



## **Condensed Consolidated Interim Financial Statements**

**FOR THE THREE MONTHS ENDED**

**MARCH 31, 2022**

*(Unaudited – Prepared by Management)*

*(Expressed in Canadian Dollars)*

### **Notice of No Auditor Review**

In accordance with National Instrument 51-102, the Company discloses that the accompanying condensed interim consolidated financial statements 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 consolidated interim financial statements in accordance with standards established by the Canadian Professional Accountants of Canada.

**COMMANDER RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**AS AT**

	Note	March 31, 2022 \$	December 31, 2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		523,665	595,840
Receivables		4,331	112,923
Prepaid expenses		36,556	34,258
Marketable securities	3	949,560	1,070,220
		<b>1,514,112</b>	<b>1,813,241</b>
<b>Non-current assets</b>			
Reclamation bonds	4	28,000	28,000
Exploration and evaluation assets	4	114,782	113,642
Property and equipment	5	57,507	68,488
		<b>200,289</b>	<b>210,130</b>
<b>TOTAL ASSETS</b>		<b>1,714,401</b>	<b>2,023,371</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		44,701	33,543
Advances from optionees	4(c),(j)	10,434	59,536
Flow through share premium liability	7	8,193	8,193
Lease liability	5	15,122	23,794
Loan payable	6	40,000	40,000
		<b>118,450</b>	<b>165,066</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	41,746,545	41,746,545
Reserves	8	450,261	448,582
Accumulated other comprehensive loss		(2,240,394)	(2,105,234)
Deficit		(38,360,461)	(38,231,588)
		<b>1,595,951</b>	<b>1,858,305</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,714,401</b>	<b>2,023,371</b>
<b>Nature of operations and going concern</b>	1		

Approved on behalf of the Board of Directors on May 24, 2022:

*"Eric Norton"*

Director

*"Brandon Macdonald"*

Director

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

**COMMANDER RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

		<b>Three months ended</b>	
		<b>March 31,</b>	
	Note	<b>2022</b>	2021
		\$	\$
<b>Expenses</b>			
Administration		5,084	5,725
Consulting fees	9	27,000	31,950
Salary and benefits	9	40,417	40,325
Professional fees		9,689	1,507
Filing fees and transfer agent		10,065	9,884
Investor and shareholder relations		34,442	47,938
Exploration and evaluation expenditures	4	21,645	49,654
Project evaluation		7,162	5,513
Amortization	5	10,981	10,990
Finance costs	5	471	1,215
Share-based compensation	8	1,679	1,247
<b>Loss from operating expenses</b>		<b>(168,635)</b>	<b>(205,948)</b>
Cost recoveries on exploration and evaluation assets	4(j)	39,500	-
Interest and management fee income	4(c)	220	511
Foreign exchange gain (loss)		42	(204)
<b>Loss for the period</b>		<b>(128,873)</b>	<b>(205,641)</b>
<b>Other comprehensive income (loss)</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Change in fair value of marketable securities at FVOCI	3	(135,160)	67,000
<b>Loss and comprehensive loss for the period</b>		<b>(264,033)</b>	<b>(138,641)</b>
<b>Weighted average number of common shares outstanding</b>			
<b>Basic and diluted #</b>		<b>37,741,825</b>	<b>35,650,772</b>
<b>Basic and diluted loss per common share \$</b>		<b>(0.00)</b>	<b>(0.01)</b>

(i) Certain comparative figures have been reclassified to conform to the current period's presentation.

**COMMANDER RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

	Number of Shares #	Share capital \$	Reserves \$	Accumulated other comprehensive Loss \$	Deficit \$	Total shareholders' equity \$
<b>January 1, 2021</b>	35,650,772	41,143,735	378,084	(2,187,114)	(37,485,131)	1,849,574
Share-based compensation	-	-	1,247	-	-	1,247
Reclassification on expiry of options	-	-	(84,947)	-	84,947	-
Fair value adjustment on marketable securities	-	-	-	67,000	-	67,000
Loss for the period	-	-	-	-	(205,641)	(205,641)
<b>March 31, 2021</b>	<b>35,650,772</b>	<b>41,143,735</b>	<b>294,384</b>	<b>(2,120,114)</b>	<b>(37,605,825)</b>	<b>1,712,180</b>
<b>January 1, 2022</b>	35,650,772	41,746,545	448,582	(2,105,234)	(38,231,588)	1,858,305
Share-based compensation	-	-	1,679	-	-	1,679
Reclassification on expiry of options	-	-	-	-	-	-
Fair value adjustment on marketable securities	-	-	-	(135,160)	-	(135,160)
Loss for the period	-	-	-	-	(128,873)	(128,873)
<b>March 31, 2022</b>	<b>35,650,772</b>	<b>41,746,545</b>	<b>450,261</b>	<b>(2,240,394)</b>	<b>(38,360,461)</b>	<b>1,595,951</b>

*The accompanying notes are an integral part of the condensed consolidated interim financial statements.*

**COMMANDER RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

	Three months ended March 31,	
	2022	2021
	\$	\$
<b>Operating activities</b>		
Loss for the period	(128,873)	(205,641)
Items not affecting cash:		
Amortization	10,981	10,990
Share-based compensation	1,679	1,247
Cost recoveries on exploration and evaluation assets	(39,500)	-
Changes in non-cash working capital:		
Receivables	108,592	34,347
Prepaid expenses	(2,298)	(4,187)
Accounts payable and accrued liabilities	11,158	25,515
Advances from optionees	(49,102)	(460)
	<b>(87,363)</b>	<b>(138,189)</b>
<b>Investing activities</b>		
Exploration and evaluation assets	(1,140)	(8,100)
Option receipts on exploration and evaluation assets	25,000	-
	<b>23,860</b>	<b>(8,100)</b>
<b>Financing activities</b>		
Lease payments	(8,672)	(7,928)
	<b>(8,672)</b>	<b>(7,928)</b>
<b>Change in cash and cash equivalents</b>	<b>(72,175)</b>	<b>(154,217)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>595,840</b>	<b>600,854</b>
<b>Cash and cash equivalents, end of period</b>	<b>523,665</b>	<b>446,637</b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank - Canadian dollars	375,616	123,167
Cash at bank - Mexican pesos	16,972	22,385
Money market funds - Canadian dollars	131,078	301,085
<b>Cash and cash equivalents in Canadian dollars</b>	<b>523,665</b>	<b>446,637</b>

Supplemental cash flow information (Note 10)

*The accompanying notes are an integral part of the condensed consolidated interim financial statements.*

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

---

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Commander Resources Ltd. (“Commander” or the “Company”) is a publicly listed company incorporated and domiciled in Canada. The Company is listed on the TSX Venture Exchange under the symbol “CMD”. Commander’s records and registered office is at Suite 1100 - 1111 Melville Street, Vancouver, British Columbia, V6E 3V6.

The Company is in the business of acquisition and exploration of mineral resource properties in Canada and Mexico. Commander pursues the prospect generator model and focuses on building a portfolio of early-stage exploration projects. For the ongoing exploration of the projects, the Company aims to option interests in the projects to joint venture partners.

These condensed consolidated interim financial statements (the “financial statements”) have been prepared on a going concern basis which assumes that the Company will be able to continue in operation for the foreseeable future and meet its obligations in the normal course of business. The Company has incurred ongoing losses and will continue to incur further losses in the course of exploring its mineral properties. As at March 31, 2022, the Company had a deficit of \$38,360,461 (December 31, 2021 - \$38,231,588) and working capital of \$1,395,662 (December 31, 2021 - \$1,648,175). Commander has historically relied on the issuance of share capital to fund its operations. Although the Company has been successful in raising equity financing in the past, there is no assurance that such financing will continue to be available with acceptable terms. These uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

The COVID-19 pandemic continues to spread as variants globally since March 2020. The outbreak continues to impact global economic recovery and has resulted in commodity price fluctuations and financial market volatility. It remains undetermined around the duration and extend of the pandemic which has resulted in uncertainties to the Company’s continued operations in projects and its ability to obtain the required financing for its going concern.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### **Basis of presentation**

The Company prepares these financial statements in accordance with International Financial Reporting Standards and Interpretations (collectively, “IFRS”), as issued by the International Accounting Standards Board (“IASB”). These financial statements comply with International Accounting Standards 34, *Interim Financial Reporting*.

These financial statements do not include all the information and notes to the annual financial statements as required by IFRS and should be read together with the Company’s most recent audited consolidated financial statements for the year ended December 31, 2021.

These financial statements have been prepared on the historical cost basis, except for financial instruments measured at fair value. Additionally, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

### **Principles of consolidation**

These financial statements include the accounts of the Company and the following wholly-owned subsidiaries:

- BRZ Mex Holdings Ltd. (“BRZM”); and
- Minera BRG SA de CV (“Minera BRG”).

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

---

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Company consolidates these subsidiaries on the basis that it controls these subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated on consolidation.

**Critical accounting estimates, assumptions, and judgments**

The preparation of financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments that impact the Company's reported financial results. Estimates, assumptions, and judgments are based on historical experiences and expectations of future events. Actual results could result in material differences from those estimates, assumptions, and judgments.

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

*Recoverability of exploration and evaluation ("E&E") assets*

The Company capitalizes acquisition costs related to E&E assets which comprise staking costs, and option payments, based on the judgment that the carrying amounts will be recoverable. Their recoverability depends on various factors such as the discovery of economically viable reserves, the Company's ability to obtain the financing to continue exploration and development efforts, or from disposition of the E&E assets. If new information becomes available suggesting the recovery of these expenditures is unlikely, the capitalized costs are written-off to profit or loss for the period.

*Going concern*

The Company applies judgment in assessing its ability to continue as a going concern. In making this assessment, the Company considers the facts and circumstances disclosed in Note 1. The Company concludes that there is a material uncertainty that might cast significant doubt about its ability to continue as a going concern.

**3. MARKETABLE SECURITIES**

		<b>March 31, 2022</b>	December 31, 2021
	Note	\$	\$
<b><i>Common shares of public companies:</i></b>			
Fair value, beginning of the period		<b>1,070,220</b>	1,025,380
Fair value of shares received	4(g)	<b>14,500</b>	44,000
Net proceeds from sales	3	-	(81,040)
Fair value adjustment		<b>(135,160)</b>	81,880
Fair value, end of the period		<b>949,560</b>	1,070,220

Commander does not have significant influence in any of its investments in publicly traded companies. The fair values of the marketable securities are determined at each reporting date by referencing to the closing market prices of these common shares. All of the Company's marketable securities are classified as FVOCI because these investments are not held for trading.



**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

**3. MARKETABLE SECURITIES (CONTINUED)**

The Company's holdings in marketable securities comprise common shares of publicly traded companies received as option payments on the sale of exploration and evaluation assets. The significant holding or transactions as at March 31, 2022 were as follows:

*Aston Bay Holdings Ltd. ("Aston")*

In February 2016, Aston issued 11,000,000 common shares to Commander with a fair value of \$2,640,000 for the acquisition of the Company's former Storm Property.

During the year ended December 31, 2021, the Company sold 1,500,000 shares of Aston Bay for net proceeds of \$81,040 (2020 – 2,000,000 shares for net proceeds of \$221,380). As at March 31, 2022, Commander held less than 10% of Aston's total outstanding common shares.

**4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its assets are in good standing.

**Exploration and Evaluation Assets**

As at March 31, 2022, the cumulative expenditures on the Company's E&E assets were as follows:

	Dec 31, 2020	Acquisition costs	Option proceeds	Cost recovered	Dec 31, 2021	Acquisition costs	Option proceeds	Cost recovered	March 31, 2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$
British Columbia projects									
October Dome and Mt. Polley	174	-	(90,000)	90,000	174	-	-	-	174
Henry Lee	62,068	-	-	-	62,068	1,140	-	-	63,208
Bornite	-	2,453	-	-	2,453	-	-	-	2,453
Burn	6,315	-	(50,000)	50,000	6,315	-	-	-	6,315
Omineca	3,140	-	-	-	3,140	-	-	-	3,140
	71,697	2,453	(140,000)	140,000	74,150	1,140	-	-	75,290
Other Canadian projects									
South Voisey's Bay (Labrador)	42,917	-	(84,000)	41,083	-	-	-	-	-
First Loon (Ontario)	19,590	8,100	-	-	27,690	-	-	-	27,690
Sabin (Ontario)	11,801	-	-	-	11,801	-	-	-	11,801
	74,308	8,100	(84,000)	41,083	39,491	-	-	-	39,491
Mexico project									
Pedro	1	-	-	-	1	-	(39,500)	39,500	1
	1	-	-	-	1	-	(39,500)	39,500	1
<b>Total</b>	<b>146,006</b>	<b>10,553</b>	<b>(224,000)</b>	<b>181,083</b>	<b>113,642</b>	<b>1,140</b>	<b>(39,500)</b>	<b>39,500</b>	<b>114,782</b>

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

**4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)**

**Exploration and Evaluation Expenditures**

During the three months ended March 31, 2022, the Company's E&E expenditures were as follows:

	British Columbia				Ontario		Total \$
	October Dome \$	Henry Lee \$	Omineca	Bornite \$	Sabin \$	First Loon \$	
Claim maintenance	262	-	-	-	1,526	-	1,788
Geological	800	200	4,200	1,050	3,000	8,250	17,500
Assaying	-	-	2,357	-	-	-	2,357
<b>Total</b>	<b>1,062</b>	<b>200</b>	<b>6,557</b>	<b>1,050</b>	<b>4,526</b>	<b>8,250</b>	<b>21,645</b>

During the three months ended March 31, 2021, the Company's E&E expenditures were as follows:

	British Columbia	Ontario			New Brunswick	Mexico	Total \$
	Henry Lee \$	Sabin \$	First Loon \$	Garden Lake \$	Nepisiguit \$	Pedro \$	
Claim maintenance	-	1,795	-	-	2,750	11,378	15,923
Geological	2,538	1,750	6,125	263	87	6,219	16,982
Assaying	-	-	13,335	3,414	-	-	16,749
<b>Total</b>	<b>2,538</b>	<b>3,545</b>	<b>19,460</b>	<b>3,677</b>	<b>2,837</b>	<b>17,597</b>	<b>49,654</b>

**a. Mount Polley, BC**

In October 2019, Commander entered into an option agreement with a wholly-owned subsidiary of Imperial Metals Corporation ("Imperial") granting Imperial the option to earn a 100% interest in certain mineral claims within the Mount Polley copper-gold property. Commander has a 100% interest in the property except a certain portion which is 90% owned by Commander and 10% by an arm's length private company.

Total cash consideration receivable by Commander is \$250,000 with 90% due to Commander, and 10% to the private company staged in three payments:

- 1) \$50,000 upon signing (\$45,000 received, representing Commander's 90% interest);
- 2) \$100,000 (\$90,000 received, representing Commander's 90% interest) on or before December 31, 2021; and
- 3) \$100,000 on or before December 31, 2022.

In addition to cash payments, a production royalty of \$1.25 per tonne-milled will be due to Commander and the private company. At any time after exercise of the option, Imperial shall have the right upon payment of \$1,000,000 to Commander, to reduce the production royalty to 50% of the production royalty.

**b. Henry Lee, BC**

The Company has a 100% interest in the Henry Lee copper project.

In March 2019, the Company entered into a purchase agreement to acquire a 100% interest in two mineral claims adjacent to the Company's Henry Lee property. The total consideration was \$56,500 (\$25,000 in cash (paid) and 350,000 shares at fair value of \$0.09 per share for \$31,500 (issued)).

The vendor retains a 1% net smelter return royalty ("NSR") and is entitled to receive a one-time advance royalty payment of \$1,000,000 upon the commencement of commercial production.

In the first quarter of 2022, the Company staked additional claims on the Henry Lee property for \$1,140.

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

**4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)**

**c. Burn, BC**

The Burn copper property was acquired by staking in 2018.

In July 2019, the Company entered into an earn-in agreement with Freeport-McMoRan Mineral Properties Canada Inc. ("Freeport") allowing Freeport to earn a 75% interest in the Burn property as follows:

<b>Earn-in Option</b>	<b>Commitment Timeline</b>	<b>Cash</b>	<b>Exploration</b>
First Option (51%)	Earn-in agreement signed on July 11, 2019	\$25,000 (received)	-
	On or before July 11, 2020	\$35,000 (received)	-
	On or before July 11, 2021	\$50,000 (received)	-
	On or before July 11, 2022	\$50,000	-
	On or before July 11, 2023	\$100,000	\$1,000,000
Second Option (24%)	On or before July 11, 2024	\$100,000	-
	On or before July 11, 2025	\$100,000	-
	On or before July 11, 2026	\$100,000	\$1,500,000
<b>Total interest (75%)</b>	<b>Total cash and exploration amounts</b>	<b>\$560,000</b>	<b>\$2,500,000</b>

The completion of the earn-in conditions will result in a Joint Venture of 75% for Freeport and 25% for the Company. If either party dilutes to less than a 10% interest, that interest would be replaced with a 1% NSR. The Company is the project operator until Freeport earns a 51% interest.

As the operator of the project, the Company earned management fees of \$125 recorded under interest and management fee income during the three months ended March 31, 2022 (March 31, 2021 - \$22). As at March 31, 2022, the advance from Freeport on the Burn project was \$3,086 (December 31, 2021 - \$5,718) classified as a current liability under advances from optionees.

**d. Sabin, Ontario**

The Company's ownership interest on the Sabin base-precious metal property varies from 58.5% to 100%.

**e. First Loon, Garden Lake and Staunton, Ontario**

In 2020, the Company acquired by staking three gold properties in Ontario for a total cost of \$19,590.

In 2021, additional claims were staked on First Loon for \$8,100.

**f. Hammerdown, Newfoundland**

The Company held a 2% NSR on Maritime Resources Corp.'s ("Maritime") Hammerdown gold project in Newfoundland pursuant to the Option and Royalty Agreement on the Green Bay Property dated June 14, 2010. Maritime had the right to buy back 50% of the NSR for \$1,000,000 at their start-up of commercial production.

In September 2020, Maritime and the Company agreed to an early exercise of the buy-back of 1% NSR by Maritime for an amended purchase price of \$750,000. On September 17, 2020, the transaction was completed and the proceed of \$750,000 was recorded as sale of net smelter return royalty in the statement of loss of 2020.

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

**4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)**

**g. South Voisey's Bay, Labrador**

As at March 31, 2022, the Company has a 25% interest in the South Voisey's Bay nickel property, and Fjordland Exploration Inc., ("Fjordland") has earned a 75% interest in the project.

Prior to the commencement of the earn-in schedule below, Fjordland had earned a 15% interest in the property. In 2017 and 2021, Fjordland earned additional 20% and 40% interests in the project with the fulfillment of its commitments in option payments and exploration expenditures during the four years .

The earn-in schedule below details Fjordland's options in earning the remaining interest in the property.

<b>Earn-in Option</b>	<b>Completion Date</b>	<b>Cash</b>	<b>Common Shares</b>	<b>Exploration</b>
First Option (20%) (completed)	On or before July 26, 2017	-	200,000 (received, fair valued at \$28,000)	-
	On or before October 31, 2017	-	-	\$600,000
Second Option (40%)	On or before July 26, 2018	\$10,000 (received)	250,000 (received, fair valued at \$50,000)	-
	On or before July 26, 2019	\$15,000 (received)	300,000 (received, fair valued at \$18,000)	-
	On or before July 26, 2020	\$25,000 (received)	350,000 (received, fair valued at \$22,750)	-
	On or before October 31, 2021	\$40,000 (received)	400,000 (received, fair valued at \$44,000)	\$2,400,000
Third Option (25%)	On or before October 31, 2024	\$200,000	3,000,000	\$5,000,000
	<b>Total</b>	<b>\$290,000</b>	<b>4,500,000</b>	<b>\$8,000,000</b>

Upon Fjordland earning a 100% interest, Commander will retain a 2% NSR. Fjordland has the right to buy 1% of the NSR for \$5,000,000 in cash or \$2,500,000 in cash and \$2,500,000 in common shares of Fjordland. Upon Fjordland's commencement of commercial production, Commander will receive a \$10,000,000 advance royalty payment.

**h. Other Canadian Properties**

**Baffin, Nunavut**

The Company holds a royalty interest of 0.25% to 0.5% NSR on the Baffin gold project.

**Omineca, BC**

The Company owns 100% of the property within the Quesnel Trough of BC.

**i. Tam, BC**

The Company holds a 1.5% NSR on the Tam property. Teck Resources Limited ("Teck") owned 100% of the property which is subject to a 3% NSR and a buy-down to 1% for \$2,000,000. An annual advance royalty payment of \$25,000 receivable by the Company began on December 31, 2012 and was capped at \$250,000.

On November 25, 2020, Teck, Commander and Tsayta Resources Corporation ("Tsayta") entered into an assignment agreement under which Commander consented to Teck's assignment of its rights, title and interest of the Tam property to Tsayta.

During the year ended December 31, 2021, Commander received the final royalty payment of \$25,000. As at December 31, 2021, the full royalty amount of \$250,000 (\$200,000 from Teck and \$50,000 from Tsayta effective December 2020) had been received and recorded as royalty income.

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

---

**4. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)**

**j. Pedro, Mexico**

In September 2016, the Company acquired BRZ Mex Holdings Ltd. ("BRZM") and Minera BRG SA de CV ("Minera BRG"). BRZM's subsidiary, Minera BRG owns a 100% interest in the Pedro gold property in Mexico. The carrying value of the Pedro property is \$1.

On July 27, 2021, the Company entered into an option agreement (via a letter of intent with a definitive agreement to follow) with Southern Empire Resources Corp. ("Southern Empire") granting them a 100% interest in the Pedro property. Southern Empire will be the operator of the Pedro project.

In January 2022, the letter of intent was modified to allow the initial payments (in cash and shares of Southern Empire) to proceed. In February 2022, the Company received from Southern Empire the first option payment of \$25,000 in cash and 100,000 shares which were fair-valued at \$14,500.

Terms of the Option Agreement

- Total consideration consists of:
  - i) \$700,000 in cash staged over 4 payments over 3 years, and
  - ii) 100,000 shares of Southern Empire.

The staged cash payments are as follows:

- Initial payments of \$25,000 (paid) and 100,000 shares (received)
- \$125,000 on the first anniversary of the agreement
- \$250,000 on the second anniversary
- \$300,000 on the third anniversary

The second, third and fourth cash payments (totalling \$675,000) can be made by common shares of Southern Empire.

- Exploration expenditures totalling \$1,500,000 of which \$400,000 (completed) to be expended within the first year of the definitive agreement
- A 2% NSR royalty with no provision for a buydown

As at March 31, 2022, the advance from Southern Empire on the Pedro project was \$7,348 (December 31, 2021 - \$53,818) classified as a current liability under advances from optionees.

**Reclamation bonds**

In July 2018, Bearing Lithium Corp. (formerly Bearing Resources Ltd.) assigned to the Company the right to its reclamation bond with the BC Government on the October Dome and Mt. Polley properties for cash consideration of \$18,000.

In May 2021, the Company placed a security bond of \$10,000 on an application for Mines Act Permit with the BC Ministry of Energy and Mines and Petroleum Resources on the October Dome property. The bond bears an annual interest rate of 2.2% and is hypothecated with an automatic annual renewal upon maturity.

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

**5. PROPERTY AND EQUIPMENT**

	Computer equipment \$	Office furniture \$	Field equipment \$	Righ-of-use asset \$	Total \$
<b>Cost</b>					
At December 31, 2020 and 2021	8,856	15,820	55,254	139,813	219,743
Addition	-	-	-	-	-
<b>At December 31, 2021 and March 31, 2022</b>	<b>8,856</b>	<b>15,820</b>	<b>55,254</b>	<b>139,813</b>	<b>219,743</b>
<b>Accumulated amortization</b>					
December 31, 2020	(4,191)	(5,274)	(13,814)	(84,017)	(107,296)
Amortization	(1,771)	(3,164)	(5,528)	(33,496)	(43,959)
December 31, 2021	(5,962)	(8,438)	(19,342)	(117,513)	(151,255)
Amortization	(444)	(792)	(1,382)	(8,363)	(10,981)
<b>March 31, 2022</b>	<b>(6,406)</b>	<b>(9,230)</b>	<b>(20,724)</b>	<b>(125,876)</b>	<b>(162,236)</b>
<b>Net book value</b>					
December 31, 2021	2,894	7,382	35,912	22,300	68,488
<b>March 31, 2022</b>	<b>2,450</b>	<b>6,590</b>	<b>34,530</b>	<b>13,937</b>	<b>57,507</b>

**Right-of-use asset and lease liability**

Under IFRS 16 *Leases* ("IFRS 16"), the Company is required to recognize assets and liabilities for leases with a term over 12 months. The Company has a 2-year office lease which expires in August 2022. The present value of future lease payments is recognized as right-of-use asset and lease liability.

The Company's lease liability related to the office lease as at March 31, 2022 and December 31, 2021 is as follows:

<b>Lease liability</b>	<b>\$</b>
December 31, 2020	56,602
Lease payments	(36,570)
Finance costs	3,762
<b>December 31, 2021</b>	<b>23,794</b>
Lease payments	(9,143)
Finance costs	471
<b>March 31, 2022</b>	<b>15,122</b>
<b>Current portion of lease liability</b>	<b>15,122</b>
<b>Non-current portion of lease liability</b>	<b>-</b>
<b>Maturity analysis - contractual undiscounted cash flows</b>	
Less than one year	15,238
One to five years	-
<b>Total undiscounted lease liability</b>	<b>15,238</b>

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

---

**6. LOAN PAYABLE**

In May 2020, the Company received from the federal government of Canada a loan of \$40,000 under the Canada Emergency Business Account (“CEBA”) program. The Company has the option to pay back \$30,000 by December 31, 2022 and \$10,000 of the loan will be forgiven. The loan can be extended for another three years to December 31, 2025 with a 5% interest charged on the remaining balance. The Company intends to pay back the CEBA loan by December 2022.

**7. FLOW-THROUGH SHARE PREMIUM LIABILITY**

<b>Balance at December 2019 and 2020</b>	\$	-
Liability incurred on flow-through shares issued		16,009
Settlement of flow-through share premium liability on expenditures incurred		(7,816)
<b>Balance at December 31, 2021 and March 31, 2022</b>	\$	<b>8,193</b>

On September 9, 2021, the Company raised \$288,160 through the issuance of 1,600,889 flow-through common shares at a price of \$0.18 per share (Note 8). A flow-through liability of \$16,009 was recognized on the issuance date. As at December 31, 2021, the Company incurred \$140,681 in qualifying expenditures and de-recognized \$7,816 in flow-through share premium liability and recorded the corresponding amount in other income in 2021 statement of loss and comprehensive loss. During the three months ended March 31, 2022, no flow through expenditures were incurred.

**8. SHARE CAPITAL**

**Authorized** – unlimited number of common shares without par value

**Shares issued during the year ended December 31, 2021**

On September 9, 2021, the Company closed the first tranche (“Tranche 1”) of a non-brokered private placement and issued 1,402,235 units at \$0.17 per unit (the “Units”) for gross proceeds of \$238,380 and 1,600,889 flow-through shares (the “FT Shares”) at \$0.18 per FT share for gross proceeds of \$288,160. The Company recorded a share premium liability of \$16,009 in relation to the FT shares (Note 7).

On September 20, 2021, the second tranche (“Tranche 2”) of the non-brokered private placement was closed and 800,000 units at \$0.17 per unit price were issued for gross proceeds of \$136,000.

Each Unit consists of one common share and half of one share purchase warrant with each whole warrant entitling the holder to purchase one common share at \$0.25 per share until March 9, 2023 for Tranche 1 and March 20, 2023 for Tranche 2. In connection with the financing, the Company paid finders fees of \$18,450 in cash and incurred \$13,271 in legal, filings and transfer agent fees.

The Company uses the residual value method with respect to the measurement of the values assigned to common shares and share purchase warrants associated with the private placement. As such, the gross proceeds of the Units of \$374,380 had been assigned as follows: \$362,380 to share capital and \$12,000 to warrant reserve.

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

**8. SHARE CAPITAL (continued)**

**Warrants**

On September 9 and September 20, 2021, the Company issued share purchase warrants of 701,118 and 400,000, exercisable at \$0.25 per share until March 9, 2023 and March 20, 2023, respectively. Using the residual value method to value the share purchase warrants, \$12,000 of the Tranche 2 proceeds had been allocated to reserves from share capital.

As at March 31, 2022, the Company's outstanding warrants are as follows:

	Number of Warrants	Exercise price (\$)	Expiry date	Weighted average remaining life (years)
Balance, December 31, 2020	-	-	-	-
Issued in 2021:				
- Share purchase warrants	701,118	0.25	March 9, 2023	0.94
- Share purchase warrants	400,000	0.25	March 20, 2023	0.97
Balance, March 31, 2022	1,101,118	0.25		0.95

**Stock options**

During the year ended December 31, 2021, the Company granted 1,460,000 stock options to directors, officers and consultants. The stock options are exercisable at \$0.17 per share for 5 years until October 29, 2026. The fair value of the options granted was calculated at \$196,078 using the Black-Scholes option pricing model with these assumptions: volatility of 110%, risk-free interest rate of 1.5%, expected dividend yield of nil and expected life of 5 years.

For the three months ended March 31, 2022 and 2021, the Company recognized share-based compensation of \$1,679 and \$1,247, respectively.

The Company's stock option activities as at March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022		December 31, 2021	
	Option #	Weighted average exercise price \$	Option #	Weighted average exercise price \$
Balance, beginning of period	3,636,000	0.14	3,236,000	0.17
Granted	-	-	1,460,000	0.17
Expired	-	-	(1,060,000)	(0.25)
Balance, end of period	3,636,000	0.14	3,636,000	0.14

During the three months ended March 31, 2022, nil stock options expired (March 31, 2021 - 800,000 stock options expired) and their values of nil (March 31, 2021 - \$84,947) had been transferred from reserves to deficit.



**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

**8. SHARE CAPITAL (continued)**

As at March 31, 2022, the Company's outstanding and exercisable stock options are as follows:

Options outstanding #	Options exercisable #	Exercise price \$	Expiry date	Weighted average remaining life (years)
886,000	886,000	0.17	July 12, 2023	1.28
760,000	760,000	0.07	June 12, 2024	2.20
530,000	530,000	0.14	November 12, 2025	3.62
1,460,000	1,422,500	0.17	October 29, 2026	4.57
<b>3,636,000</b>	<b>3,598,500</b>	<b>0.14</b>		<b>3.14</b>

**Reserves**

Reserves includes the accumulated fair value of stock options recognized as share-based compensation and the fair value of warrants. Reserves is increased by the fair value of these items on vesting and is reduced by corresponding amounts when the options or warrants are exercised or expired.

	Stock option reserve \$	Warrant reserve \$	Total \$
December 31, 2020	378,084	-	378,084
Stock options granted	194,350	-	194,350
Reclassification on expiry of options	(135,852)	-	(135,852)
Fair value of warrants attached to units	-	12,000	12,000
<b>December 31, 2021</b>	<b>436,582</b>	<b>12,000</b>	<b>448,582</b>
Stock options granted	1,679	-	1,679
<b>March 31, 2022</b>	<b>438,261</b>	<b>12,000</b>	<b>450,261</b>

**9. RELATED PARTY TRANSACTIONS**

**Compensation of key management**

Key management includes the Company's Directors, President and Chief Executive Officer ("CEO"), VP Exploration, VP Corporate Development, Chief Financial Officer and Corporate Secretary. Their remuneration is as follows:

	Nature of Compensation	Transactions for the three months ended		Balance outstanding	
		2022 \$	March 31, 2021 \$	2022 \$	March 31, 2021 \$
President and CEO	Salary and benefits	40,417	40,325	-	-
Vice President, Exploration	Consulting and project evaluation	20,700	33,338	-	12,586
Vice President, Corp Development <sup>(1)</sup>	Consulting	-	7,500	-	-
Corporate Secretary	Consulting	10,500	9,600	-	-
Chief Financial Officer	Accounting	14,700	13,500	-	-
		<b>86,317</b>	<b>104,263</b>	<b>-</b>	<b>12,586</b>

<sup>(1)</sup> The VP Corporate Development retired in October 2021.

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

---

**9. RELATED PARTY TRANSACTIONS (continued)**

**Other related party transaction**

During the three months ended March 31, 2022, office rents of \$nil (2021 - \$9,142) were paid to a company related by way of a common former director.

**10. SUPPLEMENTAL CASH FLOW INFORMATION**

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Financing activities:</b>		
Marketable securities received for exploration and evaluation assets	14,500	-
Fair values on expired options reclassified from reserves to deficit	-	84,947
<b>Other cash flow information:</b>		
Interest received	95	489
Income tax paid	-	-

**11. SEGMENTED INFORMATION**

The Company operates in one single reportable segment, being the acquisition and exploration of resource properties. As at March 31, 2022, the carrying values of the Company's non-current assets were:

Exploration and evaluation assets:

- \$114,781 (December 31, 2021 - \$113,641) located in Canada; and
- \$1 (December 31, 2021 - \$1) located in Mexico

Property and equipment

- \$57,507 (December 31, 2021 - \$68,488) located in Canada

Reclamation bond

- \$28,000 (December 31, 2021 - \$28,000) located in Canada

**12. CAPITAL MANAGEMENT**

The Company defines its capital as all components of shareholders' equity. The Company manages its capital structure by maintaining adequate funds to support the acquisition and exploration of minerals 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 for the three months ended March 31, 2022. The Company is not subject to externally imposed capital requirements.

**COMMANDER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**

---

### 13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### **Fair value**

The carrying values of receivables, reclamation bond, accounts payable and accrued liabilities 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 marketable securities are 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's financial assets are insufficient in meeting its financial obligations as they become due. The Company manages this risk by forecasting cash flows from operations and anticipated investing and financing activities to ensure there is sufficient liquidity to meet the obligations. As at March 31, 2022, the Company had cash and cash equivalents of \$523,665 to settle its current liabilities of \$118,450.

During the year ended December 31, 2021, the Company raised a financing of \$288,160 in flow-through shares and \$374,380 in units (Note 8). Given the uncertainties of the duration and extends of the Covid variants, the Company will require future financing to continue as a going concern.

#### **Credit risk**

Credit risk is the risk that if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is equal to the carrying value of cash and cash equivalents and receivables. Receivables primarily comprises \$4,331 in sales tax recoverable due from the federal government of Canada. To minimize the credit risk, Commander deposits its cash and cash equivalents with a high credit-rating financial institution.

#### **Price risk and foreign currency 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. The Company is exposed to price risk with respect to its marketable securities. A 10% change in the share prices would affect their fair values and comprehensive loss (income) by approximately \$94,956 (December 31, 2021 - \$107,022).



## **Management's Discussion and Analysis**

For the Three Months Ended

March 31, 2022

## **FORWARD-LOOKING STATEMENTS**

This Management Discussion and Analysis ("MD&A") contains forward-looking information within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators that involve risks and uncertainties.

Such forward-looking statements include statements of the Company's future plans, estimation of mineral resources, government regulations of the mining industry, requirements for operational funding, environmental risks, and anticipated timing of completion of property dispositions or acquisitions. These known or unknown risks and uncertainties could cause actual performance of the Company to differ materially from results implied by such forward-looking information. These uncertainties include future commodity pricing, capital market access, global economy and politics, government regulations, environmental restrictions, exploration results, permitting timelines, as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A.

This MD&A has been prepared based on available information up to the date of this report, May 24, 2022 (the "Report Date") and should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended March 31, 2022. 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](http://www.sedar.com) and the Company's website [www.commandersources.com](http://www.commandersources.com).

## **DESCRIPTION OF BUSINESS**

The Company is in the business of acquisition and exploration of resource properties in Canada and Mexico. The Company pursues the prospect generator model and focuses on building a portfolio of early-stage exploration projects. For the ongoing exploration of the projects, the Company aims to option interest in the projects to joint venture partners. The approach has allowed the Company to accumulate a royalty portfolio, generate cash resources from the proceeds received on option payments and accumulate holdings of marketable securities which are also received as option payments.

Robert Cameron, P.Geol., President and Chief Executive Officer and a Qualified Person under National Instrument 43-101, has reviewed and approved the technical information presented in this MD&A.

Data Verification: All technical data presented herein is either accompanied by a reference to the original public disseminated news release which contains the detailed QA/QC data for the data, or the QA/QC is presented here. Historical data is, when referenced as such, treated as valid for exploration purposes only by the Company following review by Qualified Persons, Robert Cameron, P.Geol. and Stephen Wetherup, P.Geol. A more detailed data verification statement for each project may be found on the Corporate website under the project tab.

## **FIRST QUARTER HIGHLIGHTS**

### **[Drilling at Pedro Gold Project, Mexico by the Optionee, Southern Empire](#)**

In July 2021, the Company granted Southern Empire Resources Corp. ("Southern Empire" or "SMP") an option to earn a 100% interest in its Pedro project in Mexico. The definitive agreement was completed in February 2022.

On January 25, 2022, Southern Empire commenced drilling at Pedro.

### **Highlights of the drilling program for the three months from February to April, 2022**

- 6 core holes were drilled for a total of 856.3 metres
- notable observations include short intervals of silicified conglomerate with disseminated and vein controlled arsenic minerals including orpiment and realgar.
- Top results include 15.23 m @.577 grams/tonne gold (g/t Au) in hole P22-03 (core length)
- Trace element association, alteration and regional setting indicate a possible "Carlin-like" mineral system

Southern Empire provided additional details of the drill program at Pedro. Six HQ-diameter core drill holes totaling 856.3 metres were completed, partially infilling a 2.2 km data gap in previous 2014 drilling. Substantial orpiment (an arsenic sulphide mineral;  $As_2S_3$ ) was encountered in holes P22-01, -02 and -03 within the HP Breccia conglomerates and to a lesser extent in the underlying Caracol Formation sandstones.

### [Sampling Results of Sabin Property, Ontario Expanded Quarry Gold Zone](#)

Results of the sampling program conducted in the fall of 2021 was announced. The program focused on follow-up prospecting of the newly recognized intrusive-hosted Quarry Gold Zone. The Sabin property is centered on extensive VMS-style alteration and mineralization and where work in 2020-2021 has also outlined a potential bulk tonnage-style gold target within the Patterson Lake Stock.

### Highlights of the 2021 Sampling Program Results

- Follow-up sampling of the Quarry Gold Zone returns grab samples up to 1.5 g/t gold
- Intrusive-hosted gold is now documented over an area of 1 km<sup>2</sup>
- Up to 20 line-km of Induced Polarization survey are planned to cover the new gold zones as well as the nearby Kash VMS zones.

## EXPLORATION AND EVALUATION ASSETS

### CANADA

#### First Loon, Ontario

In February 2020, Commander acquired by staking the 8,892 ha First Loon property in the Pickle Lake Gold Belt located south and east of the main concentration of past producing mines that include the Pickle Crow, Central Patricia and Dona Lake mines (with total reported historical production of 2,300,000 ounces - reference: 2015 Institute on Lake Superior Geology, Fieldtrip Guidebook).

The First Loon property is underlain by the Confederation and Pickle Crow assemblage (intercalated mafic to intermediate volcanic rocks with iron formation. Bedrock exposure in this region is extremely limited and detailed airborne geophysical surveys were necessary prior to a first pass evaluation of this property. There are at least 20 historical drill holes on the property from UMEX, Placer Dome and Kerr Addison. Analytical results from this drilling are limited but may reflect historical bias whereby only rocks that fit the geological model of the day were analyzed. The central axis of the property is cored by an intermediate volcanic package within mafic volcanic rocks. The intermediate volcanic rocks are inter-layered with chert, iron formation, felsic volcanic rocks and local massive pyrite and pyrrhotite lenses and minor chalcopyrite.

In September 2020, the Company conducted an airborne 800 line-kilometre magnetic and electromagnetic survey ("MES") over First Loon as well as a field program of geological mapping, rock sampling and till sampling was also conducted on the northeast end of the property. Bedrock exposure is limited as the property is covered by an extensive continuous sheet of till. In January 2021, the Company completed an initial geological and structural interpretation of the airborne magnetic and electromagnetic survey and identified three principal target areas based on magnetic and resistivity features and similarities extrapolated from nearby gold mining operations. As a result of this study, the Company increased the property by 60% (from 5,507 to 8,892 hectares) by staking additional claims to cover potential extensions of the new targets.

### Highlights of the 2021 Study

- 27 km trend of iron formations and major structures including the northeast extension of the Pickle Crow mine trend
- New interpretation suggesting the underlying rocks are the southern limb of major syncline comprised of favorable Pickle Crow Assemblage rocks
- Anomalous gold values found in rock samples from the northern target

Work in September 2021 included ground mapping and prospecting of key target areas and a property-wide till sampling program. Gold grain counts will be determined by IOS Services Geoscientifiques Inc. using their automated grain count technology. Areas of focus were the northeastern and southwestern areas of the property where F2 fold closures were identified from the airborne magnetic survey. Initial gold grain counts have been received but results and QA/QC data are still pending as well as additional mineral grain counts and clay fraction geochemistry.

### Garden Lake, Ontario

The 1,462-hectare property, acquired by online staking in July 2020, comprises three claim blocks within the Garden Lake greenstone belt in the Wabigoon Sub-Province of the Superior Province, 135 km north of Thunder Bay, Ontario. The property was acquired following a regional compilation exercise and was selected based on known gold occurrences and proximity to the Garden Lake deformation zone and associated structures. A field program of geological mapping, rock and till sampling was completed in September 2020. Results were generally low for gold. No work was completed in 2021.

### Sabin, Ontario

The Sabin 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, about 10 km north of the community of Savant Lake, Ontario. The property is known to host a VMS base-precious metal deposit called the Marchington Zone.

In October 2018, the Company completed an airborne versatile time domain electromagnetic survey (VTEM) on the property. The airborne survey consisted of 370-line kilometres of electromagnetic and magnetic surveying by Geotech Ltd., using its latest generation VTEM Plus system. The survey results were delivered in January 2019. Commander's geophysical consultant, Brian Bengert, P.Geo., has interpreted the data and identified a significant number of high priority conductors throughout the property, as well as areas just outside the original claim block. As a result, the Company staked additional claims to expand the property to 9,870 hectares to cover these new targets, as well as prospective geology to the west. Processing of the results is ongoing with a program of modelling specific conductor picks to refine potential drill targets.

In October 2019, the Company completed a rock sampling program, a follow-up of the 2018 VTEM Plus airborne electromagnetic and magnetic survey which identified a significant number of high priority conductors throughout the property.

The 2019 rock sampling comprised selective grab samples of bedrock of which 30 samples were chosen for analysis and 126 samples for whole rock and trace element analysis to aid in alteration studies. Of the 30 rocks analyzed 10 were over limit and had to be re-analyzed by assay techniques. Of note are the two samples from the Kash Zone which comprises a nine-kilometre trend defined by variable strength conductors, low resistivity and magnetic highs. The best sample from Kash returned 5.1 g/t Au, 123 g/t Ag and 3.1 % Cu from a small exposure on the edge of a swamp from quartz, biotite, garnet schist with disseminated chalcopyrite. Similarly rocks from the Golsil zone were high in silver and sample 1588601 returned 2.9 g/t Au, 484 g/t Ag and 7.2 % Cu. ( see news release dated July 29th, 2019)

The Sabin project is primarily centered on extensive VMS-style alteration and mineralization. However, the 2020 sampling program has identified a bulk tonnage-style gold target within the Patterson Lake Stock where sampling returned shows gold values up to 1.4 g/t from grab samples.

### Highlights of the 2020 Sampling Results

- Continued follow-up sampling of airborne conductors identified in recent VTEM Plus survey
- New gold zone sampled at Quarry Showing within the Paterson Lake Stock (high sample 1.4 g/t gold)
- High gold and zinc values returned from newly sampled Hadley showing. (high sample 4.25 g/t gold, 10.4% zinc)

A sampling program conducted in the fall of 2020 (results released in 2021, see news release dated January 15, 2021) identified a bulk tonnage-style gold target within the Paterson Lake Stock where sampling returned gold values up to 1.4 g/t from grab samples. Work in 2021 included additional sampling in the vicinity of the Quarry and Hadley showings.

Results have been received but are in the process of review and compilation. A planned IP survey to cover the Quarry showing has been delayed pending granting of a work permit.

### **October Dome, BC**

The October Dome gold property is in central BC, near the town of Likely. The October Dome property is located 10 km north of Imperial Metals Corporation's ("Imperial") Mt. Polley porphyry copper gold mine property and 7 km to the southeast of Osisko Gold Royalties Ltd.'s QR skarn gold mine property. The October Dome claims are subject to net smelter return ("NSR") royalties of between 1.5% and 2%. In 2013 a 1,086-metre (six holes) diamond drill program by the previous property owner targeted the northern end of a four-kilometre-long gold and arsenic soil anomaly that is coincident with an induced polarization (IP) chargeability anomaly. Holes OD-5 through OD-7 encountered diorite and monzonite intrusions within hornfelsed sediments and propylitized basalts. Hole OD-6 encountered a 15-metre core length of massive magnetite skarn with semi-massive pyrite layers accompanied by chalcopyrite, epidote and garnet at the sediment/basalt contact. A nine-metre section of this skarn assayed 0.7 gram per tonne gold, including a three-metre length that returned 1.3 g/t Au. For full details of the drill program reference should be made to Bearing Resources news release dated December 3, 2013.

In November 2018, Commander completed magnetic surveys and data compilation on the October Dome property. Magnetic susceptibility measurements were collected from historical core drilled on the property as an aid to interpret the ground magnetic survey that was previously undertaken. In October 2019, the Company completed ground magnetic surveys. However, the data was partially compromised due to equipment failure. In addition, two lines of soil sampling to the north of the existing grid encountered elevated gold and arsenic numbers that extend the anomaly 200 metres farther north. Additional geological mapping on the steep northern slopes was also completed and was continued in 2021. This data was incorporated into the project database and will be used in subsequent work programs. Key targets on the property focused area are gold-bearing magnetite skarns associated with alkalic-style porphyry copper-gold systems.

The June 2021 work program on the October Dome property consisted of 6 days of mapping, soil and rock sampling along the steep slopes along the Quesnel River. A total of 17 rock and 11 soil samples were collected. Additionally, proposed drill trails and pad locations were surveyed and flagged in to target the Au mineralized skarn horizon intersected in OD-06. The June 2021 work program on the October Dome property consisted of 6 days of mapping, soil and rock sampling along the steep slopes along the Quesnel River. A total of 17 rock and 11 soil samples were collected. Additionally, proposed drill trails and pad locations were surveyed and flagged in to target the Au mineralized skarn horizon intersected in OD-06. Two test pits were excavated by hand in areas where the magnetite skarn horizon should surface below till cover and returned 4 of 6 samples >50 ppb Au and a high of 65 ppb Au from samples collected at surface, ~50 cm and ~1 m depths within each pit. The highest Au values in each pit were collected at the deepest point in the pits where tills with angular fragments (basal till?) were encountered. The greatest difference was observed in Pit 1 where the top two samples returned 11 ppb Au and the bottom sample returned 50 ppb Au and demonstrates how strongly the sampled medium affects soil results.

Angular pebbles sampled from the pits were also highly anomalous in Au with 3 of 5 samples returning >100 ppb Au including a high of 201 ppb Au. Angular rock fragments were either propylitically altered and silicified monzodiorite or basalt which are to be expected as the mineralized skarn horizon is adjacent to both units.

Additional soil sampling near the Quesnel River also returned samples highly anomalous in Au in soil with the lowest sample returning 17 ppb Au and the highest 372 ppb Au suggesting the skarn horizon outcrops upslope of all the samples.

Analytical work was performed by Bureau Veritas in Vancouver, BC. Rocks were crushed, split and pulverized with a subset of 250 g rock sieved to 200 mesh and analyzed for gold by fire assay fusion Au by ICP-ES 30 and soils were analyzed by selecting an 80-mesh subsample and analyses by aqua-regia and Ultratrace ICP-MS analysis.



**Henry Lee, BC**

This property was acquired 100% based on regional compilations of government geoscience data and are targeting porphyry copper-style deposits. In September 2018, the Company completed preliminary mapping and sampling of soils and rocks. Three lines spaced 200 metres apart with samples were collected at 100 m intervals, a single silt sample and the collection of 10 rocks. The soil sample results outline a sporadic elevated copper in soil anomaly (>200 ppm Cu) over the 600 metres covered by the sampling. A solitary silt sample located a further 400 metres to the north returned 545 ppm copper suggesting a possible additional extension to the area of anomalous copper. The sampling was discontinuous due to a series of large swamps.

On March 1, 2019, the Company entered into a purchase agreement to acquire a 100% interest in two mineral claims adjacent to Commander's Henry Lee property. The total consideration was \$56,500 (\$25,000 in cash (paid) and 350,000 shares at \$0.09 per share for \$31,500 (issued)). The vendor retains a 1% net smelter return royalty and is entitled to receive a one-time royalty payment of \$1,000,000 upon the commencement of commercial production. The Company acquired additional claims totalling 1,374 ha by map-staking during the year ended December 31, 2019.

The Company completed soil sampling and geological mapping in the fall of 2019. Results from this sampling returned elevated but discontinuous molybdenum and local copper values northerly from the current grid. Till cover is extensive and exposed bedrock is rare.

In July 2020, a field program of geological mapping and rock sampling was completed over the main target area at the south end of the property. Thirteen rock samples were collected over three days of geological mapping. The known extents of the granodiorite body were refined to the south and west. Numerous zones of "ksp" altered quartz veins were observed but minimal Cu or Mo returned in sampling. One float boulder of stockwork quartz/k-feldspar veined granodiorite returned 15 ppm Mo and 298 ppm Cu. Along the southeast margin of the granodiorite a shear vein (~ 0.5 m wide) in basalt containing quartz-calcite-pyrite-chalcopyrite occurs and extends in rubbly outcrop for a minimum of 60 m. Three samples collected from this vein returned up to 47 g/t Ag, 0.41% Cu with anomalous Pb, Zn, Mo and Au.

Analytical work was performed by Bureau Veritas in Vancouver, BC. Rocks were crushed, split and pulverized with a subset of 250 g rock sieved to 200 mesh and analyzed for gold by fire assay fusion Au by ICP-ES 30 and soils and silts were analyzed by selecting an 80-mesh subsample and analyses by 4 Acid digestion and Ultratrace ICP-MS analysis.

In January 2022, additional claims were acquired to the south of the original claim block expanding the property by 652 hectares.

**Omineca, BC**

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

Previous work on the Omineca project included reconnaissance prospecting, mapping and geochemical sampling, which identified high copper and gold soil geochemistry within the property in a porphyry copper-gold setting. 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.

A compilation of historical work was undertaken during the first half of 2017. Additional claims were added to the property to cover possible extensions of the soil anomaly to the south of the existing targets. Reconnaissance geological mapping and soil sampling was completed in August 2017. A total of 8 rock and 58 soil samples were collected to delineate the southern boundary of Au in soils in historical soil data. This program succeeded in extending the Au in soil anomaly another 1 km along strike to a combined size of 1 x 5 km area with > 100 ppb Au which is open to the south and east. A vein sampled in this area returned 20.9 g/t Au.

In September 2018, a program of geological mapping and prospecting of the eastern gold/copper soil anomaly was completed. This eastern portion of the larger soil anomaly is associated with propylitic and fe-carbonate alteration of diorite and volcanic with local magnetite stockworks. Analytical results for 57 rocks samples comprised grab samples from talus (transported) and bedrock were received in December 2018. Of the 57 samples analyzed, 6 samples returned

values greater than 1,000 ppm copper. Bureau Veritas in Vancouver BC performed analytical work. Rocks were crushed, split and pulverized with a subset of 250 g rock sieved to 200 mesh and analyzed for gold by fire assay fusion Au by ICP-ES 30. In September 2019, a day of geological mapping and sampling was completed, and results are being currently compiled.

The Omineca Property was first explored by UMEC Mining Corp. and subsequently by Commander Resources (originally operating as Major General Resources) which has collected most of the historical data and presented it within Press Releases. The entire historical dataset has been reviewed and in some cases been verified through test sampling by Commander VPX, Stephen Wetherup, P.Geo. who acts as a "qualified person" under NI43-101 compliant under Standards of Disclosure for Mineral Projects. From resampling and geological review of the data by Commander suggests that the analytical results are reasonable however locations of samples collected prior to 2000 are deemed to vary from 10 to 20 m from actual location due to errors in exploration grids. All geochemical data was analyzed by accredited Canadian laboratories Bureau Veritas or ALS Minerals (ALS-Chemex) throughout the years and these data appear to be accurate. See news dated September 25, 2012 posted on SEDAR and for Commander Resources.

Exploration work in August 2021 comprised 4 days of mapping, soil sampling and rock sampling. A total of 50 soil samples and 49 rock samples were collected throughout the property with a focus on verifying historical soil anomalies and extending the coverage of the historical soil grids to the west and north as well as verifying historical mapping. Rock sampling occurred throughout the soil sampled areas and focussed on identifying the source of historical Cu and Au. Results are pending.

#### [Mount Polley, BC \(optioned to Imperial Metals Inc. who is the operator\)](#)

The Mount Polley property is located adjacent to Imperial Metal Corp.'s ("Imperial") Mount Polley open-pit copper gold mine, which is approximately 100 km northeast of Williams Lake, BC. The claims are subject to a NSR of up to 2%. The Mount Polley property had previously included an additional parcel (~37 hectares) that was previously sold to Imperial and over which the Company also retains a royalty. That royalty is \$2.50 per tonne for the first 400,000 tonnes of material milled and the \$1.25 per tonne for all tonnes milled in excess of 400,000 tonnes. The royalty per tonne in excess of 400,000 tonnes milled can be reduced to \$0.62 per tonne by Imperial making a payment of \$1 million. The Company is entitled to 90% of the royalty payments.

On October 25, 2019, Commander entered into an option agreement with a wholly owned subsidiary of Imperial granting Imperial the option to earn a 100% interest in certain mineral claims within the Mount Polley copper-gold property. Commander has a 100% interest in the property except a certain portion which is 90% owned by Commander and 10% by an arm's length private company.

Total cash consideration receivable by Commander is \$250,000 with 90% due to Commander and 10% to the private company staged in three payments:

- 1) \$50,000 upon signing (\$45,000 received, representing Commander's 90% interest);
- 2) \$100,000 on or before December 31, 2021 (received subsequent to Dec 31, 2021 with 10% payable to the private company); and
- 3) \$100,000 on or before December 31, 2022.

In addition to cash payments, a production royalty of \$1.25 per tonne-milled royalty will be due to Commander and the private company. At any time after exercise of the Option, Imperial shall have the right upon payment of \$1,000,000 to Commander to reduce the production royalty to 50% of the production royalty.

Imperial has informed Commander that they had completed an exploration program at Mount Polley in late 2019. The area is located west and north of the mine and is approximately three by three kilometres in size. There were 948 soil samples collected and analyzed using the Mobile Metal Ion technique. SJ Geophysics also completed an 80.7 line-kilometre Voltterra-3D Induced Polarization (IP) survey covering the same grid area. No work has been undertaken for 2021.

**Burn, BC (optioned to Freeport McMoRan – Commander is the operator)**

The Burn property was acquired by map-staking in October 2018 and expanded further in November 2018. The property covers a large prominent gossan which is underlain by extensive pyrite rich phyllic alteration of quartz, biotite feldspar porphyry reflective of a potential porphyry copper system. Ten rock samples were collected, of which three were greater than 200 ppm copper and one sample returned 0.11% copper. Analytical work was performed. Rocks were crushed, split and pulverized with a subset of 250 g rock sieved to 200 mesh and analyzed for gold by fire assay fusion Au by ICP-ES 30.

In July 2019, the Company entered into an earn-in agreement with Freeport-McMoRan Mineral Properties Canada Inc. ("Freeport") allowing Freeport to earn up to a 75% interest in the Burn property by making a total cash payment of \$560,000 and spending \$2,500,000 in exploration expenditures over eight years (2019~2026). As of the report date, the Company has received cash payments of \$110,000 (2020 - \$60,000, 2021 - \$50,000).

The completion of the earn-in conditions will result in a joint venture of 75% for Freeport and 25% for Commander. If either party dilutes to less than a 10% interest, that interest would be replaced with a 1% net smelter return royalty. The Company is the project operator until Freeport vests a 51% interest. As the operator of the project, the Company earns a 5% as management fee on the exploration expenditures.

Field work began in July 2019 and comprised property wide geological mapping, stream silt sampling, soil sampling and rock sampling. Sample density was low to enable a first pass property wide coverage. A total of 579 soil, 89 silt and 85 rock samples were collected and analyzed for multi-elements on the property resulting in the identification of four high priority target areas: (1) Main, (2) Central, (3) AA, and (4) Bowl characterized by a combination of elevated copper and gold in soils and phyllic alteration. Rock samples were analyzed with a Terraspec unit to determine alteration minerals. Rocks were crushed, split and pulverized with a subset of 250 g rock sieved to 200 mesh and analyzed for gold by fire assay fusion Au by ICP-ES 30.

In July 2020, a field program of geological mapping and rock sampling was completed in an area highlighted by previous sampling in what is referred to as the Central Zone. The Central zone is underlain by numerous phases of feldspar-biotite-hornblende monzonite and quartz monzonite dykes and stocks exhibiting alteration from chlorite to chlorite-magnetite, and moderate quartz-sericite-pyrite (QSP) to intense QSP with local quartz veinlets. In one location, angular boulders of K-feldspar-biotite-magnetite altered feldspar-biotite porphyry monzonite with sheeted and stockwork magnetite-quartz veins with K-feldspar haloes was discovered.

Reconnaissance soil sampling in the Central zone has identified several anomalous Au-Cu and Mo areas including one discrete region on the west side where three samples over 300 m returned 500 ppb Au to 3900 ppb Au. Silt sampling from one of the north flowing creeks draining the Main zone returned anomalous Cu-Mo-Au throughout. In 2020, 23 samples were collected around the anomalous gold in soil samples including samples of talus fines collected directly downhill from soil sample pits. The bedrock in this area is mainly underlain by a biotite-feldspar porphyry monzonite stock and intensely QSP altered and pyrite vein stockworks. The stock is cut by a series of sheeted WNW striking vertical pyrite veinlets with strong QSP altered haloes. Rock grab samples include 4 samples greater than 250 ppb Au including one sample of 1,586 ppb Au with low Cu tenors, again typical at high-levels in porphyry Cu-Au systems. (See news release dated November 13, 2020)

In October 2021, Commander, as project operator, completed a single line of Induced polarization surveying and collected soils samples in the area of the central anomaly within the Burn Copper-Gold property under option to Freeport McMoRan. Final survey results as well as analytical data are pending.

**South Voisey's Bay, Labrador (optioned to Fjordland Exploration – managed by joint committee)**

The South Voisey's Bay property (29,400 hectares) is located in central Labrador approximately 80 km due south of the operating Voisey's Bay nickel mine and covers parts of the Pants Lake gabbro complex in the South Voisey's Bay area. The Pants Lake Complex contains host rocks with alteration and nickel mineralization styles that are geologically similar to the Voisey's Bay host rocks.

On June 5, 2017, Commander and Fjordland entered into a Letter of Intent ("LOI") whereby Fjordland has the option to acquire the remaining 85% interest in the project by making a total cash payment of \$290,000, issuing a total of 4,500,000 Fjordland shares and spending \$8,000,000 in exploration expenditures. Upon Fjordland vesting a 100% interest, Commander will retain a 2% NSR. Fjordland has the right to buy back 1% of the NSR for either \$5,000,000 in cash or \$2,500,000 in cash plus \$2,500,000 in Fjordland's common shares. When commercial production starts, Fjordland will make an advance royalty payment of \$10,000,000 to Commander.

In October 2017, Fjordland completed its first 20% earn-in option by spending \$600,000 in exploration. As such, its vested interest in the property increased to 35%.

In October 2017, Fjordland completed a drill program of 1,469 metres which tested six shallow UTEM geophysical targets. The best results were from holes 17-2 which returned 0.8 metres grading 0.63% nickel, 0.30% copper and 0.1% cobalt and hole 17-6 which returned 3.9 metres grading 0.37% nickel, 0.27% copper and 0.1 % cobalt ( see news release dated January 18, 2018).

Fjordland's 2018 exploration program comprised 1,253.2 metres of core drilling in 11 holes along with property wide geological mapping. The 2018 drilling program was designed to test the role of structure in controlling magma emplacement, and sulphide accumulation. Several drill holes were selected to test conductive structures interpreted from reprocessing of historical geophysical data that occur close to structures interpreted from satellite images and geological mapping. Overall results were low with higher grades being associated with basal accumulations of sulphides over narrow thicknesses. The intersections comprise clots and semi-massive sulphide comprised primarily of pyrrhotite with minor pentlandite and chalcopyrite occurring at or near the base of gabbro sills. Geological structural mapping and prospecting programs were also completed during the 2018 field operation. (see news release dated October 24, 2018)

Field work in 2019 consisted solely of ground based geological activities including mapping and re-logging of selected portions of previously drilled core. This activity included the systematic collection of density measurements of core which will, in combination with the high-resolution digital elevation model created in 2018, allow for a refined gravity model for the property using a property wide database collected in the 1990's.

Project partners Fjordland Exploration Inc. and Ivanhoe Electric Inc. completed a Low Temperature ("LT") Superconducting Quantum Interference Device ("SQUID") Moving Loop Transient Electromagnetic ("MLTEM") survey on the South Voisey's Bay ("SVB") nickel copper cobalt project in Labrador. The survey was completed by Discovery International Geophysics Inc., headquartered in Saskatoon. Preliminary review of the survey data has indicated the presence of conductors that may warrant drill testing however final data processing is still in progress by survey contractors Discovery International Geophysics Inc. under the supervision of project partner Ivanhoe Electric. Inc.

On September 23, 2021, Fjordland announced that it had entered a binding Letter of Intent with Vulcan Minerals Inc. to acquire a 100% interest in 30 mineral claims (750 hectares) located in the South Voisey's Bay ("SVB") area, Labrador. This property falls within the Area of Interest of the original Commander/Fjordland agreement and thus becomes subject to any joint venture or royalty interest due to Commander under the original agreement.

In November 2021, Commander has received option payments of \$40,000 in cash and 400,000 Fjordland shares. Commander has also been notified by Fjordland that it has also completed the required minimum \$3,000,000 in project expenditures since initiation of the option agreement, thereby earning a 75% interest in the SVB project under its joint venture with Commander (see news release dated June 5, 2017 for option terms).

**MEXICO**

**Pedro, Durango (optioned to Southern Empire who is the operator)**

The wholly owned Pedro claims located approximately 100 km from the city of Torreon. Pedro are consisted of a number of targets including the HP Breccia prospect, a gold in soil anomaly extending over a 4000m x 600m in area that coincides with extensive silicified sedimentary breccias and conglomerate, and the Las Lajas gold prospect.

A drill program by previous operators comprised 11 drill holes totaling 1,744 metres, of which two holes (409 metres) were cored and the remaining drilled by reverse circulation. Areas tested included the HP breccia prospect and its northern extension, approximately three kilometres. The best results were encountered in hole LP-013-R that returned a core length of 10.5 metres grading 0.51 gram per tonne gold from silicified conglomerate of the Ahuichila formation. For full details of the drill program reference should be made to Bearing Resources news release dated July 3, 2014.

A work program was completed in December 2018 which comprised on site geological mapping and a remote sensing survey consisting of the creation of a hi-resolution digital elevation model and a WorldView-3 Alteration Mineral Mapping exercise. Results of the remote sensing program were received in January 2019. Preliminary review of the results indicate that the target is highlighted by elevated sericite and hydroxyl minerals. Additional alteration minerals including alunite and kaolinite occur in areas that have not been visited and will guide additional planned work in the future. A subsequent site visit was completed in April 2019 including community meetings and a limited mapping program.

In October 2019, the Company completed 70 line-km Induced Polarization survey covers the main HP breccia and related zones. The induced polarization ("IP") survey outlined the known zones and distinguished discreet deep features below the conglomerate which are interpreted to be feeders to the surface mineralisation. The IP targets show elevated resistivity with associated low to moderate chargeability. Results indicate that some surface exposed zones are strata-bound along the basal contact of the Ahuichila formation while adjacent zones have a deep vertical expression reflecting possible feeder structures. In addition, the survey outlined targets beneath post mineral cover, suggesting a much larger footprint to the system.

In November 2020, a soil sampling program was conducted on the property to fill in areas previously unsampled or that were sampled at a low density. In March 2021, analytical results received outlined a new 1.5-kilometre gold and arsenic soil anomaly parallel to the main trend in the northwest area of the property.

(See news dated September 16, 2012 and July 2, 2014 (Newmont DDH) posted on SEDAR under Bearing Lithium) , and news dated February 19th, 2020 and March 30th, 2021 for Commander Resources.

In July 2021, the Company granted Southern Empire an option to earn a 100% interest in its three mineral claims of the Pedro project in Mexico.

On February 1, 2022, the Letter agreement was modified to allow initial payments to proceed. The terms of the option agreement are as follows:

- Initial payment of \$25,000 (received) and 100,000 shares (received)
- Consideration comprises \$700,000 in cash staged over 4 payments over 3 years and 100,000 shares of Southern Empire
- Exploration expenditures total \$1,500,000 of which \$400,000 to be expended within the first year of the option agreement
- Cash payments for the second (\$125,000), third (\$250,000) and fourth (\$300,000) can be made by the shares of Southern Empire
- A 2% NSR royalty with no provision for a buydown

On January 25, 2022, Southern Empire commenced drilling at Pedro and by April completed 6 core holes for a total of 856.3 metres. Notable observations include short intervals of silicified conglomerate with disseminated and vein controlled arsenic minerals including orpiment and realgar. Top results include 15.23 m @.577 grams/tonne gold (g/t Au) in hole P22-03 (core length). Trace element association, alteration and regional setting indicate a possible "Carlin-like" mineral system. (See News dated April 27, 2022)

**Hammerdown, Newfoundland and Labrador (1% NSR interest)**

In March 2020 Maritime Resources Corp. ("Maritime") released the results from a Preliminary Economic Assessment ("PEA") completed for their Hammerdown gold project ("Hammerdown"), including the satellite Orion deposit, located in the Baie Verte mining district of Newfoundland and Labrador. The PEA provides an updated resource estimate and a base-case assessment of developing the project as a combined open-pit and underground ramp-access mine with an on-site gold preconcentration plant and mineral processing through the Nugget Pond mill gold circuit (a toll milling facility). Details of the PEA are summarized in Maritime's news release dated March 2, 2020 and within the PEA document filed on Sedar.

Commander held a 2% net smelter return royalty ("NSR") on Hammerdown pursuant to the Option and Royalty Agreement on the Green Bay Property dated June 14, 2010. Maritime had the right to reduce the NSR to 1% for \$1,000,000 at the start-up of their commercial production. Commander's royalty does not apply to the satellite Orion Deposit. Allowed deductions include transportation costs and toll milling charges.

On September 16, 2020, Maritime and Commander agreed to an early exercise of the buy-back of 1% NSR for an amended price of \$750,000 which Commander received on September 17, 2020 upon the completion of the transaction.

**Flume, Yukon**

In March 2017, the Company entered into an option agreement with K2 Gold Corporation ("K2") granting K2 the option to acquire a 100% interest in the Flume gold property. In August 2018, K2 terminated the option agreement. As K2 had only partially met its 2018 exploration commitment, K2 issued 285,238 common shares with a value of \$65,615 to the Company, to settle remaining unspent exploration expenditure amounts. Additionally, the Company received option payments from K2 comprising \$35,000 in cash and 100,000 common shares with a fair value of \$27,500, totaling aggregate option proceeds received of \$128,115 during the year ended December 31, 2018.

In June 2019, the Company engaged a consulting firm and completed a review and reinterpretation of historical exploration data of the Flume property. In September 2019, the Company completed fieldwork which included geological mapping, rock sampling and re-logging of historical cores. Twenty-five grab rock samples were collected, of which 5 were greater than 100 ppb gold. Analytical work was performed. Rocks were crushed, split and pulverized with a subset of 250 g rock sieved to 200 mesh and analyzed for gold by fire assay fusion Au by ICP-ES 30. No work was performed in 2020 or 2021.

**Nepisiguit, New Brunswick**

The Nepisiguit property consists of 55 contiguous mineral claim units (1,203.9 hectares) located approximately 40 km southwest of the city of Bathurst, New Brunswick within the eastern section of the Bathurst Mining Camp one of Canada's most important base metal mining districts. Base metal mineralization has been encountered through drilling in 46 of 69 holes drilled on the Property to date, generally related to iron formations located near the boundary between the Flat Landing Brook and the Nepisiguit Falls formations. Disseminated and stockwork mineralization has also been encountered in Nepisiguit Falls formation rock to the eastern extent of the Property.

The Nepisiguit property area has been explored by various companies and individuals since 1955. Two exploration targets exist for future exploration efforts. The easternmost target is interpreted as a stringer zone situated below a possible massive sulphide Brunswick horizon and to the west, iron formations typically associated with Brunswick horizon massive sulphides occur at depth.

In 2018, the Company compiled data in preparation for a NI 43-101 compliant technical report. In 2019, a site visit was carried out for further data compilation. No work was performed in 2020 or 2021.



**SUMMARY OF QUARTERLY RESULTS**

	2022	2021				2020		
	Mar 31 \$	Dec 31 \$	Sep 30 \$	Jun 30 \$	Mar 31 \$	Dec 31 \$	Sep 30 \$	Jun 30 \$
Royalty income	-	25,000	-	-	-	25,000	750,000	-
(Loss) income for the period	(128,873)	(210,013)	(316,081)	(150,574)	(205,641)	(338,329)	396,456	(165,874)
Total comprehensive (loss) income for the period	(264,033)	(42,203)	(506,281)	(113,304)	(138,641)	(374,299)	51,226	597,696
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	0.01	(0.01)

**RESULTS OF OPERATIONS**

***For the three months ended March 31, 2022 and 2021 (“Q1”)***

The Company incurred a loss of \$128,873 during the three months ended March 31, 2022 as compared to \$205,641 for the same period in 2021. The lower loss for 2022 Q1 versus prior year’s Q1 is primarily attributable to option payments of \$39,500 (cash of \$25,000 and shares valued at \$14,500) received on the Pedro property in Mexico. Other variances for the comparing quarters of 2022 and 2021 are: (a) consulting fees, (b) professional fees, (c) investor and shareholder relations, and (d) exploration and evaluation (“E&E”) expenditures. The variance details are as below.

*Consulting fees for 2022 Q1 were \$27,000 (2021 - \$31,950)*

The lower consulting fees for the first quarter of 2022 were due to the retirement of the VP Corporate Development who had provided project consulting up to December 31, 2021.

*Professional fees for 2022 Q1 were \$9,689 (2021 - \$1,507)*

During the first quarter of 2022, tax consulting fees of \$8,700 were incurred with respect to the preparation and filings of the 2021 flow-through share issuance and the renouncing of qualifying project expenditures to the respective investors.

*Investor and shareholder relations for 2022 Q1 were \$34,442 (2021 - \$47,938)*

In 2022 Q1, the Company streamlined its investors programs resulting in lower costs comparative to 2021 first quarter.

*E&E expenditures for 2022 Q1 were \$21,645 (2021 – 49,654)*

The reduced E&E expenditures of 2022 Q1 were due to: a) lower assaying costs of \$14,392; and b) the 2022 claim maintenance fees of the Pedro project were paid by the optionee, Southern Empire, comparing to 2021’s maintenance fees of \$11,378 paid by the Company.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company is at the exploration stage and no revenue has been generated to date. The Company has been relying on equity financings and sales of marketable securities to continue its operations. At March 31, 2022, the Company had cash and cash equivalents of \$523,665, working capital of \$1,395,662 and current liabilities of \$118,450.

In September 2021, the Company raised an equity financing for gross proceeds of \$662,540, of which \$288,160 were raised from the issuance of flow-through shares (“FTS”) and \$374,380 from issuing units (“Units”). The proceeds from FTS are to advance exploration on the Company’s projects and the proceeds from Units are for general working capital.

As at the date of this report, the COVID-19 pandemic continues to spread as variants globally. It remains uncertain of its duration and extent despite vaccines have been developed. The global economy is in slow recovery and high inflation with the financial and commodity markets continue to be volatile. These circumstances have casted uncertainty in the Company’s liquidity and going concern.

### OUTSTANDING SHARE DATA

As at May 24, 2022, the Company had:

Common shares issued and outstanding: 39,453,896

Stock options outstanding and exercisable:

Options outstanding #	Options exercisable #	Exercise price \$	Expiry date	Weighted average remaining life (years)
886,000	886,000	0.17	July 12, 2023	1.15
760,000	760,000	0.07	June 12, 2024	2.07
530,000	530,000	0.14	November 12, 2025	3.49
1,460,000	1,410,000	0.17	October 28, 2026	4.45
<b>3,636,000</b>	<b>3,586,000</b>	0.14		<b>3.00</b>

Warrants outstanding:

Number of Warrants	Exercise price (\$)	Expiry date	Weighted average remaining life (years)
701,118	0.25	March 9, 2023	0.81
400,000	0.25	March 20, 2023	0.84
1,101,118	0.25		0.82

### OFF BALANCE SHEET ARRANGEMENTS and PROPOSED TRANSACTIONS

As of the report date, the Company has no off-balance sheet arrangements or proposed transactions.

### COMMITMENT

As at March 31, 2022, the Company has a lease commitment of \$15,238 for its office rental in Vancouver, British Columbia, expiring on August 31, 2022.

### RELATED PARTY TRANSACTIONS

#### Compensation of Key Management

Key management includes the Company's directors, President and Chief Executive Officer, VP Exploration, former VP Corporate Development, Chief Financial Officer and Corporate Secretary. Their remuneration was as follows:

	Nature of Compensation	Transactions for the three months ended March 31,		Balance outstanding March 31,	
		2022 \$	2021 \$	2022 \$	2021 \$
President and CEO	Salary and benefits	40,417	40,325	-	-
Vice President, Exploration	Project evaluation	20,700	33,338	-	12,586
Vice President, Corp Development <sup>(1)</sup>	Consulting	-	7,500	-	-
Corporate Secretary	Consulting	10,500	9,600	-	-
Chief Financial Officer	Consulting	14,700	13,500	-	-
		<b>86,317</b>	<b>104,263</b>	<b>-</b>	<b>12,586</b>

<sup>(1)</sup> The VP Corporate Development retired in October 2021.

#### Other related party transaction

During the three months ended March 31, 2022, office rents of \$nil (2021 - \$9,142) were paid to a company related by way of a common former director.



## **FINANCIAL INSTRUMENT**

Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. On initial recognition, a financial asset is classified as: amortized cost, fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”).

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held with the objective of collecting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment’s fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

All financial assets not classified as amortized cost or FVOCI are classified as and measured at FVTPL. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as FVTPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial asset has been classified as amortized cost, FVFP or FVOCI. Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as amortized cost or FVTPL. Financial assets and financial liabilities classified as amortized cost are measured subsequent to initial recognition using the effective interest method.

Loss allowances for ‘expected credit losses’ are recognized on financial assets measured at amortized cost. A loss event is not required to have occurred before a credit loss is recognized.

The Company has classified and measured its financial instruments as below:

<u>Financial assets</u>	<u>Classification</u>	<u>Subsequent measurement</u>
Cash and cash equivalents	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Marketable securities	FVOCI	Fair value
Reclamation bond	Amortized cost	Amortized cost
<u>Financial liabilities</u>	<u>Classification</u>	<u>Subsequent measurement</u>
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Lease liability	Amortized cost	Amortized cost
Loan payable	Amortized cost	Amortized cost

## **FINANCIAL RISK MANAGEMENT**

### **Fair value**

The carrying values of receivables, reclamation bond, accounts payable and accrued liabilities approximate their fair values due to their 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 marketable securities are 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's financial assets are insufficient in meeting its financial obligations as they become due. The Company manages this risk by forecasting cash flows from operations and anticipated investing and financing activities to ensure there is sufficient liquidity to meet the obligations. As at March 31, 2022, the Company had cash and cash equivalents of \$523,665 to settle its current liabilities of \$118,450. In September 2021, the Company completed a non-brokered private placement for gross proceeds of \$662,540, of which \$288,160 in flow-through shares and \$374,380 in units. Proceeds from the flow-through shares are used to advance exploration on the Company's projects and proceeds from the Units are for general working capital.

### **Credit risk**

Credit risk is the risk that if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is equal to the carrying value of cash and cash equivalents and receivables. Receivables primarily comprises \$4,331 in sales tax recoverable due from the federal government of Canada. To minimize the credit risk, Commander deposits its cash and cash equivalents with a high credit-rating financial institution.

### **Price risk and foreign currency 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. Commander is exposed to price risk with respect to its marketable securities. A 10% change in the share prices would affect their fair values and comprehensive loss (income) by \$94,956 (December 31, 2021 - \$107,022).

## **RISKS AND UNCERTAINTIES**

Mineral exploration involves high degree of risks. There is a significant probability that the expenditures made in the Company's properties will not result in discoveries of economically viable quantities of minerals. Ongoing costly expenditures are required to locate and estimate ore reserves, the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial. Commander's principal risks are as follows:

### **Financing**

Exploration development of mineral deposits is an expensive process. The Company has no producing properties to generate operating revenues. It is dependent on selling equity in the capital markets to provide financing for its continuing exploration activities. While the Company has been successful in obtaining equity financing 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.

As of the report date, COVID-19 continues to spread as variants around the world. The pandemic continues to affect global economic recovery and has resulted in commodity price fluctuations and financial market volatility. It remains undeterminable around the duration of the pandemic which has casted uncertainties on the Company's ability to raise financing to continue its operations.

### **Exploration**

The Company is seeking mineral deposits of commercial quantities on its exploration projects. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings. The failure to establish such economic concentrations 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.

### **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. Commander'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.

### **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. The price of various metals 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. 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.

### **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, production, 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 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.



---

## HEAD OFFICE

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

**TEL:** (604) 685-5254

**TOLL FREE:** 1-800-667-7866

**Email:** [info@commanderresources.com](mailto:info@commanderresources.com)

## OFFICERS & DIRECTORS

Brandon Macdonald, P.Geo.  
*Director and Chairman of the Board*

Eric W. Norton  
*Director*

David Watkins, M.Sc.  
*Director*

Kelly Bateman  
*Director*

Vanessa Pickering  
*Director*

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

Stephen Wetherup, P.Geo.  
*Vice President, Exploration*

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: 39,453,896

## REGISTRAR & TRUST AGENT

Computershare Trust Company of Canada  
510 Burrard Street, 3rd Floor  
Vancouver, BC  
V6C 3B9

## AUDITOR

Davidson & Company LLP, Chartered Accountants  
1200 - 609 Granville Street  
P.O. Box 10372, Pacific Centre  
Vancouver, British Columbia  
V7Y 1G6

## LEGAL COUNSEL

Harper Grey LLP  
3200 – 650 West Georgia Street  
Vancouver, British Columbia  
V6B 4P7