COMMANDER RESOURCES LTD.
TSX.V : CMD

Condensed Interim Financial Statements

FOR THE SIX MONTHS ENDED

JUNE 30, 2016

(unaudited)

Notice of No Auditor Review

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), the Company discloses that the unaudited condensed interim financial statements, and accompanying notes thereto, for the six months ended June 30, 2016 have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

> The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

(EXPRESSED IN CANADIAN DOLLARS)

		June 30, 2016		December 31, 2015
ASSETS				
Current assets				
Cash	$	**993,932**	$	137,828
Receivables		**6,713**		5,456
Prepaid expenses		**5,550**		20,124
Investment in securities (Note 3)		**6,850,878**		526,255
		7,857,073		689,663
Non-current assets				
Investment in associated company (Note 4)		**-**		1,663,952
Exploration and evaluation assets (Note 5)		**3,360,223**		4,051,826
		3,360,223		5,715,778
TOTAL ASSETS	$	**11,217,296**	$	6,405,441
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	**19,820**	$	73,908
Advance from optionee (Note 5(a))		**29,923**		30,268
		49,743		104,176
EQUITY				
Share capital (Note 6)		**39,040,632**		39,040,632
Share-based payments reserve (Note 6)		**222,542**		344,474
Warrants reserve (Note 6)		**40,000**		40,000
Accumulated other comprehensive income		**2,776,737**		364,846
Deficit		**(30,912,358)**		(33,488,687)
		11,167,553		6,301,265
TOTAL LIABILITIES AND EQUITY	$	**11,217,296**	$	6,405,441

Nature of operations and going concern (Note 1)
Commitment (Note 8)
Subsequent event (Note 13)

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board of Directors:

/s/ David Wakins	*/s/ Robert Cameron*
Director	Director

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

	For the three months ended June 30,		For the six months ended June 30,	
	2016	**2015**	**2016**	**2015**
EXPENSES				
Accounting and audit	**$ 7,500**	$ 23,390	**$ 15,350**	$ 44,090
Administration	**14,231**	9,168	**28,607**	34,320
Consulting	**68,986**	18,498	**85,081**	23,000
Legal	**2,385**	16,208	**3,780**	16,651
Depreciation	**-**	182	**-**	364
Filing fees and transfer agent	**8,926**	2,620	**15,282**	9,070
Investor and shareholder relations	**6,911**	367	**8,104**	1,272
Salaries and benefits	**10,729**	22,113	**10,729**	48,778
Share-based payments (Note 6, 7)	**65,382**	-	**77,169**	192
	185,050	92,546	**244,102**	177,737
Other (income) expenses				
Interest and miscellaneous income (Note 5(a))	**(1,110)**	(1,185)	**(1,363)**	(3,202)
Gain on sale of investment in securities	**(707,523)**	(3,686)	**(707,523)**	(1,389)
Loss on disposal of investment in associated company (Note 4)	**-**	-	**-**	24,012
Share of loss and dilution loss in associated company (Note 4)	**-**	23,317	**31,448**	51,790
Recoveries on exploration and evaluation assets	**-**	-	**-**	(10,947)
Gain on disposal of exploration and evaluation assets (Note 5(b))	**1,625**	-	**(1,949,837)**	-
Impairment on exploration and evaluation assets (Note 5)	**1,000**	-	**5,945**	-
Net (income) loss for the period	**(520,958)**	110,992	**(2,377,228)**	238,001
Other comprehensive (income) loss				
Fair value adjustment on available-for-sale securities (Note 3)	**(2,924,442)**	(140,394)	**(3,239,980)**	(34,813)
Transfer of loss on sale of securities (Note 3)	**828,089**	-	**828,089**	(1,500)
Total comprehensive (income) loss for the period	**$ (2,617,311)**	$ (29,402)	**$ (4,789,119)**	$ 201,688
Basic and diluted (income) loss per common share	**$ (0.01)**	$ 0.001	**$ (0.02)**	$ 0.002
Weighted average number of shares outstanding - basic and diluted	**103,277,370**	102,792,521	**103,277,370**	102,792,521

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

COMMANDER RESOURCES LTD.
(AN EXPLORATION STAGE COMPANY)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Share capital		Reserves		Accumulated		
	Number of Shares	Amount	Share-based Payments	Warrants	Other comprehensive income (loss)	Deficit	Total Equity
Balance, December 31, 2014	**102,792,521**	**$ 39,030,432**	**$ 634,140**	**$ 40,000**	**$ 294,459**	**$(33,368,051)**	**$ 6,630,980**
Shares issued on acquistion of exploration and evaluation assets	510,000	10,200	-	-	-	-	**10,200**
Reclassification of grant-date fair value on expired or cancelled options	-	-	(318,578)	-	-	318,578	**-**
Share-based payments	-	-	28,912	-	-	-	**28,912**
Net loss for the period	-	-	-	-	-	(439,214)	**(439,214)**
Other comprehensive income for the period	-	-	-	-	70,387	-	**70,387**
Balance, December 31, 2015	**103,302,521**	**$ 39,040,632**	**$ 344,474**	**$ 40,000**	**$ 364,846**	**$(33,488,687)**	**$ 6,301,265**
Reclassification of grant-date fair value on expired or cancelled options	-	-	(199,101)	-	-	199,101	**-**
Share-based payments	-	-	77,169	-	-	-	**77,169**
Net income for the period	-	-	-	-	-	2,377,228	**2,377,228**
Other comprehensive income for the period	-	-	-	-	2,411,891	-	**2,411,891**
Balance, June 30, 2016	**103,302,521**	**$ 39,040,632**	**$ 222,542**	**$ 40,000**	**$ 2,776,737**	**$(30,912,358)**	**$ 11,167,553**

The accompanying notes are an integral part of the financial statements.

COMMANDER RESOURCES LTD.
(AN EXPLORATION STAGE COMPANY)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the six months ended June 30, 2016	For the six months ended June 30, 2015
Cash provided by (used in):				
Operating activities				
Net income (loss) for the period	**$ 520,958**	$ (110,992)	**$2,377,228**	$ (238,001)
Items not affecting cash:				
Depreciation	**-**	182	**-**	364
Share-based payments	**65,382**	-	**77,169**	192
Gain on disposal of investment in securities	**(707,523)**	(3,686)	**(707,523)**	(1,389)
Loss on disposal of investment in associated company	**-**	-	**-**	24,012
Share of loss and dilution loss in associated company	**-**	23,317	**31,448**	51,790
Impairment on exploration and evaluation assets	**1,000**	-	**5,945**	-
Loss (gain) on disposal of exploration and evaluation assets	**1,625**	-	**(1,949,837)**	-
Changes in non-cash working capital:				
Receivables, prepaid expenses and deposits and others	**121**	6,430	**13,317**	38,795
Accounts payable and accrued liabilities	**(27,452)**	(13,073)	**(13,365)**	(107,745)
Advance from optionee	**-**	(13,094)	**(345)**	42,622
Net cash used in operating activities	**(145,889)**	(110,916)	**(165,963)**	(189,360)
Investing activities				
Expenditures on exploration and evaluation assets	**(24,409)**	(28,690)	**(45,228)**	(84,318)
Recoveries from exploration and evaluation assets	**-**	77,356	**-**	78,559
Proceeds from disposition of securities	**1,067,295**	-	**1,067,295**	1,500
Proceeds from disposition of investment in associated company	**-**	-	**-**	355,973
Net cash from investing activities	**1,042,886**	48,666	**1,022,067**	351,714
Increase (decrease) in cash	**896,997**	(62,250)	**856,104**	162,354
Cash, beginning of period	**96,935**	306,820	**137,828**	82,216
Cash, end of period	**$ 993,932**	$ 244,570	**$ 993,932**	$ 244,570

Supplemental cash flow information (Note 9)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Commander Resources Ltd. ("Commander" or the "Company") is in the business of acquisition, exploration and development of exploration and evaluation assets. The Company was incorporated in Canada and its registered office is Suite 1100 - 1111 Melville Street, Vancouver, British Columbia V6E 3V6.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations in the foreseeable future and will meet its obligations and commitments in the normal course of business. For the six months ended June 30, 2016, the Company reported a net income of $2,377,228. As at June 30, 2016, Commander had cash of $993,932 and working capital of $7,807,330 and an accumulated deficit of $30,912,358.

The Company is in the exploration stage and no revenue has been generated. The Company has relied on the issuance of share capital to finance its operations. While the Company has been successful in the past in raising capital, there is no assurance that such financing will be available on a timely basis and under terms acceptable to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with International Accounting Standard, IAS 34, *Interim Financial Reporting.*

These interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. These financial statements were authorized for issue by the Board of Directors on August 18, 2016.

Critical accounting judgments and estimates

The preparation of these financial statements requires management's use of judgments and estimates that affect the reported financial results. These judgments and estimates are based on management's experience and expectations of future events. Uncertainty on these judgments and estimates could result in material adjustments to the carrying amounts of the Company's financial position.

The significant judgments and estimates that affect these financial statements are as follows:

Exploration and evaluation assets

The Company capitalizes costs related to the acquisition and exploration of the E&E assets. From time to time the Company may acquire or dispose of an E&E asset 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 acquisition costs when the payments are made.

If economically recoverable 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 deemed to no longer have commercially viable prospects to the Company, its capitalized expenditures in excess of estimated recoveries are written off to profit or loss. When the Company receives payments in excess of the carrying value of an E&E asset, the amount is recognized as a gain in profit or loss for the period.

(EXPRESSED IN CANADIAN DOLLARS)

Impairment of long-lived assets

The carrying amounts of the Company's long-lived assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. 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 or cash-generating unit. For the purpose of impairment testing, assets that cannot be individually tested are grouped together into the smallest group of assets that generates cash inflows or CGUs. The Company's corporate assets do not generate separate cash inflows and may be utilized by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

3. INVESTMENT IN SECURITIES

	June 30, 2016			Decmeber 31, 2015		
	Number of Shares	Cost	**Fair Value**	Number of Shares	Cost	Fair Value
Aston Bay Holdings Ltd.	**11,000,000**	$ 688,537	**$ 4,400,000**	3,500,000	$ 186,911	$ 525,000
Maritime Resources Corp.	**8,444,000**	1,459,643	**2,448,760**	-	-	-
Global Gold Corporation	**75,000**	11,250	**1,840**	75,000	11,250	1,038
Others	**8,325**	5,545	**278**	4,325	5,545	217
		$ 2,164,975	**$ 6,850,878**		$ 203,706	$ 526,255

The Company holds less than 10% of the outstanding common shares of each security except for its investment in Aston Bay Holdings Ltd. ("Aston") and Maritime Resources Corp. ("Maritime").

a) On February 18, 2016, Aston issued 11,000,000 common shares to Commander for the acquisition of the Storm Property (Note 5(b)). On May 4, 2016, 3,500,000 Aston shares were sold at $0.29 per share providing the Company proceeds of $1,015,000 resulting in a net gain of $741,784. As of June 30, 2016, Commander's holdings of Aston's total common shares outstanding was 20.1%.

   Although Commander carries more than 20% of Aston's voting power through its share holdings, it is not considered as having significant influence on Aston's operations due to the fact that (i) Commander has no representation on Aston's board of directors, (ii) no involvement in business decision making processes, no interchange of management personnel, and (iii) no provision of essential technical information. As a result, the investment is designated as available-for-sale and carried at fair value at the date of the statement of financial position with changes in fair value recognized in accumulated other comprehensive income.

b) In April 2016, the Company reevaluated its investment in associated company, Maritime Resources Corp., and concluded that significant influence no longer existed (refer to (i, ii, and iii under 3(a)). As a result, as of April 1, 2016, Maritime deemed to cease to be an associated company and the investment in Maritime had been designated as an available-for-sale investment and measured at fair value. In May 2016, the Company sold 1,000,000 shares of Maritime at $0.14 per share resulting in proceeds of $140,000 and a net loss of $34,261. As of June 30, 2016, Commander owned 19.9% of Maritime's total outstanding common shares.

During the six months ended June 30, 2016, the Company recognized a gain of $3,239,980 as other comprehensive income (June 30, 2015 – other comprehensive income of $34,813) to reflect the unrealized changes in the fair values of the investment in securities.

4. INVESTMENT IN ASSOCIATED COMPANY

As disclosed in Note 3 (b), as of April 1, 2016, Maritime Resources Corp. was no longer considered as an associated company of Commander as Commander does not have significant influence over Maritime's operations. The security holdings in Maritime are designated as an available-for-sale investment. Prior to the cessation date, the investment in Maritime was being accounted for using the equity method and included a pro-rata share of Maritime's income or losses for each reporting period.

On February 12, 2015 the Company and Maritime entered into an Option to Purchase Shares Agreement ("Option Agreement") granting Maritime or its nominees the option to purchase up to 10,000,000 ("Optioned Shares") of the 11,440,000 common shares of Maritime that Commander owned. The Optioned Shares were divided into five equal stages of 2,000,000 each at escalating prices of $0.18, $0.25, $0.30, $0.40 and $0.50. On February 20, 2015, the initial 2,000,000 shares were sold at $0.18 per share providing Commander net proceeds of $355,973 with a loss of $24,012 during the year ended December 31, 2015.

Maritime or its designated nominee had the option to purchase 2,000,000 shares every six months over the next two years. Any shares not exercised during the scheduled period were carried forward one time to the next exercise period at a higher exercise price, provided that a minimum of 500,000 shares had been purchased in the preceding period. The parties have also entered into a Voting Trust Agreement ("VTA") whereby Commander has agreed to vote its remaining shares with management of Maritime, for the duration of the Option Agreement. Any Optioned Shares not purchased will automatically be released from the provisions of the VTA. Maritime did not purchase any further Optioned Shares after February 2015. As a result, 8,000,000 shares were released from the VTA.

On April 6, 2016, the Option Agreement was amended regarding the time frames and purchase prices of the remaining 8,000,000 Optioned Shares. Maritime has an initial option to purchase 2,000,000 shares at $0.14 on or before August 31, 2016, of which 1,000,000 shares must be purchased before April 30, 2016. Provided that such initial sale is completed, Maritime will then have the option to identify third party purchasers to purchase an additional 2,000,000 shares every six months over the next 18 months at escalating prices of $0.21, $0.25 and $0.30. The final two option prices are further subject to the price being the greater of the option price or 85% of the volume-weighted average price of the common shares for the 10 trading days immediately preceding the applicable option exercise date. On April 7, 2016, 1,000,000 Maritime shares were sold at $0.14 per share realizing net proceeds of $138,600 and a disposal loss of $34,261.

(EXPRESSED IN CANADIAN DOLLARS)

5. EXPLORATION AND EVALUATION ASSETS

Commander's exploration and evaluation assets are all located in Canada. As at June 30, 2016, the cumulative expenditures on exploration and evaluation assets were as follows:

		Labrador	Nunavut	Ontario		
	Note	South Voisey's Bay 6(a)	Storm 6(b)	Sabin 6(c)	Other Properties 6(d)	Total
Balance, December 31, 2015		**$ 2,226,157**	**$ 688,538**	**$ 1**	**$ 1,137,130**	**$ 4,051,826**
Acquisition costs		-	-	-	-	-
Exploration costs:						
Permits and licenses		434	-	-	2,446	2,880
Impairment		-		-	**(5,945)**	**(5,945)**
Disposal of property		-	**(688,538)**	-		**(688,538)**
Total		**434**	**(688,538)**	**-**	**(3,499)**	**(691,603)**
Balance, June 30, 2016		**$ 2,226,591**	**$ -**	**$ 1**	**$ 1,133,631**	**$ 3,360,223**

a. South Voisey's Bay, Labrador

The South Voisey's Bay nickel project includes Sarah Lake, Sally and Sandy properties located in central Labrador.

In September 2014, the Company signed an Option Agreement ("Agreement") with Fjordland Exploration Inc., ("Fjordland") granting it an option to earn up to a 70% interest in the project (which was later amended to 75%) for certain exploration expenditure commitments, and share issuance commitments of Fjordland common shares. In August 2015, the option agreement was terminated. In December 2015, the Company and Fjordland agreed that Fjordland had earned a 15% interest in the project.

The Company received from Fjordland a total of $350,000 (2015 - $78,000; 2014 - $272,000), of which $320,077 had been expended on the property. As the project operator, the Company had earned management fees of $28,935 for the two years 2015 and 2014 which were included in interest and miscellaneous income. At June 30, 2016, the remaining advance on the project account was $29,923.

b. Storm Property, Nunavut

In 2011, the Company entered into an option agreement (the "Agreement") with Aston Bay Holdings Ltd. ("Aston"), which allowed Aston to earn an initial 50.1% interest in the property for specified exploration expenditures. The Agreement specifies that Commander will hold a 0.875% Gross Overriding Royalty ("GOR") after the property is brought into production. Aston has the right to buy down the GOR from 0.875% to 0.4% for $3 million increasing by $1 million per year. During the years ended December 31, 2014, 2012, and 2011, the Company received an aggregate total of 3,703,777 common shares of Aston.

In December 2015, the Company entered into a Purchase Agreement with Aston, whereby Aston may purchase a 100% interest in the Storm property by issuing 11,000,000 common shares to Commander.

On February 18, 2016, Aston completed the acquisition and issued Commander 11,000,000 common shares with a fair value of $2,640,000. As a result, a gain of $1,949,837 was recognized on the transaction. In addition, the Gross Overriding Royalty on the property has been modified wherein the 0.875% GOR may be reduced to 0.4% for a payment of $4,000,000.

(EXPRESSED IN CANADIAN DOLLARS)

c. Other Properties

The Company holds interests in other properties in Canada and has granted options on some of them. The carrying values of these properties at June 30, 2016 and December 31, 2015 are as follows:

Province	Property	Resource	June 30, 2016	December 31, 2015
New Brunswick	Nepisiguit / Stewart	copper-zinc	$ 1,133,626	$ 1,133,626
Newfoundland	Hermitage	uranium	-	3,499
Ontario	Sabin	copper-zinc	1	1
Yukon	Olympic / Rob	copper-gold-uranium	1	1
Yukon	Glenmorangie	gold	1	1
Nunavut	Qimmiq / Bravo Lake	gold	1	1
British Columbia	Omineca	copper-gold	1	1
			$ 1,133,631	**$ 1,137,130**

Nepisiguit/Stewart, New Brunswick

The Company owns 100% of the properties subject to a 2.75% NSR retained by the Optionor. The NSR is subject to a buy-down to 1% NSR for $1,500,000 at any time.

In 2010, the Company entered into an option agreement with Stratabound Minerals Corp. ("Stratabound") providing Stratabound the right to earn an initial 60% interest, which can be increased to 65%.

In 2013, the option agreement was amended, resulting in: 1) the option term be extended to December 31, 2016; 2) 65,000 Stratabound shares to be issued in 2016 to Commander and 3) 2014 and 2015 exploration expenditures to be reduced and added to the 2016 work commitment.

In May 2015, Stratabound announced a business combination with Silver Stream Mining Corp. Stratabound under the new management has requested work extension for a two-year period. Negotiations for the extended term are actively in progress.

As at June 30, 2016, the Company received a total of 355,000 Stratabound shares which were disposed in 2015 and 2014.

Sabin, Ontario

The Sabin copper-zinc property consists of certain claims located in northwest Ontario. The Company's ownership interests on the property vary from 58.5% to 100%.

As the Company decided not to conduct further exploration on these properties except maintaining the claims, it wrote off $3,953 and $288,981 in 2015 and 2014 respectively.

Olympic and Rob, Yukon

The Company owns 100% of the properties subject to a 1% NSR registered to Blackstone Ventures Inc., on the Rob property. The NSR may be reduced to 0.5% at any time for $1,000,000. The properties are located within the proposed boundary of the Peel Watershed Regional Land Use Plan and are subject to restrictions on certain mining activities. In 2014, the Yukon Government presented its plan for the Peel Watershed area (the "Plan"). The Plan absorbs the Olympic and Rob Property into a Protected Area designation that could impact the Company's ability to access or develop a mine at that site. Relief was given on assessment work due to the uncertainties around the Plan and the claims are in good standing until January 1, 2018.

In 2014, the Company decided not to continue exploration except maintaining the claims. As a result, $891,975 was written off to the statement of loss in 2014.

Glenmorangie, Yukon

The Company has the option to earn a 100% interest in the Glenmorangie gold project through staged common share issuances, staged cash payments, and specified exploration expenditures. The option agreement was amended in June 2015, whereby the Company and the optionors agreed to defer 2015 cash and work requirements until June 2016. A total of 510,000 shares were issued in July 2015 to the optionors with a fair value of $10,200, in consideration of the deferred exploration requirement.

As a result of the Company's decision not to carry future exploration activity but maintain the claims on the property, it wrote off $10,200 and $565,492 in 2015 and 2014 respectively.

Qimmiq and Bravo Lake, Nunavut

The Company owns 100% of the property, subject to an underlying agreement with Nunavut Tunngavik Inc. and certain future considerations to BHP Billiton. The Company holds 100% of the Bravo Lake property subject to certain future considerations to Xstrata Nickel, a business unit of Xstrata Canada Corporation.

In 2014, the Company decided not to conduct exploration on the properties except maintaining the claims. As a result, $12,042,948 was written off during the year ended December 31, 2014. In fiscal year 2015, the Company received a cost refund of $10,947 from a supplier. This amount was recognized as a recovery on exploration and evaluation assets.

Omineca, British Columbia ("BC")

The Company owns 100% in the properties of Abe, Pal, Aten, Mate and Tut (collectively, the "Omineca Properties") located within the Quesnel Trough of BC. The vendor of the Omineca Properties retains a 1% net smelter return royalty ("NSR") in the Abe and Pal properties and will participate in certain cash or share considerations received from the future sale or option of the properties to a third party.

In 2014, the Company received a BC mining exploration tax credit of $5,770. In 2014, the Company decided not to conduct further exploration except maintaining the claims. As a result, $230,446 was written off to statement of loss in 2014.

In fiscal year 2015, some of the non-core claims in this area were reviewed and not renewed due to 2015 work requirements.

d. Tam, British Columbia

Under an agreement dated February 13, 2006, between the underlying owners and Teck Resources Limited ("Teck"), the Company is entitled to a 1.5% NSR. Teck and its partner, Lorraine Copper Corp., now own 100% of the property subject to a 3% NSR, which is subject to a buy-down to 1% for $2,000,000. An annual advance royalty payment of $25,000 is payable to the Company beginning December 31, 2012 and capped at $250,000. As of June 30, 2016, the Company has received a total of $100,000 in advance royalty payments.

e. Bearing Resources, Mexico and Yukon

(EXPRESSED IN CANADIAN DOLLARS)

On May 5, 2015, the Company signed a Letter of Intent with Bearing Resources Ltd. ("Bearing") to purchase certain Bearing's exploration assets. On June 23, 2016, Commander concluded the asset purchase agreement with Bearing wherein Commander would acquire four exploration stage properties; one in Yukon, two in British Columbia and one in Durango, Mexico in addition to three royalties. One of these royalties includes a production-defined royalty on a portion of the Boundary Zone deposit at the Mt. Polley Mine in British Columbia owned by Imperial Metals Corporation. All Canadian properties are in good standing for periods from 2017 to 2022 with no holding costs.

Under the terms of the agreement, Commander will issue 12,000,000 common shares and $15,000 cash payment to Bearing upon completion of the asset acquisition. The Commander shares issued to Bearing will be subject to a 30-day right of first offer in favour of Commander and Bearing will vote the shares held as directed by Commander's management. Completion of the transaction is subject to the satisfaction of certain condition precedents, including the approval of the TSX Venture Exchange.

6. SHARE CAPITAL

Authorized - unlimited number of common shares without par value

Issued and outstanding - 103,302,521 common shares were issued and outstanding with a value of $39,040,632.

Stock options

Under the Company's stock option plan, it may grant stock options for the purchase of up to 18,000,000 common shares. Options granted to directors, employees and consultants have a five-year term and the vesting periods are determined by the Board of Directors at the time of the option grant.

The Company's outstanding stock options as of June 30, 2016 were as follows:

	Number outstanding	Weighted average exercise price
Balance, December 31, 2015	**7,305,000**	**$0.09**
Granted	5,300,000	**0.05**
Expired	(1,430,000)	**(0.19)**
Balance, June 30, 2016	**11,175,000**	**$0.06**

During the six months ended June 30, 2016, 1,430,000 options with an exercise price of $0.19 expired. As a result, the fair value of $199,101 allocated to these options was reclassified to deficit from share-based payments reserve.

At June 30, 2016, the Company's outstanding and exercisable stock options were as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in year)
June 12, 2017	1,005,000	1,005,000	$ 0.10	$ 53,363	0.95
November 14, 2017	400,000	400,000	$ 0.10	15,122	1.37
February 7, 2019	1,870,000	1,870,000	$ 0.05	48,025	2.61
July 17, 2020	2,600,000	2,600,000	$ 0.05	30,247	4.04
March 16, 2021	4,000,000	2,000,000	$ 0.05	67,252	4.71
June 9, 2021	1,300,000	-	$ 0.05	8,533	4.94
	11,175,000	**7,875,000**		**$ 222,542**	**3.34**

(EXPRESSED IN CANADIAN DOLLARS)

The fair value of stock options granted during the six months ended June 30, 2016 has been calculated using the Black-Scholes option pricing model with the following assumptions:

	For the six months ended June 30, 2016	**2015**
Risk-free interest rate	**0.703%**	-
Expected annual volatility	**108.99%**	-
Expected life (in year)	**4.8**	-
Expected dividend yield	**0.00%**	-
Forfeiture rate	**0.00%**	-
Weighted average fair value of option	**$ 0.026**	-

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

During the six months ended June 30, 2016 and 2015, the Company recognized share-based payments expense of $77,169 and $192, respectively.

Warrants

At June 30, 2016, 2,000,000 warrants were outstanding with an exercise price of $0.05 and an expiry date on October 20, 2017.

7. RELATED PARTY TRANSACTIONS

Services

The Company's related parties consist of companies controlled by executive officers and directors. The fees and expenses with those companies for the six months ended June 30, 2016 and 2015 were as follows:

	For the six months ended June 30, 2016	**2015**
Legal	**$ -**	$ 1,983
Consulting	**61,000**	-
Administration and others	**16,650**	13,844
	$ 77,650	$ 15,827

At June 30, 2016, included in receivables were $nil (2015 – $5,082) for administrative and office expenses due from companies related by common directors.

At June 30, 2016, included in accounts payable and accrued liabilities were amounts due to related parties of $3,922 (2015 – $30,854) for consulting fees and administrative expenses from companies related by common directors.

(EXPRESSED IN CANADIAN DOLLARS)

Compensation of key management

Key management includes the Company's directors and executive officers. The remuneration, including share-based payments, of key management during the six months ended June 30, 2016 and 2015 were as follows:

	For the six months ended June 30, 2016	2015
Accounting	**$ 15,000**	$ 35,100
Consulting	**10,500**	9,000
Geological consulting	**2,500**	-
Investor relations	**2,500**	15,000
Salaries and benefits	**10,000**	43,750
Share -based payments	**77,169**	-
	$ 40,500	$ 102,850

Key management was not paid post-employment benefits, termination benefits or other long-term benefits during the periods ended June 30, 2016 and 2015.

8. COMMITMENT

The Company has a commitment of $5,550 for its Vancouver office lease which expires on August 31, 2016.

9. SUPPLEMENTAL CASH FLOW INFORMATION

	For the six months ended June 30, 2016	2015
Marketable securities received for exploration and evaluation assets	**$ 4,400,000**	$ -
Reclassification of grant date fair value on expired or cancelled options	**199,101**	302,840
Exploration and evaluation assets in accounts payable and accrued liabilities	**15,000**	15,000
Other cash flow information:		
Interest received	**$ -**	$ -

10. SEGMENT INFORMATION

The Company operates in one reportable segment, being the acquisition and exploration of resource properties. All of the Company's non-current assets were located in Canada as at June 30, 2016 and 2015.

11. 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 exploration and evaluation assets. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. There were no changes in the Company's approach to capital management during the six months ended June 30, 2016. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company has classified its financial instruments as follows:

- Cash – as FVTPL
- Investment in securities – as AFS
- Receivables – as loans and receivables
- Accounts payable and accrued liabilities – as other financial liabilities

The carrying values of receivables, accounts payable and accrued liabilities, and advance from optionee approximate their fair values due to the short-term to maturity of these financial instruments. The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value. The Company's cash is classified as a level 1 financial asset. The fair value hierarchy is as follows:

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).

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 to ensure it will have sufficient liquidity to meet obligations. At June 30, 2016, the Company had cash of $993,932 and accounts payable and accrued liabilities of $49,743. Subsequent to the six months ended June 30, 2016, on August xx, 2016, the Company sold 1,000,000 shares of Maritime Resources generating gross proceeds of $2,xxx,xxx. The Company will have sufficient funding for its operations for the next twelve month.

Credit risk

Credit risk is the risk that if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash, and receivables other than Goods and Services Tax. This risk is minimized as cash is held at high credit rating financial institution. The maximum exposure to loss arising from receivables is equal to their carrying amounts.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to price risk with respect to its investment in securities. A 10% change in the share price would affect the investments and comprehensive loss by approximately $685,088.

The Company is further exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. SUBSEQUENT EVENTS

Subsequent to the six months ended June 30, 2016:

a) On August xx, 2016, 1,000,000 shares of Maritime Resources were sold at $0.2x per share for gross proceeds of $ (Note 3).

b) On August xx, 2016, the Company completed the acquisition of Bearing's exploration assets and issued 12,000,000 common shares of Commander and payment of $15,000 (Note x).

Management's Discussion and Analysis

For the Six Months ended

June 30, 2016

DESCRIPTION OF BUSINESS

Commander Resources Ltd. ("Commander" or "the Company") is engaged in the acquisition and exploration of resource properties primarily in Canada. Commander is a reporting issuer in British Columbia and Alberta, and listed on the TSX Venture Exchange under the symbol "CMD".

FORWARD-LOOKING INFORMATION AND REPORT DATE

This Management Discussion and Analysis ("MD&A") contains certain statements that may be deemed forward-looking subject to risks and uncertainties. Readers are cautioned that Commander's actual results may differ materially from results implied by such forward-looking information.

This MD&A has been prepared based on available information up to the date of this report, May 31, 2016 (the "Report Date") and should be read in conjunction with the Company's condensed interim financial statements for the three months ended March 31, 2016. The financial information disclosed in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") and comply with International Accounting Standard, IAS 34, *Interim Financial Reporting*. Additional information is available on SEDAR at www.sedar.com and the Company's website www.commandersources.com.

HIGHLIGHTS

Sale of Storm Property to Aston Bay Holdings Ltd.

On December 16, 2015, the Company entered into a Purchase Agreement with Aston Bay Holdings Ltd. ("Aston") whereby Aston might purchase 100% interest in the Storm property by issuing 11,000,000 common shares to Commander. On February 18, 2016, Aston completed the acquisition and issued to Commander 11,000,000 shares which increased Commander's ownership of Aston Bay's outstanding shares to 27.4% on the completion date.

On May 4, 2016, Commander sold 3,500,000 shares of Aston Bay at $0.29 per share for net proceeds of $1,004,820.

As of the Report Date, Commander held 11,000,000 shares of Aston Bay representing 20.08% of Aston Bay's total outstanding shares.

Option to Purchase Shares Agreement with Maritime Resources

On February 12, 2015, the Company and Maritime entered into an Option to Purchase Shares Agreement ("Option Agreement") granting Maritime or its nominees the option to purchase up to 10,000,000 ("Optioned Shares") of the 11,440,000 common shares of Maritime that Commander owned. The Optioned Shares were divided into five equal tranches of 2 million each at escalating prices of $0.18, $0.25, $0.30, $0.40 and $0.50. On February 20, 2015, Maritime identified third parties to purchase the initial 2,000,000 shares at $0.18 per share with Commander receiving gross proceeds of $360,000. Maritime did not exercise its option to purchase additional shares for the remainder of 2015.

On April 6, 2016, the Option Agreement was amended. Maritime has an initial option to purchase 2,000,000 shares at $0.14 on or before August 31, 2016, of which 1,000,000 shares must be purchased before April 30, 2016. Provided that such initial sale is completed, Maritime will then have the option to identify third parties to purchase an additional 2,000,000 shares every six months over the next eighteen months at escalating prices of $0.21, $0.25 and $0.30. The final two option prices are further subject to the price being the greater of the option price or 85% of the volume-weighted average price of the common shares for the 10 trading days immediately preceding the applicable option exercise date. On April 7, 2016, Maritime arranged the purchase of the first 1,000,000 shares at $0.14 per share providing Commander net proceeds of $138,600.

Letter of Intent with Bearing Resources Ltd.

On May 5, 2015, the Company signed a Letter of Intent with Bearing Resources Ltd. ("Bearing") to purchase all of Bearing's exploration assets in exchange for 13,000,000 common shares of Commander and $15,000 in cash. Bearing's portfolio comprises eight exploration-stage properties; five in Yukon, two in British Columbia and one in Durango Mexico totalling some 21,800 hectares in addition to three royalties including a production royalty on a portion of the Boundary Zone deposit at Mt. Polley Mine in British Columbia owned by Imperial Metals Corporation. All Canadian properties are in good standing for periods from 2016 to 2022 with little to no holding costs.

On March 14, 2016, Bearing announced that the change of its business transaction it was pursuing would not complete but it intended to complete the proposed sale of its mineral assets to Commander. The companies are in discussion to complete the transaction.

EXPLORATION AND EVALUATION ASSETS

Bernard Kahlert, P.Eng., the Company's Qualified Person under National Instrument 43-101, has reviewed and approved the technical information presented in this MD&A.

Storm Copper Property, Nunavut

In November 2011, the Company entered into an option agreement (the "Agreement") with Aston Bay Holdings Ltd. ("BAY"), which allowed BAY to earn an initial 50.1% interest in the property (the "First Option") by spending $6,000,000 in exploration expenditures by December 31, 2016. The Agreement specifies that Commander will hold a 0.875% Gross Overriding Royalty ("GOR") after the property is brought into production. BAY has the right to buy down the GOR from 0.875% to 0.4% for $3,000,000 increasing by $1,000,000 per year.

Under the terms of the Agreement, BAY issued common shares of 2,000,000 in 2011 and 1,000,000 in 2012 to Commander. In April 2014, BAY issued 203,777 common shares to the Company in satisfaction of a shortfall penalty of $35,408.

In June 2014, the Company amended the Agreement to allow BAY to buy out the Company's interest in the property for $15,000,000, or 20% of BAY's market cap, after the First Option is exercised and BAY has earned 50.1% of the property. In return for the Company's accommodation to the amended agreement, BAY issued 500,000 common shares to the Company in July 2014.

In January 2015, BAY announced that it intended to terminate the amended Agreement signed in 2014. As a result, the amended agreement allowing accommodations to the work schedule and buy-out clauses was nullified.

In December 2015, the Company entered into a Sale Agreement with BAY whereby BAY might acquire 100% interest in the Storm property by issuing 11,000,000 common shares of BAY to Commander.

On February 18, 2016, the Company completed the sale transaction to Aston Bay and received 11,000,000 common shares which increased its ownership of BAY's outstanding shares to approximately 20% as of the report date. These shares are pooled and will be released in four equal tranches of 2,750,000 shares on each anniversary date. In addition, the Gross Overriding Royalty was modified wherein the 0.875% GOR may be reduced to 0.4% for a payment of $4,000,000.

South Voisey's Bay Nickel Property, Labrador

The South Voisey's Bay property is located approximately 80 km due south of the operating Voisey's Bay nickel mine. New claims have been staked in 2014 to cover additional parts of the Pants Lake gabbro complex in the South Voisey's Bay area prior to commencement of a planned geophysical survey in the area late in the year. The Pants Lake Complex contains host rocks with alteration and mineralization styles that are similar to the Voisey's Bay hosts. Following the discovery of the Voisey's Bay nickel deposit in the late 1990's, Commander was a leader in obtaining land in the South Voisey's Bay area, but it was such a popular area that the ownership of the district became very fragmented with many JV's and underlying agreements complicating the story.

In 2013, Commander gained 100% ownership of a large land package by buying out Donner Metals as a JV partner and purchasing property from Northern Abitibi. We also managed to negotiate the removal of an underlying back-in right held by Teck Resources Limited. This "cleaning up" process enabled the Company to enter into discussions with potential partners in an area with attractive mineral potential and interest.

In September 2014, Commander signed a Memorandum of Understanding ("MOU") granting Fjordland Exploration Inc. an option to earn into Commander's South Voisey's Bay nickel property. The Option Agreement provides Fjordland the right to earn up to a 70% interest in Commander's wholly owned South Voisey's Bay Property, located in central Labrador, by funding $5,500,000 in exploration expenditures, and issuing a total of 2,250,000 shares to Commander. Upon signing the agreement Fjordland subscribed for 2,000,000 shares of Commander at a price of $0.05, for net proceeds to Commander of $100,000.

In November 2014, Commander (as Operator) mobilized a crew to Hopedale, Labrador to conduct UTEM and ground mag surveys over the most prospective areas of the claims. The cost of the program was approximately $250,000 and was completed by mid-December. The ground UTEM covered an area 2.5 km by 2.6 km, with a total of 22.5 line km's surveyed, and the ground mag survey covered 42 line-km. Results of the late 2014 UTEM – EM survey have outlined an intense horizontal conductor and 4 strong sub-vertical conductors near the Worm Gabbro (see News Release dated March 2, 2015).

In December 2014, the MOU was amended to enable Fjordland to earn up to 75% interest in the property by increasing the Initial Work Commitment from $250,000 to $350,000 and increasing the Initial Option interest from 10% to 15%. Fjordland has accordingly earned a 15% interest in the project. In August 2015, the Option Agreement was terminated.

Glenmorangie Gold Property, Yukon

The property was acquired by Commander through an option agreement with prospector syndicate (the "Optionors") in May 2011, and is located in southeast Yukon. The property is situated 35 km north of the 3Ace property, a recently discovered shear hosted gold system and 7 km west of the North American Tungsten Cantung mine.

The following points highlight the results of work done to date:

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

Under the terms of the amendment agreement dated April 24, 2014, the Optionors agreed to postpone a cash payment of $30,000 due on June 30, 2014 to June 30, 2015. The final cash payment due on June 30, 2015 will be a total of $90,000. Further, Commander agreed to increase the shares to be issued by June 30, 2014, under the Agreement, from 180,000 common shares to 300,000 common shares. Further, the work commitment expenditure due on the property by June 30, 2015 will be reduced from $125,000 to $100,000.

In June 2015, Commander and the Optionors reached agreement to defer any cash or work requirements on the property due in June 2015 for one year in exchange for issuing of 510,000 common shares (from 210,000 common shares) of Commander to the Optionors. The shares were issued in July 2015.

During the year ended December 31, 2015, the Company decided not to conduct further exploration of the property but maintained the claims. As a result, the Company wrote off $10,200 (2014 - $565,492) to profit and loss for the year.

Sabin Copper-Gold Property, Ontario

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

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

Conclusions from the 2012 geochemical program were as follows:

- The method was successful in outlining the existing zones as well as identifying additional zones to the west and north that have not been drill tested.

- Numerous anomalous gold samples are irregularly distributed, likely due to overburden variation; however there is a co-incidence of gold values with the Marchington zone.
- The program indicates that the area has potential for further discoveries.

No work or cash payments were required on this property in 2015 to keep it in good standing other than government lease payments.

As the Company decided not to conduct further exploration on the property except maintaining the claims, the Company wrote off $3,955 (2014 - $288,981) during the year ended December 31, 2015.

Nepisiguit-Stewart Copper Property, New Brunswick

In past drill programs Commander's JV partner (Stratabound Minerals) encountered significant intervals of high grade copper mineralization at the Stewart copper prospect on Commander's Nepisiguit property, Bathurst district, New Brunswick. Hole STW-10-1 intersected 3.5 metres grading 2.07% copper. Hole STW-10-2 cut 89.5 meters grading 0.75% copper with high grade intervals up to 3.1% copper over 4 meters, and significant gold, silver and cobalt credits.

In October 2013, Stratabound announced that they would complete their third year option work on Commander's Nepisiguit copper-lead-zinc-silver-gold property. Stratabound and Commander agreed to extend Stratabound's third-year expenditure obligation deadline to December 31, 2013. In consideration for doing so, Stratabound issued 25,000 shares to Commander.

Stratabound commenced a drill program on its property in third quarter of 2014 and tested an anomaly on the Commander property in Q4 2014. In late 2014, Stratabound completed 6 drill holes on the Nepisiguit Property to test various geophysical anomalies. Some minor base metal zones were visually recognized.

In May 2015, Stratabound announced a business combination with Silver Stream Mining Corp. Stratabound under the new management has requested work extension for a three-year period. Negotiations for the extended term are actively in progress and are expected to be completed in the second quarter of 2016.

Omineca Copper-Gold Property, BC

The property is located in North Central BC within the prolific copper-gold producing Quesnel trough.

2012's field program on the Omineca project included reconnaissance prospecting, mapping and geochemical sampling, which identified additional high copper and gold soil geochemistry within the Abe property. An overlapping anomalous zone of >1,000 ppm Cu (0.1%) in soils and up to 250 ppb Au in soils (0.25 g/t Au) covers over 1.8 km in extent. Anomalous gold values (>50 ppb) extend a further 1.5 km beyond this zone. This gold-copper zone was not drill tested in the 2007 program and remains a prospective target for a future drill program. Values of up to 1,650 ppm Cu and up to 654 ppb Au were discovered in this year's soils program. In addition, testing for Au and PGE's in rock samples discovered one sample with 1.16% Cu, 0.29 g/t Au, 0.57 g/t Pd as well as 0.54% Ni. Another sample recorded 2.24 g/t Au with 55.5 g/t Ag. With the known mafic intrusions on the property, a new dimension to the opportunities may occur on Abe. In 2015, the claim holdings were reviewed in light of work or cash payment requirements and some non-core claims were not renewed.

During the year ended December 31, 2014, the Company decided not to conduct exploration of the Omineca Properties, but maintained the claims. As a result, the Company wrote off $230,446 to profit and loss in 2014.

Baffin Island Gold Project, Nunavut

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

The Kanosak prospect was the subject of a detailed 3D Induced Polarization ("IP") survey in 2011. The IP survey revealed strong anomalies with a source commencing at approximately 150 metres depth directly below high grade surface showings. The anomaly is interpreted to be the primary feeder source of the gold showings. The anomaly increases in intensity with depth, with maximum penetration to 300 metres. These extremely strong IP anomalies are likely arsenopyrite sulphides, which are the primary associate of gold at Baffin. This survey defined a 3 km linear zone of interest, co-incident with surface channel samples with values as high as 1,440 g/t gold (46 oz/t Au). The Kanosak target is over 3,000 metres long and remains open. Commander is continuing discussions with potential JV partners to carry out a drill program along the IP identified zone. No work was required on this property in 2015 and a cash payment of $15,000 was required to retain the core holdings of the property. Some non-core claims were not renewed in 2015.

During the year ended December 31, 2014, the Company decided not to conduct exploration on the project except maintaining the claims. As a result, $12,042,948 was written off to profit and loss in 2014.

Olympic Copper-Gold Property, Yukon

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

The Olympic property is located just within the proposed boundary of the Peel Watershed Plan. In 2014 the Yukon Government presented its plan for the Peel Watershed area. It now encompasses the Olympic Rob Property in a Protected Area designation that could impact the company's ability to access or develop a mine at that site. Request for relief from assessment work was applied for due to the uncertainties surrounding the Peel Watershed plan. Relief was given and the claims were in good standing until the end of 2015. The plan has not yet been finalized and is subject to further challenges.

During the year ended December 31, 2014, the Company decided not to conduct exploration on the properties except maintaining the claims. As a result, the Company wrote off $891,975 to profit and loss in 2014.

In April 2016, the Yukon Government provided additional relief from assessment work due to the uncertainties surrounding the Peel Watershed plan and the claims are now in good standing until January 1, 2018.

INVESTMENT IN ASSOCIATED COMPANY

On February 20, 2015, the Company sold 2,000,000 shares of Maritime at $0.18 per share for gross proceeds of $360,000 and on April 7, 2016, sold 1,000,000 shares at $0.14 for net proceeds of $138,600. As of the report date, Commander holds 8,400,000 shares which represents a 23% interest in Maritime plus a 2% NSR Royalty on production from the property, other than from the Orion deposit.

On May 28 2013, Maritime announced receipt of its first National Instrument 43-101 ("NI-43-101") Compliant Resource Estimate, authored by Todd McKracken, P.Geo., of Tetra Tech.

Maritime's Green Bay property consists of 2 deposits, Hammerdown and Orion, separated by a distance of 2 kilometres. The highlight of the resource is summarized below, at a cut-off grade of 3 g/t over a minimum mining width of 1.2 metres:
In the Measured category:

Hammerdown: 202,900 tonnes @ 12.12 gr/t, containing 79,000 oz Au

In the Indicated category:

Hammerdown: 524,600 tonnes @11.39 gr/t, containing 192,100 oz Au
Orion: 1,096,500 tonnes @ 4.47 gr/t, containing 157,582 oz Au

In the Inferred category:

Hammerdown: 1,767,000 tonnes @7.68 gr/t, containing 436,302 oz Au

Orion: 1,288,000 tonnes @ 5.44 gr/t, containing 225,270 oz Au

Note: Mineral Resources, which are not Mineral Reserves, have not demonstrated economic viability.

Commander continues to be exposed to the future upside of Maritime through its remaining equity stake and a royalty on future production from the Green Bay Property (exclusive of Orion). Management has determined that Commander is not in a position of power over Maritime, and that significant influence over the investee, rather than control is most evident.

SUMMARY OF QUARTERLY RESULTS

	2016	2015				2014		
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Royalty income	$ -	$ 25,000	$ -	$ -	$ -	$ 25,000	$ -	$ -
Net income (loss)	$ 1,856,270	$ (85,470)	$ (115,744)	$ (110,992)	$ (127,009)	$ (13,571,422)	$ (242,619)	$ (102,637)
Total comprehensive (loss) income	$ 315,538	$ (153,900)	$ (154,014)	$ 29,402	$ (231,090)	$ (13,592,426)	$ (462,832)	$ (150,413)
Basic and diluted income (loss) per share	$ 0.002	$ (0.001)	$ (0.001)	$ (0.001)	$ (0.001)	$ (0.134)	$ (0.002)	$ (0.001)
Weighted average number of shares outstanding	103,150,220	103,023,069	103,191,651	102,792,521	102,792,521	102,379,478	100,792,521	100,492,521

RESULTS OF OPERATIONS

For the three months ended March 31, 2016 and 2015

For the three months ended March 31, 2016, the Company reported a net income of $1,856,270 as compared to a net loss of 127,009 for the same period in 2015. The net income of 2016's first quarter was primarily from the sale of the Storm Property to Aston Bay Holdings Ltd. Excluding the gain on the Storm property, it would be a net loss of $95,192.

Administration expenses were lowered by $10,776 for the three months ended March 31, 2016, comparing to the same period in 2015. The decrease was results of reduced office space and office expenses.

Share-based payments increased by $11,595 as compared to the same period in 2015 due to an option grant in March 2016.

Gain on disposal of exploration and evaluation assets was $1,951,462 (March 31, 2015 - $nil) from the sale of Storm property to Aston Bay Holdings Ltd. ("Aston") in return for 11,000,000 common shares of Aston with a fair value of $2,640,000 on the transaction date, February 18, 2016.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2016, the Company's cash was $96,935 (December 31, 2015 - $137,828) and working capital was 3,492,567 (December 31, 2015 - $585,487).

Post to the quarter ended March 31, 2016, the Company sold 1,000,000 shares of Maritime for gross proceeds of $140,000 and 3,500,000 shares of Aston for gross proceeds of $1,015,000 (see Subsequent Events).

Commander relies on equity financings and sale of assets and marketable securities to meet its cash liquidity. Although Commander has been successful obtaining financings in the past, there is no assurance of continued access to financings in the future.

OUTSTANDING SHARE DATA

As at May 31, 2016, the date of this MD&A, the Company had 103,302,521 common shares issued and outstanding, 9,875,000 stock options with exercise prices ranging from $0.05 to $0.10 and 2,000,000 warrants with an exercise price of $0.05.

COMMITMENT

The Company has a commitment of $13,875 for its Vancouver office lease which expires on August 31, 2016.

OFF-BALANCE SHEET ARRANGEMENTS

Commander did not enter into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

No transactions are proposed.

CHANGES TO THE BOARD OF DIRECTORS AND OFFICERS

- On March 15, 2016, Robert Cameron was appointed as the President and Chief Executive Officer replacing Eric Norton who remains as a Director of the Company.

SUBSEQUENT EVENTS

- On April 6, 2016, the Company amended the option agreement with Maritime Resources Corp. ("Maritime") extending Maritime's option to purchase the Optioned Shares of 8,000,000 shares from April 2016 to August 2017 at escalating prices of $0.21, $0.25 and $0.30.
- On April 7, 2016, Maritime arranged a third party for the purchase of 1,000,000 Optioned Shares at $0.14 per share providing Commander gross proceeds of $140,000.
- On May 4, 2016, the Company sold 3,500,000 shares of Aston at $0.29 per share for gross proceeds of $1,015,000.
- On May 15, 2016, the Company's CEO received a $50,000 bonus. The compensation was authorized by the Board based on the condition of the Company's treasury exceeding $500,000.
- The Company reevaluated its investment in Maritime and concluded that significant influence no longer exists. As a result, the date at which Maritime is deemed to cease to be an associate, is April 1, 2016. The investment in Maritime will be designated as an available-for-sale investment and measured at fair value.

RELATED PARTY TRANSACTIONS

Services

The Company's related parties consist of companies controlled by executive officers and directors. The fees and expenses with those companies for the three months ended March 31, 2016 and 2015 were as follows:

	2016	2015
Legal	**$ -**	$ 118
Consulting	**11,000**	-
Administration and others	**8,325**	13,283
	$ 19,325	**$ 13,401**

At March 31, 2016, included in receivables were $nil (2015 – $5,082) for administrative and office expenses due from companies related by common directors.

At March 31, 2016, included in accounts payable and accrued liabilities were amounts due to related parties of $28,929 (2015 – $23,019) for consulting fees and administrative expenses from companies related by common directors.

Compensation of key management

Key management includes the Company's directors and executive officers. The remuneration, including share-based payments, of key management during the three months ended March 31, 2016 and 2015 were as follows:

	2016	2015
Accounting	$ 7,500	$ 14,560
Consulting	4,500	4,500
Salaries and benefits	-	21,875
Share-based payments	11,787	-
	$ 23,787	$ 40,935

Key management was not paid post-employment benefits, termination benefits or other long-term benefits during the periods ended March 31, 2016 and 2015.

Subsequent to the end of the first quarter, on May 15, 2016, the CEO of the Company received a bonus payment of $50,000.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company has classified its financial instruments as follows:
- Cash and cash equivalents – as FVTPL
- Investment in securities – as AFS
- Receivables – as loans and receivables
- Accounts payable and accrued liabilities and advance from optionee – as other financial liabilities

The carrying values of receivables, accounts payable and accrued liabilities, and advance from optionee approximate their fair values due to the short-term to maturity of these financial instruments. The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 to ensure it will have sufficient liquidity to meet obligations. At March 31, 2016, the Company had cash of $96,935 and accounts payable and accrued liabilities of $68,622. Subsequent to the three months ended March 31, 2016, on May 4, 2016, the Company sold 3,500,000 shares of Aston Bay for gross proceeds of $1,015,000. The Company will have sufficient funding for its operations for the next twelve month.

Credit risk

Credit risk is the risk that if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash, and receivables other than Goods and Services Tax. This risk is minimized as cash is held at high credit rating financial institution. The maximum exposure to loss arising from receivables is equal to their carrying amounts.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to price risk with respect to its investment in securities. A 10% change in the share price would affect the investments and comprehensive loss by approximately $348,179.

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

RISKS AND UNCERTAINTIES

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

Exploration

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

Market

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

Metal Prices

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resource are discovered, a profitable market will exist for the sale of it. Factors beyond the control of the Company may affect the marketability of any substances discovered. The price of various metals has experienced significant movements over short periods of time, and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any metal will be such that the Company's exploration and evaluation assets can be mined at a profit.

Title

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

Financing

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

Share Price Volatility and Price Fluctuations

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

Key Personnel

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

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

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

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Director

Robert Cameron, P.Geo.
Director, President and Chief Executive Officer

Patricia Fong, CPA (CMA)
Chief Financial Officer

Janice Davies
Corporate Secretary

LISTINGS

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

CAPITALIZATION
(As at Report Date)

Shares Authorized: Unlimited
Shares Issued: 103,302,521

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