



**Condensed Interim Consolidated**  
**Financial Statements**  
**FOR THE NINE MONTHS ENDED**  
**SEPTEMBER 30, 2018**  
**(unaudited)**

### **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 interim consolidated financial statements in accordance with standards established by the Canadian Professional Accountants of Canada.

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

As at	September 30, 2018	December 31, 2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,961,819	\$ 379,422
Receivables	21,120	9,103
Prepaid expenses	63,554	20,300
Marketable securities (Note 3)	1,418,710	1,678,400
	<b>3,465,203</b>	<b>2,087,225</b>
<b>Non-current assets</b>		
Marketable securities (Note 3)	330,000	880,000
Reclamation bond	18,000	-
Exploration and evaluation assets (Note 4)	206,080	264,966
Equipment (Note 5)	60,341	-
	<b>614,421</b>	<b>1,144,966</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,079,624</b>	<b>\$ 3,232,191</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 37,964	\$ 25,976
<b>EQUITY</b>		
Share capital (Note 6)	41,112,235	39,700,632
Reserves (Note 6)	863,808	214,124
Accumulated other comprehensive loss	(1,558,950)	(1,143,010)
Deficit	(36,375,433)	(35,565,531)
	<b>4,041,660</b>	<b>3,206,215</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 4,079,624</b>	<b>\$ 3,232,191</b>

Nature of operations (Note 1)  
Commitment (Note 8)

*Approved on behalf of the Board of Directors on November 29, 2018:*

"Eric Norton"  
Director

"Brandon MacDonald"  
Director

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

**COMMANDER RESOURCES LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**(EXPRESSED IN CANADIAN DOLLARS)**

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2018	2017	2018	2017
<b>EXPENSES</b>				
Accounting and audit (Note 7)	\$ 18,475	\$ 13,638	\$ 48,177	\$ 47,023
Administration	14,998	14,612	52,209	47,803
Amortization (Note 5)	1,728	-	1,843	-
Consulting (Note 7)	19,000	24,000	67,000	72,000
Legal	2,375	2,237	10,537	15,200
Filing fees and transfer agent	3,602	1,780	21,183	10,736
Investor and shareholder relations	23,255	11,153	90,571	72,682
Salary and benefits (Note 7)	37,745	26,765	91,369	80,143
Share-based compensation (Note 6)	124,710	-	124,710	675
Exploration and evaluation costs (Note 4(e))	7,080	7,618	43,485	30,186
	<b>252,968</b>	<b>101,803</b>	<b>551,084</b>	<b>376,448</b>
<b>Other (income)</b>				
Interest and miscellaneous income (Note 4(c))	(1,210)	(1,169)	(2,620)	(9,200)
Foreign exchange (gain) loss	(1,087)	193	(1,486)	(401)
Loss on sale of marketable securities (Note 3(b))	178,190	-	178,190	-
Cost recoveries on exploration and evaluation assets (Note 4(a), (d))	-	-	(81,250)	-
Impairment on exploration and evaluation assets (Note 4(c))	80,879	1,933,200	176,432	1,933,200
<b>Loss before taxes</b>	<b>509,740</b>	<b>2,034,027</b>	<b>820,350</b>	<b>2,300,047</b>
Income tax expense (recovery)	-	10,448	(10,448)	10,448
<b>Loss for the period</b>	<b>509,740</b>	<b>2,044,475</b>	<b>809,902</b>	<b>2,310,495</b>
<b>Other comprehensive (income) loss</b>				
Items that may be reclassified to profit and loss				
Fair value adjustment on available-for-sale marketable securities (Note 3)	937,380	(86,970)	594,130	1,786,130
Transfer on sale of available-for-sale marketable securities	(178,190)	-	(178,190)	-
<b>Comprehensive loss for the period</b>	<b>\$ 1,268,930</b>	<b>\$ 1,957,505</b>	<b>\$ 1,225,842</b>	<b>\$ 4,096,625</b>
<b>Basic and diluted loss per common share</b>	<b>\$ 0.02</b>	<b>\$ 0.09</b>	<b>\$ 0.02</b>	<b>\$ 0.10</b>
<b>Weighted average number of shares outstanding - basic and diluted</b>	<b>27,554,198</b>	<b>23,060,514</b>	<b>35,300,772</b>	<b>23,060,514</b>

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

**COMMANDER RESOURCES LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**(EXPRESSED IN CANADIAN DOLLARS)**

	Share Capital		Reserves			Accumulated	Deficit	Total
	Number of Shares	Amount	Options	Warrants	Total Reserves	Other Comprehensive (Loss) income		
<b>Balance, December 31, 2016</b>	<b>23,060,514</b>	<b>\$ 39,700,632</b>	<b>\$ 281,933</b>	<b>\$ 40,000</b>	<b>\$ 321,933</b>	<b>\$ 550,000</b>	<b>\$ (32,506,757)</b>	<b>\$ 8,065,808</b>
Reclassification of grant date fair value on expired options	-	-	(53,363)	-	(53,363)	-	53,363	-
Share-based compensation	-	-	675	-	675	-	-	675
Loss for the period	-	-	-	-	-	-	(2,310,495)	(2,310,495)
Fair value adjustment on marketable securities	-	-	-	-	-	(1,786,130)	-	(1,786,130)
<b>Balance, September 30, 2017</b>	<b>23,060,514</b>	<b>\$ 39,700,632</b>	<b>\$ 229,245</b>	<b>\$ 40,000</b>	<b>\$ 269,245</b>	<b>\$ (1,236,130)</b>	<b>\$ (34,763,889)</b>	<b>\$ 3,969,858</b>
<b>Balance, December 31, 2017</b>	<b>23,060,514</b>	<b>\$ 39,700,632</b>	<b>\$ 214,124</b>	<b>\$ -</b>	<b>\$ 214,124</b>	<b>\$ (1,143,010)</b>	<b>\$ (35,565,531)</b>	<b>\$ 3,206,215</b>
Share-based compensation	-	-	124,710	-	124,710	-	-	124,710
Private placement (Note 6)	12,240,258	1,591,234	-	489,610	489,610	-	-	2,080,844
Share issue costs	-	(144,267)	-	-	-	-	-	(144,267)
Finder's warrants	-	(35,364)	-	35,364	35,364	-	-	-
Loss for the period	-	-	-	-	-	-	(809,902)	(809,902)
Other comprehensive loss for the period	-	-	-	-	-	(415,940)	-	(415,940)
<b>Balance, September 30, 2018</b>	<b>35,300,772</b>	<b>\$ 41,112,235</b>	<b>\$ 338,834</b>	<b>\$ 524,974</b>	<b>\$ 863,808</b>	<b>\$ (1,558,950)</b>	<b>\$ (36,375,433)</b>	<b>\$ 4,041,660</b>

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

**COMMANDER RESOURCES LTD.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(EXPRESSED IN CANADIAN DOLLARS)**

	For the nine months ended September 30,	
	2018	2017
<b>Operating activities</b>		
Loss for the period	\$ (809,902)	\$ (2,310,495)
Items not affecting cash:		
Amortization	1,843	-
Share-based compensation	124,710	675
Loss on sale of marketable securities	178,190	-
Cost recoveries on exploration and evaluation assets	(81,250)	-
Impairment on exploration and evaluation assets	176,432	1,933,200
Changes in non-cash working capital:		
Receivables and prepaid expenses	(55,271)	(3,657)
Accounts payable and accrued liabilities	(14,023)	(22,027)
Advance from optionee	-	(18,630)
	<b>(479,271)</b>	<b>(420,934)</b>
<b>Financing activities</b>		
Common shares issued	2,080,844	-
Share issue costs	(144,267)	-
	<b>1,936,577</b>	<b>-</b>
<b>Investing activities</b>		
Expenditures on exploration and evaluation assets	(151,535)	(100,534)
Exploration and evaluation assets - option receipts	45,000	35,000
Proceeds from sale of marketable securities	311,810	-
Reclamation bond	(18,000)	-
Purchase of equipment	(62,184)	-
	<b>125,091</b>	<b>(65,534)</b>
Change in cash and cash equivalents	1,582,397	(486,468)
Cash and cash equivalents, beginning of period	379,422	998,429
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,961,819</b>	<b>\$ 511,961</b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank - Canadian dollars	\$ 1,423,601	\$ 90,280
Cash at bank - Mexican pesos	4,065	2,266
Short-term deposits - Canadian dollars	534,153	419,415
<b>Cash and cash equivalents in Canadian dollars</b>	<b>\$ 1,961,819</b>	<b>\$ 511,961</b>

Supplemental cash flow information (Note 9)

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

**COMMANDER RESOURCES LTD.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**  
*(EXPRESSED IN CANADIAN DOLLARS)*

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## 1. NATURE OF OPERATIONS

Commander Resources Ltd. (“Commander” or the “Company”) was incorporated in Canada and its records and registered office are at Suite 1100 - 1111 Melville Street, Vancouver, British Columbia, V6E 3V6.

The Company is in the business of acquisition and exploration of mineral properties. In September 2016, the Company acquired all the issued and outstanding common shares of BRZ Mex Holdings Ltd. (“BRZM”) from Bearing Resources Ltd. BRZM and its wholly-owned subsidiary, Minera BRG SA de CV (“Minera BRG”), together own 100% interest of four mineral properties in Canada (October Dome, Mt. Polley and Flume) and Mexico (Pedro) (Note 4(a)).

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations in the normal course of business. Commander and its subsidiaries are in the business of acquisition and exploration of mineral properties in Canada and Mexico. The Company has incurred ongoing losses and will continue to incur further losses in the course of developing its mineral properties. At September 30, 2018, the Company had a deficit of \$36,375,433 and working capital of \$3,427,239. The Company has been relying on the issuance of share capital and the sales of marketable securities to fund its operations. Although Commander has been successful in the past in raising equity financing, there is no assurance that such financing will be available with terms acceptable to the Company. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and comply with IAS 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 audited consolidated financial statements for the year ended December 31, 2017.

These financial statements have been prepared on the historical cost basis, except for certain financial instruments classified as fair value through profit or loss and available-for-sale which are stated at fair value; additionally, they were prepared using the accrual basis of accounting except for cash flow information.

### Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, BRZM and Minera BRG (Note 4(a)). 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 judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management the use of estimates, assumptions and judgment that impact the Company’s reported financial results. These judgments and estimates are based on historical experiences and expectations of future events. Uncertainty on these judgments could result in material reassessments of the carrying amounts in the Company’s financial position.

**COMMANDER RESOURCES LTD.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Exploration and evaluation assets (“E&E assets”)**

The Company capitalizes costs related to the acquisition and exploration of E&E assets. From time to time the Company may acquire or dispose an E&E asset pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as acquisition costs when the payments are made.

If economically recoverable reserves are developed, capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, its capitalized expenditures in excess of estimated recoveries are written off to profit or loss.

When the Company receives proceeds in the form of cash and/or common shares from an option of interest or a partial sale in a property, the payments are credited against the carrying value of the property and the excess amount of the proceeds over the carrying value is recorded as a gain in profit and loss in the period. When all of the interest in a property is sold, the accumulated property costs are written off with any gain or loss recorded in profit and loss in the period the transaction occurs.

**Impairment of long-lived assets**

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be individually tested

are grouped together into the smallest group of assets that generates cash inflows or CGUs. The Company’s corporate assets do not generate separate cash inflows and may be utilized by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

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

**New, amended and future accounting pronouncements**

IFRS 9, *Financial Instruments*, was issued in July 2014 and replaces IAS 39 by providing a revised model for classification and measurement, introducing a new “expected credit loss” impairment model for financial assets and a reformed approach to hedge accounting. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, as such, the accounting policy with respect to financial liabilities is unchanged. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has assessed the standard and does not expect it to have any significant impact on its condensed interim consolidated financial statements.



**COMMANDER RESOURCES LTD.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

IFRS 16, *Leases*, was issued in January 2016 and replaces IAS 17. The standard requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect any significant impact on its condensed interim consolidated financial statements from this standard.

**3. MARKETABLE SECURITIES**

	September 30, 2018	December 31, 2017
<b><i>Common shares of public companies:</i></b>		
Fair value, beginning of period	\$ 2,558,400	\$ 4,162,160
Additions (Note 4(a), (c), (d))	96,250	89,250
Proceeds from sales of marketable securities, net of commission	(311,810)	-
Realized loss on sales of marketable securities	(178,190)	-
Unrealized loss on marketable securities	(415,940)	(1,693,010)
<b>Fair value, end of period</b>	<b>\$ 1,748,710</b>	<b>\$ 2,558,400</b>
Current	\$ 1,418,710	\$ 1,678,400
Non-current (Note 3(a))	330,000	880,000
	<b>\$ 1,748,710</b>	<b>\$ 2,558,400</b>

Commander has determined that it does not hold 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. Certain common shares with trade restriction dates more than a year from the reporting date are classified as non-current assets.

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

On February 18, 2016, Aston issued 11,000,000 common shares to Commander with a fair value of \$2,640,000 for the acquisition of the Storm Property (Note 4(e)). The 11,000,000 common shares are held in a four-year escrow and will be released in four equal tranches of 2,750,000 shares on each anniversary date starting February 18, 2017 to 2020. At September 30, 2018, Commander held 9.36% (December 31, 2017 – 13.87%) of Aston's total outstanding common shares.

b) *Maritime Resources Ltd. ("Maritime")*

*Option to Purchase Shares Agreement*

On April 6, 2016, an existing Option Agreement between the Company and Maritime was amended regarding the time frames and purchase prices of 8,000,000 Maritime shares that Maritime or its nominees had the option to purchase from the Company. Details of the amended agreement were as follows:

<b>Optioned Shares (Tranches)</b>	<b>Time Frame and Conditions</b>
<ul style="list-style-type: none"> <li>- Up to 2,000,000 shares; plus</li> <li>- 1,500,000 shares carried forward</li> </ul>	<ul style="list-style-type: none"> <li>- On or before February 28, 2017</li> <li>- At a price equal to \$0.25 per share.</li> <li>- <b>Tranche was not completed.</b></li> </ul>
<ul style="list-style-type: none"> <li>- Up to 2,000,000 shares; plus</li> <li>- Any shares carried forward from the previous tranche</li> </ul>	<ul style="list-style-type: none"> <li>- March 1, 2017 to August 31, 2017.</li> <li>- At a price equal to the greater of (i) \$0.31 per share, and (ii) 85% of the volume weighted average price of Maritime's shares for the 10 trading days immediately preceding the date exercise.</li> <li>- <b>Tranche was not completed.</b></li> </ul>

**COMMANDER RESOURCES LTD.**  
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**3. MARKETABLE SECURITIES (CONTINUED)**

On August 31, 2017, the Option Agreement expired and was no longer in force. The derivative liability derecognized upon this expiry on August 31, 2017 was \$nil.

In September 2018, 3,500,000 Maritime shares were sold at \$0.09 per share for net proceeds of \$311,810. At September 30, 2018, Commander held 3.47% (December 31, 2017 – 9.31%) of Maritime’s total outstanding common shares.

**4. EXPLORATION AND EVALUATION ASSETS**

Commander’s exploration and evaluation assets are located in Canada and Mexico. As at September 30, 2018, the cumulative expenditures on exploration and evaluation assets were as follows:

Note	BC			Yukon	Labrador	Nunavut	Mexico	Other	Total
	Oct Dome 4(a)	Mt. Polley 4(a)	Henry Lee, Burn Prop. 4(b)	Flume 4(a)	South Voisey’s Bay 4(c)	Baffin 4(d)	Pedro 4(a)	Properties 4(e)	
<b>Balance, December 31, 2017</b>	\$ 1	\$ 1	\$ -	\$ 1	\$ 264,957	\$ 1	\$ 1	\$ 4	\$ 264,966
Acquisition costs	172	-	3,164	-	-	-	-	3,139	6,475
<i>Exploration cost:</i>									
Helicopter	-	-	20,347	-	-	-	-	9,486	29,833
Geophysics, geology	18,662	-	4,900	-	-	-	-	98,590	122,152
Travel and lodging	5,787	-	625	-	-	-	-	3,069	9,481
Field supplies and licenses	2,400	-	323	-	-	-	-	3,363	6,086
Assaying and soil sampling	-	-	3,519	-	-	-	-	-	3,519
<i>Option payments received:</i>									
In cash	-	-	-	(35,000)	(10,000)	-	-	-	(45,000)
In shares	-	-	-	(27,500)	(50,000)	(18,750)	-	-	(96,250)
Changes in the period	27,021	-	32,878	(62,500)	(60,000)	(18,750)	-	117,647	36,296
Cost recoveries (impairment)	-	-	-	62,500	(139,693)	18,750	-	(36,739)	(95,182)
<b>Balance, September 30, 2018</b>	\$ 27,022	\$ 1	\$ 32,878	\$ 1	\$ 65,264	\$ 1	\$ 1	\$ 80,912	\$ 206,080

**a. Bearing Asset Acquisition**

On September 23, 2016, the Company acquired 100% of the issued and outstanding share capital of Bearing Resources Ltd.’s wholly owned subsidiaries, BRZ Mex Holdings Ltd. (“BRZM”) and Minera BRG SA de CV (“Minera BRG”) (the “Transaction”). The Transaction was a related party transaction with the Chief Executive Officer being a common executive/director for both Bearing and Commander (see Note 7).

The Transaction was treated as an asset acquisition and the total consideration was \$678,900 consisting of: (i) \$18,900 in cash and (ii) 12,000,000 common shares of Commander with a fair value of \$660,000.

BRZM and Minera BRG own a 100% interest in four mineral properties in Canada and Mexico: October Dome, Mt. Polley, Flume and Pedro. As there were no other significant assets or liabilities acquired in the acquisition, the consideration was allocated to the exploration and evaluation assets acquired as follows:

October Dome	\$ 574,122
Mt. Polley	36,429
Flume	68,348
Pedro	1
	<u>\$ 678,900</u>

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**4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

As part of the acquisition, the Company also acquired royalty interests as follows:

- Jay East Royalty with Precipitate Gold (now Golden Predator) – 2% NSR with a right for the Company to buy down to 1% for \$1,000,000.
- VF Royalty with Aben Resources - 2% NSR with a right for the Company to buy down to 1% for \$1,500,000 and \$15,000 annual advance royalty payments beginning March 1, 2018.
- Boundary Zone Royalty with Imperial Metals - 90% interest in a royalty (Glengarry 10%) of \$2.50 per tonne milled for first 400,000 tonnes thereafter \$1.25/tonne milled. This second rate can be bought down/reduced by the Company to \$0.62 per tonne milled for \$1,000,000.

On December 31, 2017, after impairment evaluations on October Dome, Mt. Polley, Flume and Pedro properties, the Company wrote off a total of \$639,945 as the Company has no significant work planned on the four properties.

**October Dome and Mt. Polley, BC**

Magnetic surveys and data compilation were carried out in August 2018 and completed in November 2018.

**Flume, Yukon**

On March 6, 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 property.

The commitment schedule was as follows:

<b>Earn-in Option</b>	<b>Commitment Timeline</b>	<b>Cash</b>	<b>Common Shares</b>	<b>Exploration</b>
Initial 60% Option	March 6, 2017	\$25,000 (received)	100,000 (received with a fair value of \$35,000)	\$ -
	March 6, 2018	\$35,000 (received)	100,000 (received with a fair value of \$27,500)	\$200,000 (\$134,385 incurred) (\$65,615 issued in shares)
	March 6, 2019	\$50,000	150,000	\$ -
	March 6, 2020	\$75,000	150,000	\$ -
	March 6, 2021	\$215,000	500,000	\$1,800,000
	<b>Total</b>		<b>\$400,000</b>	<b>1,000,000</b>
Final 40% option	<b>over 3 years</b>	<b>\$250,000</b>	<b>2,000,000</b>	<b>\$3,000,000</b>

In August 2018, K2 elected to terminate the Flume option agreement. As K2 had only partially met its 2018 exploration commitment of \$200,000, on September 25, 2018, it issued 285,283 common shares to the Company to settle the remaining outstanding amount of \$65,615. The common shares were issued at a deemed price of \$0.23, based on the 20-day volume weighted average price.

**b. Henry Lee and Chrystal Properties, BC**

In August and September 2018, the Company completed preliminary mapping and sampling (soils and rocks) on the Henry Lee and Chrystal properties located in central BC. These properties were acquired 100% by the Company based on regional compilations of government geoscience data and are targeting porphyry copper-style deposits.

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**4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

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

In September 2014, the Company signed an option agreement with Fjordland Exploration Inc., ("Fjordland") granting it an option to earn a 75% interest in the South Voisey's Bay property. During 2014 and 2015, Commander received from Fjordland a total of \$350,000 which had been fully expended on the property in fiscal year 2017. As the operator of the project, Commander earned management fees of \$nil (2017 - \$1,944) during the nine months ended September 30, 2018.

In August 2015, the option agreement was terminated and in December 2015, both parties agreed that Fjordland had earned a 15% interest in the project. On March 23, 2016, Commander completed the transfer of a 15% interest of the project to Fjordland.

On June 5, 2017, the Company and Fjordland entered into a Letter of Intent ("LOI") whereby Fjordland has the option to acquire the remaining 85% interest per the following earn-in schedule:

<b>Earn-in Option</b>	<b>Completion Date</b>	<b>Cash</b>	<b>Common Shares</b>	<b>Exploration</b>
First Option (20%) (completed)	TSX Venture Exchange's Approval Date (July 26, 2017)	\$ -	200,000 (received with a fair value of \$28,000)	\$ -
	On or before October 31, 2017 (completed)	\$ -	-	\$600,000
Second Option (40%)	On or before July 26, 2018	\$10,000 (received)	250,000 (received with a fair value of \$50,000)	\$ -
	On or before July 26, 2019	\$15,000	300,000	\$ -
	On or before July 26, 2020	\$25,000	350,000	\$ -
	On or before October 31, 2021	\$40,000	400,000	\$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>

In December 2017, Fjordland completed the first option and is now vested at 35% interest in the property. Upon Fjordland vesting 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 commencement of commercial production, Commander will receive a \$10,000,000 advance royalty payment.

During the year ended December 31, 2017, the Company performed an impairment assessment of the South Voisey's Bay project based on the terms of the LOI with Fjordland. The assessment determined that the project's carrying value was lower than the recoverable amount, which is the greater of the its value in use ("VIU") and its fair value less cost to sell ("FVLCS"). The recoverable amount was determined to be the FVLCS. In calculating the FVLCS, the Company used significant assumptions and estimates as follows: i) discount rate of 15%, ii) probability-weighted cash flows from the option payments, and iii) probability-weighted fair values of Fjordland's common shares to be received, with an estimated share price of \$0.35. As a result, the Company recognized an impairment loss of \$1,933,200 in profit or loss of 2017.

During the nine months ended September 30, 2018, the Company reviewed the recoverable amount of the project. The probability-weighted fair values of Fjordland's common shares to be received have decreased due to the drop of the initially estimated share price from \$0.35 to \$0.10. As a result, the Company recognized further impairment of \$139,693 in profit or loss.

**COMMANDER RESOURCES LTD.**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

**d. Baffin, Nunavut**

On May 8, 2017, Commander entered into an option agreement with Kivalliq Energy Corporation (“Kivalliq”) allowing Kivalliq to acquire a 100% interest in the Baffin property which includes 6 mineral claims and the signed 2017 Mineral Exploration Agreement (“MEA”) with NTI on two blocks within Inuit Owned Land parcel BI-35 (“IOL BI-35”). Terms of the option agreement are as follows:

Commitment Timeline	Cash	Common Shares	Other Commitment
May 8, 2017	\$10,000 (received)	25,000 (received with a fair value of \$26,250)	-
On or before May 8, 2018	\$ -	25,000 (received with a fair value of \$18,750)	None
At a Bankable Feasibility Study	\$ -	50,000	None
Upon commencement of commercial production	\$6,000,000	-	None
<b>Total</b>	<b>\$6,010,000</b>	<b>100,000</b>	None

In June 2018, Kivalliq changed its name to ValOre Metals Corp. (“ValOre”). On March 27, 2018, Commander received 250,000 ValOre shares (2017 – 250,000 shares) as an option payment on the Baffin property. As a result, ValOre has vested a 100 % interest in the property. Commander will retain a 0.25% to 0.5% NSR royalty on the Baffin optioned lands. In addition, ValOre will grant Commander a 0.25% NSR on Kivalliq’s Baffin mineral tenures contiguous to Commander’s Baffin optioned lands. Financial terms of the option agreement may be adjusted up until the date of the first royalty payment to reflect the possible impact of any past commercial arrangement or interests.

The Baffin project had been inactive from 2013 to 2016. The exploration camp over this period was subject to damage from weather. In November 2016, the Company filed a Remedial Action Plan with the government authorities for the site cleanup. Cleanup costs of \$50,000 were estimated and accrued to exploration and evaluation assets in December 2016. In August 2017, the cleanup was completed with total costs of \$93,638. At December 31, 2017, \$65,870 was written off from the Baffin property.

**e. Other Properties**

The Company holds interests in other properties in Canada. The carrying values of these 100% wholly owned properties were as follows:

Province	Property	Resource	September 30, 2018	December 31, 2017
Ontario	Sabin	copper-zinc	\$ 80,909	\$ 1
New Brunswick	Nepisiguit / Stewart	copper-zinc	1	1
British Columbia	Omineca	copper-gold	1	1
British Columbia	Rebel	Zinc-lead	1	1
			<b>\$ 80,912</b>	<b>\$ 4</b>

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**4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

**Sabin, Ontario**

Commander's ownership interests on the property vary from 58.5% to 100%.

On March 6, 2017, Commander entered into a conditional agreement with Roughrider Exploration Inc. ("Roughrider") allowing Roughrider to acquire up to a 100% interest in the Sabin property. On May 31, 2017, Roughrider informed the Company that it would not proceed with the agreement. During the due diligence period (March to May 2017), Roughrider expanded the Sabin property by 2,983 hectares which were transferred to Commander for consideration of \$13,829. This amount was capitalized as acquisition costs and written off as at December 31, 2017 as the Company has no significant work planned on the property.

In September and October, 2018, the company completed an airborne versatile time domain electromagnetic survey (VTEM) on the Sabin project located in Northwestern Ontario, Canada, about 10 kilometres north of the community of Savant Lake. The Sabin zinc property is in the Sturgeon Lake greenstone belt. The airborne survey consisted of 370-line kilometres of electromagnetic and magnetic surveying by Geotech Ltd. of Aurora, Ont., using its latest generation VTEM plus system. Results are expected by the fiscal year-end of 2018.

**Nepisiguit/Stewart, New Brunswick**

The Company owns 100% of the properties subject to a 2.75% NSR retained by the Optionor. The NSR is subject to a buy-down to 1% NSR for \$1,500,000. In August 2018, data compilation was initiated to aid a 30-year annual report to meet government compliance.

**Omineca, BC**

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

**Rebel, BC**

In November 2016, the Company acquired the Rebel zinc and lead property by way of staking. Upon an assessment of the property at December 31, 2017, an impairment loss of \$32,901 was recognized in profit and loss. In May 2018, the Company staked additional claims on the Rebel property.

**Storm Property, Nunavut**

On February 18, 2016, Aston Bay issued 11,000,000 common shares to Commander with a fair value of \$2,640,000 for the acquisition of the Storm Property. As a result, a gain of \$1,951,462 was recognized on the sale transaction. The Aston shares are held in a four-year escrow (see Note 3(a)).

Commander retains a 0.875% Gross Overriding Royalty ("GOR") after the property is brought into production. Aston has the right to buy down the GOR from 0.875% to 0.4% for \$4,000,000.

**Olympic and Rob, Yukon**

The Company owns 100% interest in the Olympic and Rob properties subject to a 1% NSR registered to Blackstone Ventures Inc., on the Rob property. The NSR may be reduced to 0.5% at any time for \$1,000,000. The carrying value was historically written off as the project lies within a proposed environmentally protected area. In April 2016, the Yukon Government provided additional relief from assessment work due to the uncertainties surrounding the Peel Watershed plan and the claims are now in good standing until January 1, 2019.

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**4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

**Tam, BC**

The Company is entitled to a 1.5% NSR on the property. Teck Resources Ltd. and its partner, Lorraine Copper Corp., now own 100% of the property subject to a 3% NSR, which is subject to a buy-down to 1% for \$2,000,000. An annual advance royalty payment of \$25,000 is payable to the Company which began on December 31, 2012, and is capped at \$250,000. As of September 30, 2018, the Company has received a total of \$150,000 in advance royalty payments which are recorded as royalty income.

**Exploration and Evaluation Costs**

During the nine months ended September 30, 2018, project researches, data compilation on certain inactive projects as well claim maintenance fees on the Pedro properties in Mexica were incurred in the amount of 43,485 (2017 - \$30,186).

**5. EQUIPMENT**

<b>Cost</b>	Field		<b>Total</b>
	Equipment	Computers	
December 31, 2017	\$ -	\$ -	\$ -
Addition	55,254	6,930	62,184
September 30, 2018	\$ 55,254	\$ 6,930	\$ 62,184
<b>Accumulated amortization</b>			
December 31, 2017	\$ -	\$ -	\$ -
Amortization	(1,381)	(462)	(1,843)
September 30, 2018	\$ (1,381)	\$ (462)	\$ (1,843)
<b>Net book value</b>			
December 31, 2017	\$ -	\$ -	\$ -
September 30, 2018	\$ 53,873	\$ 6,468	\$ 60,341

**6. SHARE CAPITAL**

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

**Share consolidation**

On May 17, 2018, the Company completed a consolidation of its common shares on the basis of five (5) pre-consolidation shares for one (1) new share. Post to the consolidation, the Company's issued and outstanding shares at May 17, 2018 were 23,060,514.

**Private placement**

On May 18, 2018, the Company closed a non-brokered private placement and issued 12,240,258 units at \$0.17 per unit ("Unit") for gross proceeds of \$2,080,844. Each Unit consists of one share and one transferrable share purchase warrant ("Warrant") with each Warrant entitling the holder to purchase one additional common share at \$0.25 per share until May 18, 2020. Finders' warrants of 517,883 were also issued, entitling the holder to purchase an additional common share at \$0.25 per share until May 18, 2020. The Company incurred related share issuance costs in filing, legal and finders' fees totaling \$144,267.

The Company uses the residual method with respect to the measurement of the values assigned to common shares and share purchase warrants associated with the private placement. As such, \$1,591,234 was recorded to share capital and \$489,610 to warrant reserve.

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**6. SHARE CAPITAL (CONTINUED)**

**Warrants**

At the time of issuance on May 18, 2018, the 517,883 finders' warrants were valued at \$35,364 using the Black-Scholes pricing model with these assumptions: expected life of 2 years, risk-free interest rate of 2.03%, expected volatility of 129.68% and zero expected dividend yield. Expected volatility was determined based on the historical movements in the closing price of the Company's shares for a length of time to the expected life of each warrant.

At September 30, 2018, the Company's outstanding warrants were as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
<b>Balance, December 31, 2017</b>	-	\$ -
Issued	12,758,141	\$0.25
<b>Balance, September 30, 2018</b>	<b>12,758,141</b>	<b>\$0.25</b>

**Stock options**

The Company adopted a 10% rolling stock option plan at the Annual General and Special Meeting held on July 12, 2018. Stock options granted to directors, employees and consultants have a five-year term and the exercise price and the vesting period are determined by the Board of Directors at the time of the option grant.

The Company's outstanding stock options at September 30, 2018 were as follows:

	<b>Number of options</b>	<b>Weighted average exercise price</b>
<b>Balance, December 31, 2016</b>	<b>2,235,000</b>	<b>\$0.30</b>
Expired	(281,000)	(0.50)
<b>Balance, December 31, 2017</b>	<b>1,954,000</b>	<b>\$0.25</b>
Granted	886,000	\$0.17
<b>Balance, September 30, 2018</b>	<b>2,840,000</b>	<b>\$0.225</b>

During the nine months ended September 30, 2018, nil option expired (2017 - 281,000 options with an exercise price of \$0.50 expired). As a result, the fair values of the 2017 expired options of \$53,363 were reclassified to deficit from option reserves.

At September 30, 2018, the Company's outstanding and exercisable stock options were as follows:

<b>Expiry date</b>	<b>Options outstanding and exercisable</b>	<b>Options exercisable</b>	<b>Exercise price</b>	<b>Weighted average remaining contractual life (in year)</b>
February 7, 2019	374,000	374,000	\$ 0.25	0.61
July 17, 2020	520,000	520,000	\$ 0.25	2.04
March 16, 2021	800,000	800,000	\$ 0.25	2.71
June 9, 2021	260,000	260,000	\$ 0.25	2.94
July 12, 2023	886,000	836,000	\$ 0.17	4.78
	<b>2,840,000</b>	<b>2,790,000</b>		<b>2.95</b>



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**6. SHARE CAPITAL (CONTINUED)**

**Option grant**

On July 12, 2018, the Company granted 886,000 incentive stock options to directors, officers and consultants. The stock options are exercisable for five years until July 12, 2023, at an exercise price of \$0.17 per share.

**Share-based compensation**

The fair values of the stock options granted in July 2018 were calculated using a Black-Scholes pricing model with the following assumptions:

	For the nine months ended	
	September 30,	
	2018	2017
Risk-free interest rate	2.07%	-
Expected annual volatility	162.59%	-
Expected life (in year)	5	-
Expected dividend yield	0%	-
Forfeiture rate	0%	-
Weighted average fair value of option	\$0.149	-

**7. RELATED PARTY TRANSACTIONS**

**Services**

During the nine months ended September 30, 2018, Commander paid office rents of \$29,883 (2017 - \$27,631) to a company related by way of a common director. No amount was due to this related party at September 30, 2018.

**Compensation of Key Management**

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

	Nature of Compensation	For the nine months ended	
		September 30,	
		2018	2017
President and Chief Executive Officer	Salary and benefits	\$ 91,369	\$ 80,143
Vice President, Corporate Development	Consulting	22,500	22,500
Vice President, Exploration	Consulting and exploration and evaluation costs	43,400	47,700
Chief Financial Officer	Accounting and audit	36,000	36,000
Corporate Secretary	Consulting	27,000	27,000
		220,269	213,343
Share-based payments	Stock options	78,465	-
		\$ 298,734	\$ 213,343

**8. COMMITMENT**

The Company has a commitment of \$96,543 for its Vancouver office lease expiring on August 31, 2020.

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**9. SUPPLEMENTAL CASH FLOW INFORMATION**

There were no significant non-cash transactions for the nine months ended September 30, 2018 and 2017.

	<b>For the nine months ended</b>	
	<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>
Marketable securities received for exploration and evaluation assets (Note 4(a), (d))	\$ 96,250	\$ 89,250
Reclassification of fair value on expired options from reserves to share capital (Note 6)	-	53,363
Exploration and evaluation assets in accounts payable and accrued liabilities	<b>26,011</b>	<b>50,143</b>
Other cash flow information:		
Interest received	\$ 1,960	\$ 4,256
Income tax paid	-	10,448

**10. SEGMENT INFORMATION**

The Company operates in one single reportable segment, being the acquisition and exploration of resource properties. The Company's non-current assets are located in Canada and Mexico. The carrying value of the Company's non-current assets in Mexico total \$1 (2017 - \$1). The carrying value of the Company's non-current assets in Canada as at September 30, 2018 were \$614,421 (December 31, 2017 - \$1,144,966).

**11. CAPITAL MANAGEMENT**

The Company defines its capital as all components of 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 nine months ended September 30, 2018. The Company is not subject to externally imposed capital requirements.

**12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Fair value**

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, accounts payable and accrued liabilities.

The carrying values of receivables, 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 levels of the fair value hierarchy are 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 and anticipated investing and financing activities to ensure there is sufficient liquidity to meet the obligations. At September 30, 2018, the Company had cash and cash equivalents of \$1,961,819 to settle its current liabilities of \$37,964. On May 18, 2018, the Company raised a financing of \$2,080,844 which provides sufficient liquidity for the next twelve months.

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**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 comprise GST receivable. To minimize the credit risk, Commander places cash and cash equivalents at 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, other than those arising from interest rate risk or foreign currency risk. 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 \$174,871. In September 2016, the Company acquired exploration and evaluation assets located in Mexico (Note 4(a)) and may be subject to future foreign currency risk. The risk as at September 30, 2018, was insignificant.



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

For the nine months ended  
September 30, 2018

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**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 time lines, 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, November 29, 2018 (the "Report Date") and should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2018. 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).

**BUSINESS OF THE COMPANY**

Commander Resources Ltd. ("Commander") is in the business of acquisition, exploration and development of resource properties. In September 2016, Commander acquired from Bearing Resources Ltd. ("Bearing") 100% of the issued and outstanding shares of BRZM which included BRZM's wholly-owned subsidiary, Minera BRG. BRZM and Minera BRG together hold a 100% interest of four exploration stage properties in Canada and Mexico: October Dome (BC), Mt. Polley (BC), Flume (Yukon) and Pedro (Durango, Mexico). In addition, three royalty interests were also acquired. One of these royalties includes a production-defined royalty on a portion of the Boundary Zone deposit at the Mt. Polley Mine in BC owned by Imperial Metals Corporation.

As consideration, Commander issued to Bearing 12,000,000 shares valued at \$660,000, \$15,000 in cash, plus \$3,900 (the amount equal to cash holdings of BRZM and Minera BRG, less outstanding accounts payable due by these entities). Commander has treated this as an asset acquisition with 100% of the consideration (\$678,900) being attributed to the four mineral properties on a pro rata basis based on their historical carrying values.

Commander, a reporting issuer in B.C. and Alberta, is listed on the TSX Venture Exchange under the symbol "CMD".

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.

**HIGHLIGHTS OF OPERATIONS**

**EXPLORATION ACTIVITIES**

**South Voisey's Bay Project, Labrador**

In March 2018, the Company's project partner, Fjordland Exploration Inc. ("Fjordland"), announced a \$1,200,000 exploration program on the company's South Voisey's Bay ("SVB") project in Labrador. Fjordland's funding was provided by its strategic investor, High Power Exploration Inc. ("HPX").

The large 29,400 Ha SVB Property is located in central Labrador 80 kilometres south of Vale's Voisey's Bay Nickel mine and covers most of the Pants Lake Gabbro Complex. In 2017, Fjordland completed a 1469-metre drill program in which hole 17-6 returned a 3.9 metre interval of semi-massive to massive sulphide comprised of pyrrhotite, pentlandite and chalcopyrite grading 0.37% nickel, 0.27% copper and 0.1 % cobalt at the base of the Worm Gabbro within a sequence of troctolite. Borehole Electro-Magnetic (BHEM) data, collected by Crone Geophysics in November, defined several

extremely high conductivity targets in particularly in holes 17-6 and 17-7 where a strong conductor was associated with the intersected sulphides, and an even stronger non-decaying off-hole conductor.

In July 2018, Fjordland commenced the 2018 phase 1 drill program at the SVB property.

The Company's 2018 exploration program was completed in August and 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 and structural mapping and property-wide prospecting programs were also completed during the 2018 field operation. Mapping was performed within key target areas to refine 2018 drill targets, as well as on a property wide scale to identify and constrain structures like those known to control emplacement of magmatic sulphides in the vicinity of the Voisey's Bay mine. The geological information from drilling and preliminary mapping will guide the refinement of the intrusion history through classification and quantifying of gabbro breccias that will resolve magma pathways and high priority feeders. This work, to be completed this winter, will guide field programs in 2019.

#### **Flume Property, Yukon**

In May 2018, the Company's project partner, K2 Gold Inc. ("K2"), completed a re-interpretation of the geochemical soil data from the Company's Flume Property and confirms two distinct soil anomalies referred to as Ferris and Pirate. The Flume Property is in the west-central Yukon Territory in the Traditional Territory of Tr'ondëk Hwëch'in First Nation.

The gold system footprint at Ferris increases to 2.5 km x 1.5 km and is marked by a distinct circular Mo and Sr halo, possibly indicative of a skarn type deposit. The gold footprint at Pirate increases to an area covering 3.5 km x 1.5 km and correlates well with As and coincident magnetic structural features that are typical of an orogenic style system. First pass historical 2012 diamond drilling at Pirate (FL12-06; 5.76 g/t Au over 2m, FL12-07; 1.57 g/t Au over 1.12m, and FL12-08; 1.35 g/t Au over 2m) were encouraging, but intersected gold values that may be marginal to the best mineralization. (See TSX.V:BRZ press release of November 14, 2012). The distinct geochemical signatures of the both Ferris and Pirate anomalies may indicate that there are multiple modes and sources of gold on the Flume property.

In August 2018, K2 terminated the Flume option agreement and in September 2018 issued 285,283 common shares at the deemed price of \$0.23 to the Company to settle the outstanding 2018 exploration commitment of \$65,615.

#### **Baffin Island Project, Nunavut**

On March 27, 2018, Commander received 250,000 shares (2017 – 250,000 shares) of Kivalliq Energy Corp. ("Kivalliq") as an option payment on the Baffin property. This resulted in Kivalliq vesting a 100 % interest in the Baffin Island gold property in Nunavut, Canada, which includes mineral claims and a recently signed 2017 mineral exploration agreement with Nunavut Tungasuvvingat Inc. on two blocks within Inuit-owned land parcel BI-35 (8,105 hectares). Commander will retain a 0.25% to 0.5% net smelter returns ("NSR") royalty on the ground that was optioned from Commander as well as future milestone payments triggered by a feasibility study and production. Separately, Commander also retains a 0.25% NSR on Kivalliq's regional lands through a previously announced data sales agreement with Kivalliq with respect to regional geoscience data held by Commander pertaining to additional lands held 100% by Kivalliq. Financial terms of the option agreement may be adjusted up until the date of the first royalty payment to reflect the possible impact of any past commercial arrangement or interests. The combined area of the Baffin gold property is 4,089.80 square kilometres. On June 26, 2018, Kivalliq changed its name to Valore Metals Corp. and consolidated its shares on a 1 new for 10 old basis.

**October Dome and Mt. Polley Projects, BC**

Magnetic surveys and data compilation were carried out in August 2018 and completed in November 2018. 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. Key targets on the October Dome target area are gold-bearing magnetite skarns.

**Sabin Project, Ontario**

In September and October, 2018, the company completed an airborne versatile time domain electromagnetic survey (VTEM) on the Sabin project located in Northwestern Ontario, Canada, about 10 kilometres north of the community of Savant Lake. The Sabin zinc property is in the Sturgeon Lake greenstone belt. The airborne survey consisted of 370-line kilometres of electromagnetic and magnetic surveying by Geotech Ltd. of Aurora, Ont., using its latest generation VTEM plus system. Results are expected by year-end.

**Omineca Project, BC**

In August and 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 volcanics with local magnetite stockworks. Analytical results are pending.

**Henry Lee, Chrystal Properties, BC**

In August and September 2018, the Company completed preliminary mapping and sampling (soils and rocks) on the Henry Lee and Chrystal properties located in central BC. These properties were acquired 100% by the Company based on regional compilations of government geoscience data and are targeting porphyry copper-style deposits. Results are pending.

**FINANCING**

**Share Consolidation and Private Placement**

On May 17, 2018, the Company consolidated its common shares on the basis of five (5) existing shares for one (1) new share and on May 18, 2018, it closed a non-brokered private placement of \$2,080,844 and issued 12,240,258 units at \$0.17 per unit ("Unit"). Each Unit consists of one common share and one share purchase warrant ("Warrant") with each Warrant entitling the holder to purchase one additional share at \$0.25 per share until May 18, 2020. Finder's fees were paid in cash of \$105,649 and in warrants of 517,883 units with each finder's warrant entitling the holder to purchase one common shares at \$0.25 per share until May 18, 2020.

**EXPLORATION AND EVALUATION ASSETS**

**CANADA**

**October Dome Property, BC**

The October Dome gold property, is located in the "Quesnel Trough" in central BC, near the town of Likely. The October Dome property is located 10km north of Imperial Metals Corporation's ("Imperial") Mt. Polley porphyry copper gold mine property and 7 km to the southeast of Barkerville Gold Mines 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 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.

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Magnetic surveys and data compilation were carried out in August 2018 and completed in November 2018. 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. Key targets on the October Dome target area are magnetite skarns.

During the year ended December 31, 2017, Commander wrote off \$585,753 from the carrying value of the October Dome property in profit and loss as there was no significant work planned on the property.

**Mt. Polley Property, BC**

The Mt. Polley properties are located adjacent to Imperial's Mt. 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 Mt. Polley properties had previously included an additional area (~37 hectares) adjacent to Imperial's Boundary Zone that was sold to Imperial and over which the Company retains a royalty. The 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. Three royalty payments were received by Bearing in Q1 2012.

Magnetic surveys and data compilation were carried out in August 2018 and completed in November 2018. 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.

At the year ended December 31, 2017, \$37,428 was written off from the Mt. Polley property as Commander has no significant work planned on the project.

**Henry Lee, Chrystal Properties, BC**

In August and September 2018, the Company completed preliminary mapping and sampling (soils and rocks) on the Henry Lee and Chrystal properties located in central BC. These properties were acquired 100% by the Company based on regional compilations of government geoscience data and are targeting porphyry copper-style deposits.

**Flume Property, Yukon**

On March 6, 2017, Commander entered into an option agreement with K2 Gold Corporation ("K2") allowing K2 to acquire a 100% interest in the Flume property as follows:

For the first 60% interest, K2 must make the following commitments:

- Upon signing - \$25,000 and 100,000 shares (received)
- Year 1 - \$35,000 and 100,000 shares (received), and incur \$200,000 in exploration (\$134,385 incurred and \$65,615 issued in shares)
- Year 2 - \$50,000 and 150,000 shares
- Year 3 - \$75,000 and 150,000 shares,
- Year 4 - \$215,000 and 500,000 shares, and incur \$1,800,000 in exploration

In August 2018, K2 terminated the option agreement. As K2 had only partially met its 2018 exploration commitment of \$200,000, on September 25, 2018, it issued 285,283 common shares to the Company to settle the remaining outstanding amount of \$65,615. The common shares were issued at a deemed price of \$0.23, based on the 20-day volume weighted average price.

**South Voisey's Bay Property, Labrador**

The South Voisey's Bay property 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 similar to the Voisey's Bay hosts. Prior to June 5, 2017, the property ownership was 85% Commander and 15% Fjordland Exploration Inc. ("Fjordland")



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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.

The 85% interest can be acquired in 3 stages:

- 1) 20% interest - \$600,000 in exploration by October 31, 2017 (completed) and 200,000 shares (issued)
- 2) 40% interest – cash payment of \$10,000 (received) and 250,000 shares (issued) by July 26, 2018  
cash payment of \$15,000 and 300,000 shares issued by July 26, 2019  
cash payment of \$25,000 and 350,000 shares issued by July 26, 2020  
cash payment of \$40,000 and 400,000 shares issued by July 26, 2021
- 3) 25% interest - \$5,000,000 in exploration incurred by October 31, 2024, \$200,000 in cash and 3,000,000 shares

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.

The property has been expanded to 29,400 hectares including the acquisition of the South Gabbro complex where historical (2002) reconnaissance drilling by Falconbridge had encountered narrow but high-grade nickel values in drilling.

In October 2017, Fjordland completed a drill program of 1,469 metres which tested six shallow UTEM geophysical targets. 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. The intersections are semi-massive to massive sulphide comprised of pyrrhotite, pentlandite and chalcopyrite. Both intersections occur within or at the base of the Worm Gabbro within a sequence of troctolite. They are overlain by several metres of blebby and net textured sulphides. Holes 17-3, 5 and 7 returned low nickel values. Three holes, 17-1, 17-4 and 17-8, located 1.8 km south of hole 17-6 tested a prominent low angle conductor within paragneiss adjacent to an arm of the Worm Gabbro and all three holes encountered zones of high sulphide with low nickel values hosted by structures and sometimes accompanied by mixed gabbro breccia. Borehole Electro-Magnetic (BHEM) data, collected by Crone Geophysics in November, defined several extremely high conductivity targets between holes 17-1, 17-4, and 17-8. In addition, BHEM data from holes 17-6 and 17-7 delineate a strong conductor associated with the intersected sulphides, and an even stronger non-decaying off-hole conductor.

The Company's 2018 exploration program was completed in August and 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 and structural mapping and property-wide prospecting programs were also completed during the 2018 field operation. Mapping was performed within key target areas to refine 2018 drill targets, as well as on a property wide scale to identify and constrain structures like those known to control emplacement of magmatic sulphides in the vicinity of the Voisey's Bay mine. The geological information from drilling and preliminary mapping will guide the refinement of the intrusion history through classification and quantifying of gabbro breccias that will resolve magma pathways and high priority feeders. This work, to be completed this winter, will guide field programs in 2019.

Fjordland has met its initial commitment by spending \$600,000 in exploration by October 31, 2017, its ownership interest in the property has been increased from 15% to 35%.

During the year ended December 31, 2017, the Company performed an impairment assessment of the South Voisey's Bay project based on the terms of the LOI with Fjordland. The assessment determined that the project's carrying value was lower than the recoverable amount, which is the greater of the its value in use ("VIU") and its fair value less cost to sell ("FVLCS"). The recoverable amount was determined to be the FVLCS. In calculating the FVLCS, the Company used significant assumptions and estimates as follows: i) discount rate of 15%, ii) probability-weighted cash flows from the option payments, and iii) probability-weighted fair values of Fjordland's common shares to be received, with an

estimated share price of \$0.35. As a result, the Company recognized an impairment loss of \$1,933,200 in profit or loss in 2017.

During the nine months ended September 30, 2018, the Company reassessed the recoverable value of the project. As the probability-weighted fair values of the common shares to be received from Fjordland had decreased, due to the drop of the initially estimated share price of \$0.35 to \$0.10, a further impairment of \$139,693 was recognized in profit and loss in 2018.

### Baffin Island Project, Nunavut

Historical work by Commander had yielded discovery of numerous orogenic gold occurrences in several geological environments permissive to hosting major gold deposits. Approximately 18,000 m of drilling has been carried out over three prospective areas, known as Malrok, Ridge Lake and Kanosak, with appreciable gold intersections.

Non-core claims were not renewed in 2015. In 2016, a new exploration agreement with Nunavut Tungasuvvingat Inc. ("NTI") was applied for and agreement was reached and signed in December 2016 (effective date of January 1, 2017). The new exploration agreement covers the previously explored Malrock, Ridge Lake and Kanosak targets.

The Baffin project had been inactive from 2013 to 2016. The exploration camp over this period was subject to damage from weather and the Company received government notice for the site cleanup. In November 2016, the Company filed a cleanup plan with the government authorities. In August 2017, the cleanup was completed with a total cost of \$93,638.

On May 5, 2017, Commander entered into an option agreement with Kivalliq Energy Corporation ("Kivalliq") allowing Kivalliq to acquire a 100% interest in the Baffin property which includes six mineral claims (5,948 hectares) and the signed 2017 Mineral Exploration Agreement ("MEA") with NTI on two blocks within Inuit Owned Land parcel BI-35 ("IOL BI-35") (8,105 hectares). In June 2018, Kivalliq changed its name to ValOre Metals Corp. ("ValOre").

*Under the terms of the Option Agreement, ValOre will:*

- make a cash payment of \$10,000 (received) upon execution of the agreement
- issue 500,000 shares (received) within 12 months of execution of the agreement
- fulfill Commander's Year 1 obligations to NTI under the MEA on IOL BI-35 following execution of the agreement (completed)
- issue 500,000 shares at a Bankable Feasibility Study
- make a cash payment of up to \$6,000,000 upon commencement of commercial production

Commander now retains a 0.25% to 0.5% NSR royalty on the Baffin optioned lands. In addition, as part of a data purchase agreement, ValOre grants Commander a 0.25% NSR on ValOre's Baffin mineral tenures contiguous to Commander's Baffin optioned lands. Financial terms of the option agreement may be adjusted up until the date of the first royalty payment to reflect the possible impact of any past commercial arrangement or interests.

On October 25, 2017, the Company announced results from ValOre's 2017 field program. 424 rock samples confirmed high-grade gold in banded iron formation (BIF) and intrusion - metasediment hosted quartz veins. Highlight grab and channel sample assays include:

- 268 g/t Au, (Malrok BIF grab sample)
- 211 g/t Au over 0.5 m and 102.5 g/t Au over 0.5 m (Kanosak quartz vein channel sample)
- 114.5 g/t and 96.2 g/t Au, (Brent quartz vein grab sample)
- 86.14 g/t Au over 0.96 m, includes 193 g/t Au over 0.32 m, (W Kanosak/Qim 4 BIF channel sample)
- 20% of rock samples taken in 2017 (85) were > 0.5 g/t Au

Results from 492 till geochemical samples identified a new 10 km long corridor of anomalous gold at south Kanosak, and further outlined seven anomalous areas warranting follow-up at Kanosak, Brent and Central Belt west.

- Rock and new till geochemical results have extended the strike length of known gold occurrences at Brent, confirmed gold in BIF over 5 km and 6 km at west and north Kanosak, and expanded anomalies around historic gold in till results

- 65 km<sup>2</sup> of high resolution airborne drone imagery flown in key target areas will be used to develop digital surface models and aid structural interpretation.

At December 31, 2017, \$65,870 was written off from the Baffin property.

#### [Sabin Property, Ontario](#)

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

The Company completed a desktop compilation of all pre-existing and historical exploration data. A site visit was carried out in September 2016 that comprised limited geological mapping and GPS surveying of historical drill sites.

On March 6, 2017, Commander entered into a conditional agreement with Roughrider Exploration Inc. ("Roughrider") granting it to acquire up to a 100% interest in the Sabin property. On May 31, 2017, Roughrider advised that it would not proceed with the transaction. Over this due diligence period, Roughrider expanded the property by 2,983 hectares which were transferred to Commander for consideration of \$13,829. This amount was capitalized as acquisition costs and written off as at December 31, 2017.

In September and October, 2018, the company completed an airborne versatile time domain electromagnetic survey (VTEM) on the Sabin project located in Northwestern Ontario, Canada, about 10 kilometres north of the community of Savant Lake. The Sabin zinc property is in the Sturgeon Lake greenstone belt. The airborne survey consisted of 370-line kilometres of electromagnetic and magnetic surveying by Geotech Ltd. of Aurora, Ont., using its latest generation VTEM plus system. Results are expected by year-end.

#### [Omineca Property, 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 Abe 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.

The costs of compilation and the added claims totalling \$33,138 were capitalized as acquisition costs and written off as at December 31, 2017

In August and 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 volcanics with local magnetite stockworks. Analytical results are pending.

#### [Rebel Property, BC](#)

In November 2016, the Company acquired the Rebel zinc and lead property by way of staking. The 1,620-hectare Rebel property occurs on the southern end of the Kechika trough, a geological feature that is host to numerous sedimentary exhalative (sedex) zinc-lead-silver-boron deposits and showings and covers the Rebel prospect.

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Compilation of available public domain data shows a 1.7-kilometre lead-in-soil (40-part-per-million cut-off) anomaly that is partially coincident with the massive pyrite and ferricrete outcrops. Reported assays from the massive pyrite zone contain low to anomalous Pb, Zn and Ba with the best sample being 0.5 per cent Zn, 0.2 per cent Pb and 24.6 grams per tonne Ag.

Geological mapping, soil sampling and detailed XRF analyses of pyrite horizons were completed in August 2017. A total of 52 soil and 4 rock samples were collected and 93 XRF analyses were completed. Mapping confirmed the presence of two distinct pyritic SEDEX horizons (up to 30 m thick) with elevated Zn and Pb values and defined the southern horizon that extends for more than 2 km and is open ended to the east and west. XRF analyses demonstrated the massive pyrite horizon is anomalous in Pb with values up to 0.58%. A zone 10 m thick with 4 spaced readings returned 0.29% Pb and an average of 0.14% Pb taken from the overall pyritic horizon. At December 31, 2017, Rebel's carrying value of \$32,901 was written off to profit and loss

In September 2018, the Company wrote off \$4,025.

**Nepisiquit-Stewart Property, New Brunswick**

In August 2010, Commander optioned the Nepisiquit property to Stratabound Minerals for shares of Stratabound and work commitments. Stratabound could earn an initial 60% interest in the property. Stratabound carried out option work until 2014.

In May 2015, Stratabound announced a business combination with Silver Stream Mining Corp. Stratabound under the new management and decided not to continue with the project and returned it to Commander. As a result, the project costs of \$1,131,626 were written off to profit and loss in 2016.

In August 2018, data compilation was initiated to aid a 30-year annual report to meet government compliance.

**Storm Property, Nunavut**

On February 18, 2016, the Company completed the sale transaction of the Storm Property with Aston Bay Holdings Ltd. ("Aston") and received 11,000,000 shares of Aston with a fair value of \$2,640,000. These shares are pooled and will be released in four equal tranches of 2,750,000 shares on each anniversary date starting February 18, 2017 to 2020. As of the report date, the Company held 9.36% of Aston's total outstanding common shares.

Commander retains a 0.875% Gross Overriding Royalty ("GOR") after the property is brought into production. Aston has the right to buy down the GOR from 0.875% to 0.4% for \$4,000,000.

**Olympic Property, Yukon**

The property covers a very large (+10 km) hematite breccia complex with numerous copper and copper-gold showings, which are similar in style and age to the Olympic Dam deposit in Australia. The Olympic property is located just within the proposed boundary of the Peel Watershed Plan. In 2014, the Yukon Government presented its plan for the Peel Watershed area. It now encompasses the Olympic Property in a Protected Area designation that could impact the company's ability to access or develop a mine at that site.

In April 2016, the Yukon Government provided additional relief from assessment work due to the uncertainties surrounding the Peel Watershed plan and the claims are now in good standing until January 1, 2019.

**MEXICO**

**Pedro Property, Durango**

The wholly owned Pedro claims are located approximately 100 kilometres from the city of Torreon. Pedro is comprised of a number of targets including the HP Breccia prospect, a gold soil anomaly extending over an 1,800 x 600m area that coincides with extensive silicified sedimentary breccias and conglomerate, and the Las Lajas gold prospect.

In July 2014, Newmont de Mexico, S.A de C.V terminated an option agreement with Bearing Resources over the Pedro claims. The drill program 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, a distance of 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. At December 31, 2017, \$8,417 was written off from the property's carrying value.

#### INVESTMENT IN MARTIME

On April 1, 2016, Commander re-evaluated its investment in Maritime and concluded that significant influence no longer existed due to the consideration factors that Commander has no representation on Maritime's board of directors, no involvement in business decisions, no interchange of management personnel, and no provision of essential technical information. As a result, as of April 1, 2016, Maritime ceased to be an associated company and the investment in Maritime has been designated as an available-for-sale security and measured at fair value with changes in fair value recognized in accumulated other comprehensive income. Prior to the cessation date, the investment in Maritime was being accounted for using the equity method and included a pro-rata share of Maritime's change in net assets for each reporting period.

As of the report date, Commander held 3,444,000 shares representing 3.47% of Maritime's total outstanding common shares. In addition to share ownership, Commander holds a 2% NSR royalty on production from Maritime's Green Bay property, other than from the Orion deposit.

On March 2, 2017, Maritime released the results of a Prefeasibility Engineering Study and Economic Assessment (the "Study") completed by WSP Canada Inc. (see Maritime's news release dated March 2, 2017 and posting on SEDAR for additional details and assumptions). The Study concluded the planned project would return an internal rate of return ("IRR") after tax of 34.8% and a net present value (NPV 8%) after tax of \$44.2 million based on a revised geological resource and reserve:

Proven and Probable Reserves: 439,200 tonnes @ 12.70 g Au/t (179,400 oz) from  
 Measured and Indicated Resources: 925,670 tonnes @ 10.60 g Au/t (315,600 oz) and  
 Inferred Resources: 1,557,000 tonnes @7.53 g Au/t (376,800 oz)

#### SUMMARY OF QUARTERLY RESULTS

	2018			2017			2016	
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Royalty income	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
Net (loss) income	(509,740)	(106,817)	(193,345)	\$ (856,763)	\$ (2,044,475)	\$ (110,161)	\$ (155,859)	\$ (318,971)
Total comprehensive (loss) income	\$ (1,268,930)	\$ (950,477)	\$ 993,565	\$ (763,643)	\$ (1,957,505)	\$ (409,381)	\$ (1,729,739)	\$ (2,095,962)
Basic and diluted (loss) income per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.00)	\$ (0.00)	\$ (0.00)

#### RESULTS OF OPERATIONS

##### *Loss (Income)*

For the nine months ended September 30, 2018, the Company incurred loss of \$809,902 as compared to loss of \$2,310,495 for the same period in 2017. The higher 2017 loss was primarily from the \$1,933,200 write-off of the carrying value of the South Voisey's Bay project based on the terms of the agreement with Fjordland entered in June 2017.

*Expenses*

Administrative expenses for the nine months ended September 30, 2018 were \$551,084 (2017 - \$376,448). The higher expenses of \$174,636 in 2018 were attributable to: (a) filing fees and transfer agent, (b) investor and shareholder relations, (c) salaries benefits, (d) share-based compensation and (e) exploration and evaluation costs. Details of the variances are described below.

Filing fees and transfer agent for the nine months ended September 30, 2018 were higher by \$10,447. In May 2018, the Company consolidated its common shares on the basis of five for one. The share consolidation resulted in costs incurred in the issuance of new share certificates and filing fees with the regulatory exchanges and commissions.

Investor and shareholder relations for the three quarters of 2018 increased by \$17,889. In 2018, the Company increased its activities in mining conferences as well subscribing to marketing programs to expand investor bases.

Salary and benefits were \$91,369 for the nine months ended September 30, 2018 (2017 - \$80,143). The higher costs of \$11,226 in 2018 was the result of a salary increase of the Chief Executive officer.

Share-based compensation of \$124,710 was incurred in the third quarter of 2018 versus \$675 in 2017. The 2018 expenses were attributable to the vesting of the stock options granted in July 2018.

Exploration and evaluation costs for the nine months of 2018 were \$43,485 (2017 - \$30,186) for an increase of \$13,299. In 2018, the claim maintenance fees for the Pedro property in Mexica increased 100% over 2017. In addition, project researches and data compilation on certain inactive projects were also carried out during the three quarters of 2018.

Impairment on exploration and evaluation assets were \$176,432 in 2018 (2017 - \$1,933,200). During the nine months ended September 30, 2018, Commander reassessed the carrying value of the South Voisey's Bay project. The probability-weighted fair values of Fjordland's common shares to be received have decreased, due to the drop of the original estimated share price from \$0.35 to \$0.10. As such, the project was further impaired by \$139,693. In addition, Omineca and Nepisiguit project costs were also written off as no further exploration activities were planned.

**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, sales of assets and marketable securities to sustain its operations. At September 30, 2018, the Company had cash and cash equivalents of \$1,961,819 and working capital of \$3,427,239. On May 18, 2018, the Company completed a financing with gross proceeds of \$2,080,844 which has provided sufficient liquidity for the Company's operations for the next twelve months.

**OUTSTANDING SHARE DATA**

At November 29, 2018, the Company had:

Common shares issued and outstanding – 35,300,772

Options outstanding – 2,840,000 with their exercise prices and expiry dates as follows:

<b>Expiry date</b>	<b># of options outstanding</b>	<b>Options exercisable</b>	<b>Exercise price</b>
February 7, 2019	374,000	374,000	\$ 0.25
July 17, 2020	520,000	520,000	\$ 0.25
March 16, 2021	800,000	800,000	\$ 0.25
June 9, 2021	260,000	1,300,000	\$ 0.25
July 12, 2023	886,000	1,300,000	\$ 0.17
	<b>2,840,000</b>	<b>3,400,000</b>	

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Warrants outstanding - 12,240,258 share purchase warrants and 517,883 finder's warrants, entitling the holder for each warrant the right to purchase a common share at \$0.25 per share until May 18, 2020.

**OFF BALANCE SHEET ARRANGEMENTS and PROPOSED TRANSACTIONS**

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

**COMMITMENT**

The Company has a commitment of \$96,543 for its Vancouver office lease expiring on August 31, 2020.

**RELATED PARTY TRANSACTIONS**

**Services**

During the nine months ended September 30, 2018, Commander paid office rents of \$29,883 (2017 - \$27,631) to a company related by way of a common director. No amount was due to this related party at September 30, 2018.

**Compensation of Key Management**

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

	Nature of Compensation	For the nine months ended September 30,	
		2018	2017
President and Chief Executive Officer	Salary and benefits	\$ 91,369	\$ 80,143
Vice President, Corporate Development	Consulting	22,500	22,500
Vice President, Exploration	Consulting and exploration and evaluation costs	43,400	47,700
Chief Financial Officer	Accounting and audit	36,000	36,000
Corporate Secretary	Consulting	27,000	27,000
		220,269	213,343
Share-based payments	Stock options	78,465	-
		\$ 298,734	\$ 213,343

**NEW ACCOUNTING POLICIES**

IFRS 9, *Financial Instruments*, was issued in July 2014 and replaces IAS 39 by providing a revised model for classification and measurement, introducing a new "expected credit loss" impairment model for financial assets and a reformed approach to hedge accounting. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, as such, the accounting policy with respect to financial liabilities is unchanged. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has assessed the standard and does not expect it to have any significant impact on its condensed interim consolidated financial statements.

IFRS 16, *Leases*, was issued in January 2016 and replaces IAS 17. The standard requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect any significant impact on its condensed interim consolidated financial statements from this standard.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Fair Value**

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, accounts payable and accrued liabilities.

The carrying values of receivables, 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 levels of the fair value hierarchy are 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 and anticipated investing and financing activities to ensure there is sufficient liquidity to meet the obligations. At September 30, 2018, the Company had cash and cash equivalents of \$1,961,819 to settle its current liabilities of \$37,964. On May 18, 2018, the Company raised a financing of \$2,080,844 which provides sufficient liquidity to the operations for the next twelve months.

### **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 amounts receivable. Amounts receivable primarily comprises GST receivable. To minimize the credit risk, Commander places cash and cash equivalents at 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, other than those arising from interest rate risk or foreign currency risk. 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 \$174,871. In September 2016, the Company acquired exploration and evaluation assets located in Mexico and may be subject to future foreign currency risk. The risk as at September 30, 2018, was insignificant.

## **RISKS AND UNCERTAINTIES**

Mineral exploration involves high degree of risks. There is a significant probability that the expenditures made in exploring 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, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial. The principal risks faced by the Company are as follows:

### **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.

### **Metal Prices**

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resource are discovered, a profitable market will exist for the sale of it. The price of various metals has



experienced significant movements over short periods of time and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any metal will be such that the Company's exploration and evaluation assets can be mined at a profit.

#### **Title**

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. 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.

#### **Financing**

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

#### **Share Price Volatility and Price Fluctuations**

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

#### **Key Personnel**

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

#### **Environmental and Other Regulatory Requirements**

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

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

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



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Corporate Development*

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*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: 35,300,772

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