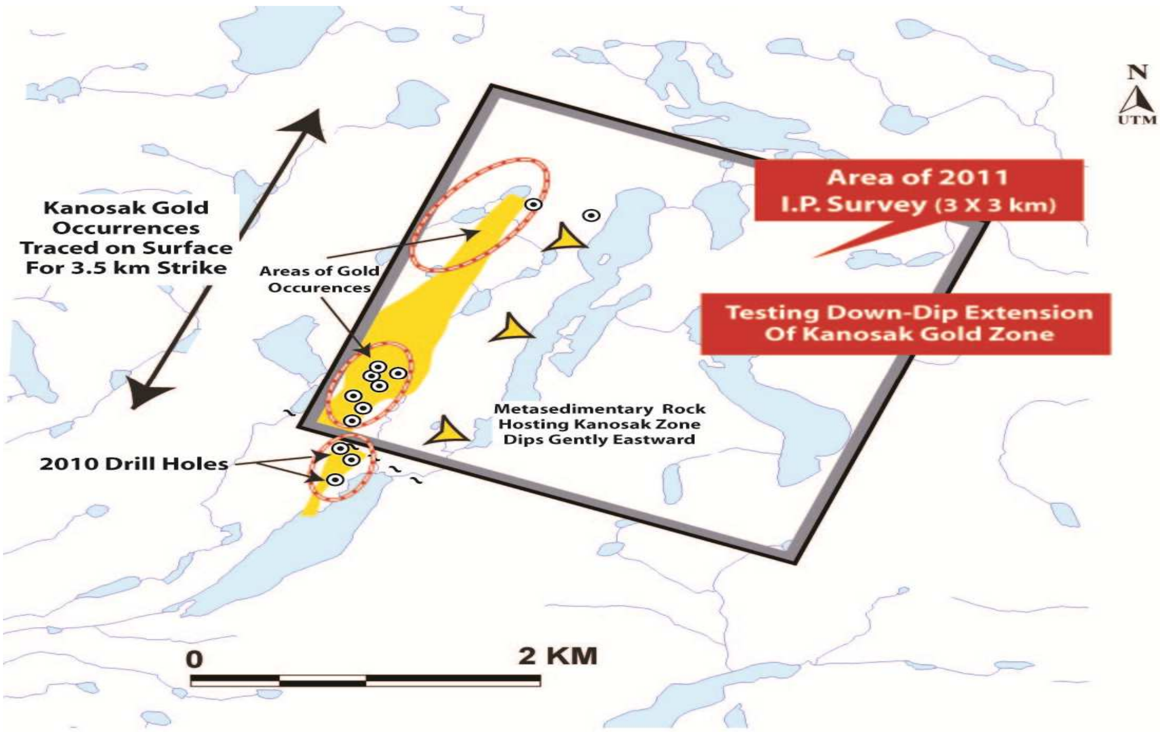
Kanosak

The Kanosak gold prospect has been previously identified to cover a large area of about 4 km by at least 300 metres. It is characterized by two silicified strata, averaging 20 metres and 10 metres thick respectively, which carry gold mineralization associated with arsenopyrite. The area was first examined in 2010 with a drill campaign of 13 widely spaced shallow holes over a 2.5 km strike length. The drilling confirmed that a large gold bearing system is present over the entire strike length. The host strata dip gently to the east over a long distance, and can be traced to depth using a wide spaced IP array. In the 2011 field season an extensive IP survey, covering a nine square kilometre area and modelled in 3 dimensions, will be carried out in order to expand the prospect area and identify the best potential targets for follow-up drilling in upcoming years. The contract for this work has been awarded to Abitibi Geophysics, based out of Val-d'Or, Quebec.

In addition to the I.P. survey at Kanosak, prospectors and geological support provided by GeoVector Management Inc. of Ottawa, Ontario will continue a regional mapping and prospecting program on the 150 kilometre Greenstone Belt. New claims that were staked in 2009 will be explored this year for the first time since being acquired.

To date the Baffin project has yielded numerous gold prospect areas occurring over a strike length in excess of 100 kilometres. The property includes high-grade gold values in at least three separate iron formation units, within shear zones and quartz veins in younger granodiorite, gabbro, and metasedimentary units. In each of the different settings, gold occurs primarily as free gold. The 2011 program, with the large IP survey and early stage exploration on new properties, is designed to generate a pipeline of targets at various stages of development for upcoming field seasons.

Baffin Island Gold Project
Kanosak Prospect – 2011 Survey Area



Storm Copper Property, Nunavut

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

The property was initially discovered in the 1990's by Teck Resources (formerly Cominco Ltd.) and explored between 1995 and 2000. A small portion of the property, approximately 5 km2, received considerable attention, with detailed geochemical and drilling investigations. To date, 52 holes have been drilled in this area of interest, with 28 holes returning copper mineralization. Four zones of copper mineralization have been identified, outcropping at surface and extending to depths of at least 100 metres. These are located within 16 - 20 kilometres of tidewater.

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

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

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

Also of interest is the 3500N zone, which is exposed at surface over a 300 metre strike length. Limited drilling in 1999 returned encouraging results.

The copper mineralization discovered previously is exposed over a 7 km portion of a 30 km long structural corridor. Mineralization occurs as stratabound bodies and as large-scale fault-related high-grade breccia structures. The contact between the host Allen Bay and overlying Cape Storm formations appears to be favourable for mineral deposition. The most prominent feature on the property is a 7 km long block fault (graben) structure. This graben may hide offset portions of the known mineralization or new zones. There has been very little investigation carried out along strike or down dip beneath the cover of the Cape Storm formation. Drilling has been conducted only to a shallow depth in a few areas. The detailed airborne survey will be able to map structures to depth, and identify new anomalous zones that can be targeted for an aggressive drill program in 2012. Most of the mineralization found to date has been in the form of chalcocite, bornite and native copper. With higher prices now being used for the evaluation of copper projects (compared to prices used in the 1990's) the model being pursued is for a higher tonnage, lower grade copper resource at depth.

The area covered by Commander's concessions also hosts the Seal Zinc mineralized zone, located on tidewater at Aston Bay. Previous drilling indicates that there is potential for a resource in the 2 million tonne range with grades of approximately 8% Zn and 28 g/t Ag.

The Storm copper project is being activated for the first time since being acquired in 2008. Commander signed a contract with Geotech Ltd. in late June 2011 to complete a detailed airborne VTEM survey over Commander's wholly-owned Storm property. The contract will cover approximately 5,000 line kilometres over an area of 350 km2. The survey will commence in the first week of July and take about three weeks to complete. Spacing of flight lines will initially be at 150 metres with infill spacing at 75 metres in order to provide good resolution for follow-up examination.

The VTEM survey will be used to identify the EM signature of the zones of known copper mineralization and to carry this information to other areas down dip, along strike and hopefully to, as yet, undiscovered zones. The nature of mineralization and of the host rocks, as well as the structural setting, makes them ideal for a VTEM survey. Follow up field work and a drill program will be implemented during 2012.

Glenmorangie, Yukon

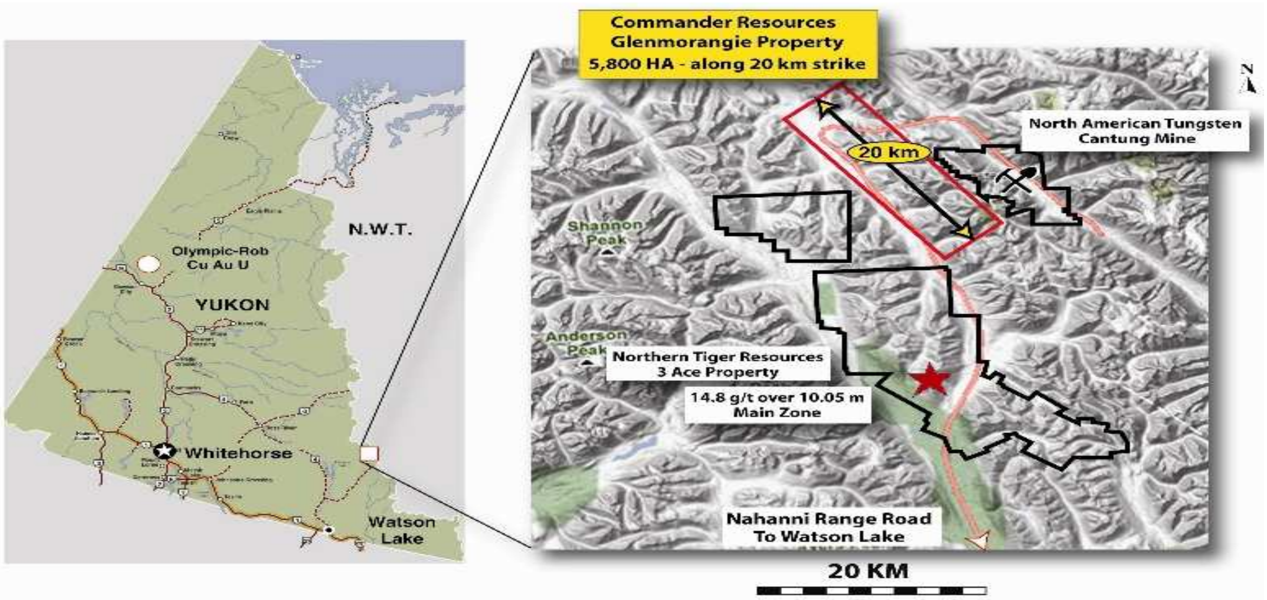
Commander has negotiated an option agreement in early June 2011, for a package of claims located in the Little Highland River Valley, Watson Lake mining district in Yukon. The Property is located in the Selwyn Basin and consists of phyllites and shales of the Hyland Group and Vampire formation. Intruding the metasediments are younger cretaceous aged stocks and plutons, which are possible mineralizing events. The Little Highland River Valley is dominated by a major structural feature called the March fault and bounded to the north by the Dawson fault, and to the south-west, by the Tintina fault. The Tintina fault and associated splays have become synonymous with gold finds and the significance of this major tectonic event is still being studied. Mineralized quartz veins have been found on the Glenmorangie property and could either be associated with faulting events or with an underlying Cretaceous aged intrusion, or both.

Recently, this region has seen a great deal of gold exploration activity following the success of the 3Ace property, owned by Northern Tiger, which is situated immediately south of Commander's new claims. 2010 reported drill results on the 3Ace property included intercepts of up to 14.8 g/t gold over 10.9 m, including 145 g/t over 1.05 m.

The area has been explored with funding from the Yukon Mining Incentive Program (YMIP) for the past two seasons. Gold was first discovered on the adjacent Culvert claims, now owned by Hinterland Minerals. The main showing is located 1.5 km from Commander's claims and along trend. Stream sediment, soil sampling and rock chip sampling programs have been carried out with highlights of the rock chip program shown in the following table:

Sample ID	**Au - ppb**	**Sample ID**	**Au – ppb**
RS10A	139	RS14	365
RS15	107	RS 18	205
RS 35	924	RS 36	**1,485**
RS 43	748 RS	RS 44	442
RS61 A	430	RS61	B 265
RS 61	C 266	RS 63	877

Commander is budgeting for a first year program of prospecting, mapping, extensive soil sampling, and follow-up trenching and rock chip sampling. Camp has been established and crews have started the planned work program. An eight man crew has been mobilized to the property to collect a minimum of 2,000 soil samples across the 5,800 ha property. The initial focus of the geological and prospecting programs will be to locate fault structures and quartz vein systems, which have the potential to host gold mineralization. Indicator minerals such as arsenopyrite will be used in the soil sampling program to define sub surface areas for follow up trenching. The planned work will continue into September. Samples will be submitted to ALS Chemex Labs, based out of Whitehorse. The work program will be designed with the intention of following up with a drill program next year. For more information about the property, please visit Commander's website at www.commanderresources.com.



Stump Lake, British Columbia

Commander has entered into a Letter of Intent dated June 10, 2011 to acquire a package of claims on a newly discovered epigenetic gold prospect in Southern BC. The package of claims is held by The Marlow Prospecting Syndicate of Kamloops (the "Marlows") and has been increased by additional staking of adjacent claims by Commander. The property is located near Stump Lake, 25 km south of Kamloops and can be worked year-round with good access by road.

The Marlows recently discovered quartz-carbonate breccia exposures assaying up to 6 g/t Au. These breccias and associated open-space quartz veins clearly indicate the presence of a high-level, epigenetic gold mineralizing system. Examination and sampling by Commander during the due diligence period has confirmed an extensive gold-bearing breccia-vein system which is exposed over a 1.2 km north-south strike extent. The geological setting and mineralization style shows some similarities to the Blackwater property owned by Richfield Ventures.

The Marlows hold five claims (2,140.84 hectares), and Commander Resources has staked an additional eight claims (3,583.15 hectares), all of which will comprise the Stump Lake Property covering over 57 square kilometers.

Commander intends to run an aggressive first year program on the property and has mobilized a crew to site in July. The 2011 program will consist of detailed prospecting and mapping, soil grid sampling, ground geophysics and trenching. Drilling, if warranted, could be conducted in the fourth quarter of 2011.

Nepisiguit-Stewart Property, New Brunswick

Commander's joint venture partner Stratabound has 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. Detailed drill results and descriptions from hole STW- 10-2 are given below.

Four holes, totaling 1,064 metres, were drilled by Stratabound. The first two holes were collared about 125 metres southwest of previously drilled hole NB-97-8 (1.04% copper over 25.5m), and 35 metres southwest of hole NB-97-10 (1.24% copper over 27.2m, including 13.25m grading 2.57%). Hole STW-10-2, drilled from the same location as STW-10-1 but with a steeper inclination, was intended to hit the NB-97-10 zone at about 185 metres down hole. At 137m the rods became stuck and the hole was abandoned before reaching the intended target. However, the drill hole intersected a substantial copper-cobalt-silver sulphide zone from surface down to 90 metres with the following assay results:

Drill hole	From (metres)	To (metres)	Length (metres)	Copper (%)	Cobalt (%)	Gold (g/t)	Silver (g/t)
STW-10-2	0.5	90	89.5*	0.75	0.018	0.11	6.26
including	0.5	11	10.5	1.86	0.019	0.27	12.1
including	0.5	5	4.5	2.35	0.020	0.37	17.11
and	8	11	3	2.34	0.024	0.31	13.43
	62	90	28	1.12	0.029	0.18	10.97
including	72	90	18	1.46	0.037	0.23	14.85
including	72	76	4	3.13	0.040	0.55	30.21
and	84	90	6	1.86	0.069	0.30	17.22

** Includes 14 metres of un-assayed material (26m-33m and 12m-19m) which have been assigned assay values of zero.*

Stratabound has Quality Control and Quality Assurance protocols in place for drill core that include blank samples, duplicate samples, certified standards and third party check samples.

Orion Gold Project, Newfoundland

Commander's joint venture partner Maritime treated as a subsidiary has provided an update on the 2011 drill campaign at the Orion gold project, located near Springdale, Newfoundland. The program of drilling 13 core holes totalling 4,948 metres has been completed at the Orion gold project in Newfoundland.

Summary of Drilling Results:

Drill Hole Number	Name	From – To (metres)	Total (metres)	Average g/t Gold
11-87	Discovery Vein	303.20 to 304.05	0.85	1.99
	Main Vein	320.55 to 320.90	0.35	3.93
11-88	*No Significant Values*			
11-89	Discovery Vein	390.10 to 392.20	2.1	7.47
	(including)	390.95 to 392.20	1.25	10.16
	Main Vein	432.80 to 434.00	1.2	16.58
	(including)	433.10 to 433.70	0.6	32.51
11-90	*No Significant Values*			
11-91	Hanging Wall Vein	102.75 to 103.05	0.3	1.01
	Hanging Wall Vein	151.05 to 151.70	0.65	1.46
11-92	*No Significant Values*			
11-93	Foot Wall Vein	334.50 to 335.30	1.3	2
11-94	New Zone	69.70 to 70.00	0.3	1.86% Zn
				0.28% Cu
				2.9 oz/t Ag
				0.79 g/t Au
11-95	*No Significant Values*			
11-96	Discovery Vein	327.15 to 328.45	1.3	15.5
	(including)	327.65 to 327.95	0.3	66
	Main Vein	*No Significant Values*		
11-97	Hanging Wall Vein	216.00 to 216.60	0.6	1.6
	Discovery Vein	378.35 to 378.90	0.55	0.04
	Main Vein	393.75 to 394.55	0.8	0.05

Diagrams of longitudinal sections showing drill hole pierce points and assays over 1 g/t Au are being prepared and will be posted on Maritimes's website. It will be noted from these sections that high grade gold lenses are developing from 175 metres to 300 metres depth in both vein zones. These lenses, grading from 10 to 16 g/t Au over minimum mining thickness of 1.2 metres are developing close to the basal Horsehead Fault and, in part, appear to plunge down to the northeast, parallel to the fault. It is significant that these high grade intersection contain numerous visible grains of gold (20-60 counts), which may be related to structural preparation proximal to the Horsehead Fault. Both the Discovery and Main vein zones remain open at depth and down plunge from the last high grade intercepts.

The entire 4,948 metre drill program cost $606,300 ($122/metre), including all assays, logistics and labour. The Springdale area of Newfoundland continues to be a very low cost and effective area to explore and develop mineral resources. This drill program has been assisted financially by the Government of Newfoundland and Labrador through its Junior Exploration Assistance Program at the Department of Mines and the grant funds for the 2010 – 2011 program was received.

The drill campaign is expected to add high grade gold intervals in extensions of the previously identified Discovery and Main Vein zones. More details can be found at Maritime's filings on SEDAR.

Other Properties

Olympic Property

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

Sabin Property, Ontario

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

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

Transaction with Maritime

Effective October 5, 2010, Commander received 12,000,000 common shares held in escrow of Maritime in exchange for a 50% interest in the Green Bay Property, located in the King's Point area, Newfoundland.. Maritime is responsible for funding all exploration expenditures and is committed to conducting $750,000 of mineral exploration activities on the property by April 5, 2012.

As a result of the above transaction, Commander acquired a controlling interest of 55.81% of Maritime's issued and outstanding shares and has continued to consolidate the results of Maritime.

The amount of non-controlling interest as at June 30, 2011 is as follows:

Proportionate share of identifiable net assets of Maritime on acquisition	$	519,829
Share of post acquisition loss for the period		(102,404)
Share of post acquisition option compensation		81,703
Balance at December 31, 2010		499,128
Share of profit for the period		(14,052)
Share of option compensation for the period		3,440
Balance at June 30, 2011	$	488,516

On Apri1 1st, 1,800,000 shares were released from escrow. 3,000,000 shares have been realized from the escrow and become free trading shares since the qualifying transaction, while the remaining 9,000,000 shares will be released over the next five quarters.

Results of Operations

The condensed interim consolidated financial statements of Commander to which this MD&A relates were prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB). These are Commander's second IFRS condensed interim consolidated financial statements for the period covered by the first annual financial statements and IFRS 1, First Time Adoption of IFRS has been applied, as they are part of the period covered by Commander's first IFRS consolidated financial statements for the year ending December 31, 2011. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements.

Commander's condensed interim consolidated financial statements were prepared in accordance with accounting principles generally accepted in Canada (Canadian GAAP) until December 31, 2010. An explanation of how the transition from Canadian GAAP to IFRS has affected the reported consolidated statements of income, comprehensive income, financial position, and cash flows of Commander is provided in note 22 to the June 30, 2011 interim statements. This note includes information on the provisions of IFRS 1 and the exemptions that Commander elected to apply, reconciliations of equity, net income and comprehensive income for comparative periods and equity at the date of transition, January 1, 2010.

- Second Quarter Results

During the quarter ended June 30, 2011, Commander's main exploration activities focused on the Baffin Island Gold, Storm Copper, and Green Bay Orion Gold projects. Mineral property expenditures on the Baffin Island Gold Project amounted to $685,254 ($946,645 for six months ended June 30, 2011). These expenditures were recovered from the advances provided by AngloGold. The largest mineral property expenditures during the quarter were the drilling costs of $415,372 ($613,949 for six months ended June 30, 2011) on the Qimmiq property of Baffin Island.
The second largest expenditures during this quarter were the geophysical expenditures of $398,695 on the Storm project ($398,695 for six months ended June 30, 2011). The spending on the Glenmorangie property, including the property acquisition, amounted to $74,134 ($74,134 for six months ended June 30, 2011).

Expenditures incurred by Maritime on the Green Bay property amounted to $383,019 ($608,049 for six months ended June 30, 2011) of which $360,896 ($560,183 for six months ended June 30, 2011) were for drilling.

Spending on other properties was $44,610 ($69,873 for six months ended June 30, 2011). More information is available in the Mineral Property Expenditure Table on page 17.

Total general and administrative expenses incurred during the quarter were $425,099 of which $173,711 was non-cash share-based payments.

Commander also incurred an unrealized exchange loss of $18,932, mainly due to the cash holding in USD bank account as of June 30, 2011 ($38,111 for six months ended June 30, 2011).

- Six Months Ended June 30, 2011 compared with the Six Months Ended June 30, 2010

During the six months ended June 30, 2011, Commander's activities focused primarily on the Baffin Island Gold Project exploration, Nunavut, Storm, Yukon and the Green Bay Property. Commander had no revenue for the six months ended June 30, 2011. General and administrative expenses decreased by $61,287 to $806,943 compared to $868,230 in 2010 mainly attributable to a decrease of $150,075 in non-cash share-based payments. Please note that Commander started to consolidate Maritime's financials in the fourth quarter of 2010. Many increases in expenses of Commander this quarter compared to the same period of 2010 are due to the consolidation of Maritime which was not included in Commander's financials during the first two quarters of 2010. Some notable changes are analyzed below:

- Accounting and audit increased by $36,077 to $81,920 (2010 - $45,843) due to the consolidation of the accounting and audit expense of Commander's subsidiary, Maritime. Commander did not have the subsidiary during the same period last year.
- Consulting expense of $61,313 (2010 - $54,589) increased by $6,724 in the six months ended June 30, 2011, mainly due to incorporating the expenses of Maritime in the consolidated financial statements.

- Investor relations and promotion expenses were $110,378 increased from $80,267 in 2010. Consulting, media and other expenses increased during the six months as follows:

	For the Three Months Ended		For the Six Months Ended	
	Jun 30, 2011	Jun 30, 2010	Jun 30, 2011	Jun 30, 2010
Conferences and trade shows	$ 6,255	$ 8,227	$ 25,330	$ 33,534
Consulting, wages and benefits	22,481	16,407	44,945	32,807
Media	9,579	3,643	22,754	7,325
Administration	-	-	-	-
Promotion and advertising	6,151	2,136	17,349	6,601
Total Investor Relations Expenses	**$ 44,466**	**$ 30,413**	**$ 110,378**	**$ 80,267**

- Salaries and benefits expense increased to $119,025 compared to $107,165 in 2010, mainly due to the strengthened management team.
- Legal fees increased to $17,952 as compared with $9,084 during the same period last year due to incorporating Commander's subsidiary into the consolidated financial statements this year.
- Administration and others remained relatively the same for the six months ended June 30, 2011 at $120,059, compared to $121,944 in 2010. Items included in administration and others are annual report and meeting, insurance, office and miscellaneous, regulatory and transfer agent fees, rent and storage, and generative property investigation expenses.
- Loss realized on the investment in warrants for the period was $96,041 (2010- $22,767) due to the expiry of Commander's 1,000,000 warrants of Fjordland.

For the six months ended June 30, 2011, Commander's net loss was $783,525 (2010 - $890,997) and loss attributable to common shareholders was $769,473 (2010 - $890,997). The decrease in loss was largely due to the decrease in share-based payments to $293,097 (2010 - $443,172), mineral properties recovery of $22,450 (2010 - $Nil) and deferred income tax recovery of $129,000 (2010 - $Nil).

Summary of Quarterly Results

	In accordance with							
	Canadian GAAP		IFRS					
	Sept. 30 2009 Q3	**Dec. 31 2009 Q4**	**Mar. 31 2010 Q1**	**June 30 2010 Q2**	**Sept. 30 2010 Q3**	**Dec. 31 2010 Q4**	**Mar. 31 2011 Q1**	**Jun. 30 2011 Q2**
Mineral property costs deferred, net	$ (32,219)	$ 235,920	$ (3,377)	$ (73,092)	$ (59,498)	$ (141,138)	$ (377,968)	$ 896,791
G&A (incl. share-based payments)	$ 236,885	$ 214,940	$ 434,506	$ 432,631	$ 326,211	$ 415,725	$ 381,847	$ 425,099
Share-based payments expense	$ (74,273)	$ (59,183)	$ 236,611	$ 206,561	$ 91,093	$ 211,206	$ 119,385	$ 173,711
Adjusted G&A (less share-based payments)	$ 162,612	$ 155,757	$ 197,895	$ 226,070	$ 417,304	$ 626,931	$ 262,462	$ 251,388
Income (loss)	$ (234,046)	$ 200,004	$ (451,116)	$ (439,881)	$ (332,606)	$ (569,611)	$ (324,725)	$ (458,800)
Income (loss) per share								
-basic and diluted	$ (0.003)	$ 0.002	$ (0.005)	$ (0.015)	$ (0.014)	$ (0.006)	$ (0.004)	$ (0.004)
Weighted avg. common shares								
-basic and diluted	79,591,538	84,665,907	90,207,516	90,589,516	90,881,701	90,942,516	90,942,516	95,904,894

Non-IFRS Financial Measures

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

Liquidity and Capital Resources

At June 30, 2011, Commander had $3,434,570 in cash and cash equivalents.

Commander has relied on equity financings to meet its cash requirements. In 2009, Commander's Farm-in and Joint Venture Agreement with AngloGold created both immediate equity financing of $1.2 million and funding of $20 million in exploration expenditures by December 31, 2014.

On May 19, 2011, Commander completed a non-brokered private placement of 8,500,032 units priced at $0.24 per unit to raise $2,040,008 to finance exploration on Commander's projects in Canada. Each unit consists of one flow-through common share and one-half non flow-through share purchase warrant. Each whole non flow-through share purchase warrant entitles the holder to purchase one common share at a price of $0.30 for two years following the closing.

Although Commander has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that Commander will be able to obtain adequate financing in the future or that the terms of such financings will be favourable.

There is no significant commitment for capital expenditure.

Off-Balance Sheet Arrangements

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

Related Party Transactions

At June 30, 2011, marketable securities included 258,000 common shares of Diamonds North Resources Ltd., a company related by a director in common.

(a) Trading transactions

Commander's related parties consist of companies controlled by executive officers and directors. Commander incurred the following fees and expenses in the normal course of operations in connection with companies controlled by key management and directors for the three months and six months ended June 30, 2011 and 2010:

	Three Months ended June 30, 2011	Three Months ended June 30, 2010	Six Months ended June 30, 2011	Six Months ended June 30, 2010
Accounting	$ 18,000	$ -	$ 36,000	$ -
Consulting	33,000	9,000	49,500	18,000
Geological consulting	25,600	11,025	55,560	22,050
Legal	3,498	9,712	3,544	12,719
Office rent and administrative	19,752	18,837	37,970	37,674
	$ 99,850	$ 48,574	$ 182,574	$ 90,443

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

There were $5,728 due from related parties included in accounts receivable as at June 30, 2011 (2010 - $6,669) for office expense reimbursements and expense advance.

Accounts payable includes $12,906 (2010 - $Nil) due to two companies controlled by two officers, $880 (2010 - $1,997) payable to a company related by a common director, and $402 (2010 - $680) to an officer for expenses to be reimbursed.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three months and six months ended June 30, 2011 and 2010 were as follows:

	Three Months ended June 30, 2011	Three Months ended June 30, 2010	Six Months ended June 30, 2011	Six Months ended June 30, 2010
Accounting	$ 18,000	$ -	$ 36,000	$ -
Consulting	33,000	9,000	49,500	18,000
Geological consulting	25,600	11,025	55,560	22,050
Salaries and benefits	100,903	182,146	175,686	240,536
Share-based payments	141,579	166,263	236,461	345,212
	$ 319,082	$ 368,434	$ 553,207	$ 625,798

The compensation includes trading transactions disclosed above.

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the six months ended June 30, 2011 and 2010.

Proposed Transactions

There were no proposed transactions.

Disclosure Controls and Internal Controls Over Financial Reporting

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

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

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

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

Commander Resources Ltd. disclosed that

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

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

Critical Accounting Estimates

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

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

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

New Accounting Policies

The following new accounting standards have been adopted by Commander:

The condensed interim financial statements have, accordingly, prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting. These are Commander's first condensed interim financial statements prepared in accordance with IFRS and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied. They do not include all of the information required for full annual financial statements.

Commander has not early adopted the following revised standards and is currently assessing the impact that these standards will have on the financial statements.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASB work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of Commander's financial assets. Commander will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

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, 2011, Commander had cash and cash equivalents in the amount of $3,434,570. Accounts payable and accrued liabilities as at June 30, 2011 amounted to $213,466. Commander believes that it has sufficient funds to complete the planned business objectives for 2011.

Commander is exposed to credit risk with respect to its cash and cash equivalents, accounts receivable and due from related parties. This risk is minimized as the cash and cash equivalents have been placed with major Canadian financial institutions. Commander performs on-going credit evaluations of its accounts receivable. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts. Credit risk with respect to amounts due from related parties has been assessed as low by management as Commander has strong working relationships with the parties involved.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. As at June 30, 2011, if the market prices of the marketable securities had decreased 10 percent with all other variables held constant, the net loss for the period would have been $39,938 higher. Conversely, if the market prices of the marketable securities had increased 10 percent with all other variables held constant, the net loss for the period would have been $39,936 lower.

The following table illustrates the classification of the Commander's financial instruments carried at fair value within the fair value hierarchy at June 30, 2011:

	Total	Level 1	Level 2	Level 3
Assets				
Marketable securities	$ 399,373	$ 399,373	$ -	$ -

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.

With the 8,500,032 shares raised through private placement in May 2011, 150,000 shares issued for the acquisition of Glenmorangie property in June 2011, and 300,000 shares issued for the acquisition of Stump Lake in July 2011,

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

	Shares		Amount
Balance, January 1, 2010	**90,207,516**	**$**	**37,232,067**
Issued for cash:			
Exercise of options, for cash	735,000	$	129,650
Issued for other consideration:			
Exercise of options, stock-based payments			88,389
Balance, December 31, 2010	**90,942,516**		**37,450,106**
Issued for cash:			
Private placement, net of issuance cost	8,500,032	$	1,954,717
Flow-through share premium transferred to other liability		$	(345,299)
Issued for other consideration:			
Glenmorangie property acquisition per option agreement	150,000		21,000
Balance, June 30, 2011	**99,592,548**	**$**	**39,080,524**
Issued for other consideration:			
Stump Lake property acquisition per option agreement	300,000		48,000
Balance, August 24, 2011	**99,892,548**	**$**	**39,128,524**

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

- Stock Options

Number of Shares	Exercise Price	Expiry Date
400,000	$0.87	January 2, 2012
200,000	$0.41	May 8, 2012
1,196,500	$0.36	June 7, 2012
70,000	$0.19	December 21, 2012
760,000	$0.18	February 7, 2013
200,000	$0.21	June 24, 2013
280,000	$0.10	October 17, 2013
700,000	$0.10	February 20, 2014
1,394,000	$0.10	May 12, 2014
200,000	$0.39	January 19, 2015
1,778,500	$0.35	January 27, 2015
95,000	$0.35	January 27, 2015
500,000	$0.27	May 25, 2015
100,000	$0.18	October 6, 2015
2,020,000	$0.19	February 11, 2016
400,000	$0.17	April 6, 2016
10,294,000		

- Warrants

Number of Shares	Exercise Price	Expiry Date
5,000,000	$0.24	November 17, 2011
2,819,166	$0.30	May 3, 2013
1,430,849	$0.30	May 18, 2013
9,250,015		

Mineral Property Expenditure Table

	Qimmiq	Bravo Lake	Green Bay	Glenmorangie	Storm	Other	
	Baffin, Nunavut		Newfoundland	Yukon	Nunavut	Properties	Total
Balance at Dec. 31, 2010	**$ 10,041,443**	**$ 2,590,023**	**$ 769,268**	**$ -**	**$ 116,144**	**$ 8,367,264**	**$ 21,884,142**
Acquisition costs	-	-	1,750	60,373	-	2,873	**64,996**
Exploration costs:							
Drilling	613,949	-	560,183	-	1,200	1,484	**1,176,816**
Geochemistry	4,588	-	-	-	521	-	**5,109**
Geology	107,651	9,723	46,037	13,099	111,332	60,285	**348,127**
Geophysics	91,725	-	-	267	398,695	391	**491,078**
Property	111,828	-	-	-	-	3,870	**115,698**
Other	5,869	1,312	79	395	135	970	**8,760**
	935,610	11,035	606,299	13,761	511,883	67,000	**2,145,588**
Less:							
Recoveries	(1,585,655)	(6,106)	(100,000)	-	-	-	**(1,691,761)**
Net additions	(650,045)	4,929	508,049	74,134	511,883	69,873	**518,823**
Balance at Jun. 30, 2011	**$ 9,391,398**	**$ 2,594,952**	**$ 1,277,317**	**$ 74,134**	**$ 628,027**	**$ 8,437,137**	**$ 22,402,965**

IFRS

Commander started reporting using IFRS during the current quarter. Commander has completed the quantification of financial statement impacts.

First-time Adoption of International Financial Reporting Standards

IFRS 1 sets forth guidance for the initial adoption of IFRS. Commander had restated its comparative fiscal 2010 financial statements for annual and interim periods to be consistent with IFRS. In addition, Commander had reconciled equity and net earnings from the previously reported fiscal 2010 GAAP amounts to the restated 2010 IFRS amounts.

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

Commander had used the following IFRS 1 optional exemptions:

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

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

Impact of Adoption of IFRS on Financial Reporting

While GAAP is in many respects similar to IFRS, conversion will result in differences in recognition, measurement, and disclosure in the financial statements. The following financial statement areas are significantly impacted:

Business combinations

Commander has elected under IFRS 1 to not apply IFRS 3 *Business Combinations* retrospectively to business combinations that occurred before the date of transition to IFRS.

Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 *Share- based Payment* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. Commander has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which have been accounted for in accordance with Canadian GAAP.

Assets and liabilities of subsidiaries and associates

In accordance with IFRS 1, if a parent company adopts IFRS subsequent to its subsidiary or associate adopting IFRS, the assets and the liabilities of the subsidiary or associate are to be included in the consolidated financial statements at the same carrying amounts as in the financial statements of the subsidiary or associate. Commander's subsidiary, Maritime, adopted IFRS with a transition date of April 1, 2010.

Share-based payments

When a share-based payment award vests in instalments over the vesting period (graded vesting), each instalment is accounted for as a separate arrangement under IFRS. Under Canadian GAAP, an entity can elect to recognise graded vesting equity instruments as separate arrangements, like IFRS. Alternatively, unlike IFRS, an entity can elect to treat the equity instruments as a pool and determine fair value using the average life of the instruments, provided that compensation then is recognised on a straight line basis, subject to at least the value of the vested portion of the award being recognised at each reporting date.

Commander currently accounts for each instalment under graded vesting as a separate arrangement in accordance with IFRS.

Under Canadian GAAP, a recognized asset, cost, or sales discount should not be reversed if a stock option that the counterparty has the right to exercise expires unexercised.

Commander has elected to change its accounting policy to transfer the value of the unexercised expired options to deficit as allowed under IFRS. Previously under Canadian GAAP Commander had no such policy. The value of the unexercised options as at January 1, 2010 amounted to $965,352 was transferred to deficit.

Flow-through shares

Canadian GAAP – Flow-through shares were recorded at their face value, net of related issuance costs. On the date the tax credits were renounced, a future tax liability was recognized as a cost of issuing the shares.

IFRS – Flow-through shares are recognized based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a liability which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided Commander has the intention to renounce the related tax benefits. The tax portion of the 5,000,000 flow-through shares issued on October 1, 2010 by Commander's subsidiary amounted to $327,750. Of the $327,750, the portion belonging to Commander amounted to $182,930, and the portion belonging to the non-controlling interest amounted to $144,820. The amount of gain on acquisition was accordingly adjusted.

IFRS Impact on Our Organization

Commander has adopted IFRS effective January 1, 2011. For further details, please refer to notes 2 and 22 of the June 30, 2011 condensed interim consolidated financial statements.

Commander has obtained an understanding of IFRS from training of its finance personnel and evaluated the impact of the conversion on its accounting systems. Commander expects that the impact of the conversion on its accounting systems to be minimal. There were no changes to Interim Condensed Financial Reporting as a result of change to IFRS.
In addition, Commander has evaluated its internal and disclosure control processes as a result of its conversion to IFRS, assess the impacts of adopting IFRS on its contractual arrangements to identify any material compliance issues such as its debt covenants and other commitments and consider the impacts the transition will have on its internal planning process and compensation arrangements.

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LISTINGS

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

CAPITALIZATION
(As at June 30, 2011)

Shares Authorized: Unlimited
Shares Issued: 99,592,548

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