



**COMMANDER
RESOURCES LTD.**

Financial Statements

FOR THE YEAR ENDED

DECEMBER 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Commander Resources Ltd.

We have audited the accompanying financial statements of Commander Resources Ltd., which comprise the statements of financial position as at December 31, 2015 and 2014 and the statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Commander Resources Ltd. as at December 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Commander Resources Ltd.'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

April 26, 2016

COMMANDER RESOURCES LTD.
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Cash	\$ 137,828	\$ 82,216
Receivables	5,456	54,330
Prepaid expenses	20,124	5,750
Investment in securities (Note 4)	526,255	458,868
	689,663	601,164
Non-current assets		
Deposit and others	-	32,377
Investment in associated company (Note 5)	1,663,952	2,174,275
Exploration and evaluation assets (Note 6)	4,051,826	4,126,801
Equipment (Note 7)	-	576
	5,715,778	6,334,029
TOTAL ASSETS	\$ 6,405,441	\$ 6,935,193
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 73,908	\$ 277,791
Advance from optionee (Note 6(a))	30,268	26,422
	104,176	304,213
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	39,040,632	39,030,432
Share-based payments reserve (Note 8)	344,474	634,140
Warrants reserve (Note 8)	40,000	40,000
Accumulated other comprehensive income	364,846	294,459
Deficit	(33,488,687)	(33,368,051)
	6,301,265	6,630,980
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 6,405,441	\$ 6,935,193

Nature of operations and going concern (Note 1)

Commitment (Note 10)

Subsequent events (Note 16)

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

Approved on behalf of the Board of Directors:

/s/ David Wakins

Director

/s/ Robert Cameron

Director

COMMANDER RESOURCES LTD.
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

	For the years ended December 31,	
	2015	2014
EXPENSES		
Accounting and audit	\$ 73,546	\$ 84,800
Administration	35,519	129,772
Consulting	49,404	33,000
Legal	19,598	33,580
Depreciation (Note 7)	576	4,334
Filing fees and transfer agent	11,561	14,764
Investor relations	2,463	20,928
Salaries and benefits	92,591	117,835
Share-based payments (Note 8, 9)	28,912	57,340
	314,170	496,353
Other (income) expenses		
Interest and miscellaneous income (Note 6(a))	(8,012)	(22,498)
Royalty income (Note 6(f))	(25,000)	(25,000)
Loss on investment in securities (Note 4)	1,500	1,661
Loss (gain) on disposal of investment in associated company (Note 5)	24,012	(4,235)
Share of loss and dilution loss in associated company (Note 5)	130,338	94,430
Gain on disposal of equipment (Note 7)	(1,000)	-
Recoveries on exploration and evaluation assets (Note 6e)	(10,947)	-
Impairment on exploration and evaluation assets (Note 6)	14,153	14,041,047
Loss before taxes	439,214	14,581,758
Deferred income tax expense (recovery) (Note 15)	-	(503,000)
Loss for the year	439,214	14,078,758
Other comprehensive loss		
Fair value adjustment on available-for-sale securities (Note 4)	68,887	106,629
Transfer of loss on sale of securities (Note 4)	1,500	4,572
Total comprehensive loss for the year	\$ 509,601	\$ 14,189,959
Basic and diluted loss per common share	\$ 0.00	\$ 0.14
Weighted average number of shares outstanding - basic and diluted	103,023,069	101,041,288

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

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

	Share capital		Reserves		Accumulated Other comprehensive income (loss)	Deficit	Total Shareholders' Equity
	Number of Shares	Amount	Share- based Payments	Warrants			
Balance, December 31, 2013	100,492,521	\$ 38,963,932	\$ 859,256	\$ -	\$ 405,660	\$(19,571,749)	\$ 20,657,099
Shares issued for cash - private placement	2,000,000	60,000	-	40,000	-	-	100,000
Share issue costs	-	(7,000)	-	-	-	-	(7,000)
Shares issued on acquisition of exploration and evaluation assets	300,000	13,500	-	-	-	-	13,500
Reclassification of grant-date fair value on expired or cancelled options	-	-	(282,456)	-	-	282,456	-
Share-based payments	-	-	57,340	-	-	-	57,340
Net loss for the year	-	-	-	-	-	(14,078,758)	(14,078,758)
Other comprehensive loss for the year	-	-	-	-	(111,201)	-	(111,201)
Balance, December 31, 2014	102,792,521	\$ 39,030,432	\$ 634,140	\$ 40,000	\$ 294,459	\$(33,368,051)	\$ 6,630,980
Shares issued on acquisition of exploration and evaluation assets	510,000	10,200	-	-	-	-	10,200
Reclassification of grant-date fair value on expired or cancelled options	-	-	(318,578)	-	-	318,578	-
Share-based payments	-	-	28,912	-	-	-	28,912
Net loss for the year	-	-	-	-	-	(439,214)	(439,214)
Other comprehensive loss for the year	-	-	-	-	70,387	-	70,387
Balance, December 31, 2015	103,302,521	\$ 39,040,632	\$ 344,474	\$ 40,000	\$ 364,846	\$(33,488,687)	\$ 6,301,265

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

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

	For the years ended	
	December 31,	
	2015	2014
Cash provided by (used in):		
Operating activities		
Net loss for the year	\$ (439,214)	\$ (14,078,758)
Items not affecting cash:		
Depreciation	576	4,334
Share-based payments	28,912	57,340
Loss on investment in securities	1,500	1,661
Loss (gain) on disposal of investment in associated company	24,012	(4,235)
Share of loss and dilution loss in associated company	130,338	94,430
Gain on disposal of equipment	(1,000)	-
Deferred income tax expense (recovery)	-	(503,000)
Impairment on exploration and evaluation assets	14,153	14,041,047
Changes in non-cash working capital:		
Receivables, prepaid expenses and deposits and others	66,877	(37,244)
Accounts payable and accrued liabilities	(162,608)	159,541
Advance from optionee	3,846	26,422
Net cash used in operating activities	(332,608)	(238,462)
Investing activities		
Expenditures on exploration and evaluation assets	(48,812)	(29,962)
Recoveries from exploration and evaluation assets	78,559	5,770
Proceeds from disposition of securities	1,500	36,605
Proceeds from disposal of equipment	1,000	-
Proceeds from disposition of investment in associated company	355,973	112,663
Net cash from investing activities	388,220	125,076
Financing activities		
Proceeds from issuance of common shares	-	100,000
Share issue costs	-	(7,000)
Net cash from investing activities	-	93,000
Increase (decrease) in cash	55,612	(20,386)
Cash, beginning of year	82,216	102,602
Cash, end of year	\$ 137,828	\$ 82,216

Supplemental cash flow information (Note 11)

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

**COMMANDER RESOURCES LTD.
(AN EXPLORATION STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(EXPRESSED IN CANADIAN DOLLARS)**

1. NATURE OF OPERATIONS AND GOING CONCERN

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

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations in the foreseeable future and will meet its obligations and commitments in the normal course of business. For the year ended December 31, 2015, the Company reported a net loss of \$439,214. As at December 31, 2015 it had cash of \$137,828, working capital of \$585,487 and an accumulated deficit of \$33,488,687.

As the Company is in the exploration stage, no revenue has been generated. The available funds as of December 31, 2015 will not be sufficient for the coming fiscal year. The Company has relied on the issuance of share capital to finance its operations. While the Company has been successful in the past in raising capital, there is no assurance that such financing will be available on a timely basis and under terms acceptable to the Company. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value.

The Company’s functional and presentation currency is the Canadian dollar.

These financial statements were authorized for issue by the Board of Directors on April 26, 2016.

Critical accounting judgments, estimates and assumptions

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

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

Recoverability of exploration and evaluation assets (“E&E assets”)

The Company capitalizes the expenditures incurred on its E&E assets based on its judgment that the carrying amount will be recoverable. Their recoverability depends on various factors such as the discovery of economically viable reserves, the Company’s ability to obtain the financing to develop them into profitable production or from the disposition proceed of the E&E assets. As new information becomes available suggesting the recovery of these expenditures is unlikely, the capitalized costs are written off to profit or loss for the period.

**COMMANDER RESOURCES LTD.
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Share-based payments

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options. The Black-Scholes' fair value calculation requires management to make estimates and assumptions on future volatility of the stock price, risk-free interest rate, expected life, expected dividend yield and future forfeiture rate of options. Changes in any of these input assumptions could materially impact the share-based payment reserve and expense.

Exploration and evaluation assets

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

If economically recoverable reserves are developed, capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, its capitalized expenditures in excess of estimated recoveries are written off to profit or loss. When the Company receives payments in excess of the carrying value of an E&E asset, the amount is recognized as a gain in profit or loss for the period.

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.

Equipment

Equipment is recorded at cost less accumulated depreciation and impairment. Depreciation is recorded using the straight-line method over the expected useful lives of the equipment as follows:

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

**COMMANDER RESOURCES LTD.
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
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Decommissioning, Restoration and Similar Liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for a decommissioning liability is recognized at its present value in the period in which it is incurred, which is generally when an environmental disturbance occurs or a constructive obligation is determined. Upon initial recognition of the liability, a corresponding amount is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using the unit of production method.

Following the initial recognition of a decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes in the estimated provision resulting from revisions to the estimated timing and amount of cash flows, or changes in the discount rate. Changes to estimated future costs are recognized in the statement of financial position by either increasing or decreasing the decommissioning liability and the decommissioning asset. At December 31, 2015 and 2014, the Company did not record any decommissioning liabilities.

Share-based payments

The Company recognizes share-based payments on stock option grants. The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and each tranche is recognized using the graded vesting method over the period during which the options vest. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

For directors, officers and employees, the fair value of the options is measured at the date of grant, and the options are recognized over the vesting period. For non-employees, share-based payments are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The fair value is recorded at the earlier of the vesting date, or the date the goods or services are received.

The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related reserves are transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured at the enacted tax rates that are expected to apply when the assets are recovered and the liabilities settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed annually and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**COMMANDER RESOURCES LTD.
(AN EXPLORATION STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
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Loss per share

Loss per share is calculated by taking the loss for the period divided by the weighted average number of common shares outstanding during the period. The Company calculates the dilutive effect on loss per share by presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Accordingly, basic and diluted loss per share is the same for the years presented. Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

Financial instruments

Financial assets

Financial assets are classified into one of four categories:

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

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

FVTPL financial assets

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

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

Financial assets classified as FVTPL are stated at fair value with any resulting gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company’s management has the positive intention and ability to hold to maturity. These are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

AFS financial assets

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

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Loans and receivables

Loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the fair value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

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

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

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

Financial liabilities

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

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company has classified accounts payable and accrued liabilities and advance from optionee as other financial liabilities.

FVTPL financial liabilities

FVTPL financial liabilities are initially measured, and subsequently carried at fair value with changes in fair value recognized through profit or loss.

Derecognition of financial liabilities

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

**COMMANDER RESOURCES LTD.
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Share capital

Common shares are classified as shareholders' equity. Common shares issued by the Company are recorded at the value of proceeds received, net of direct issue costs. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the quoted market price of the common shares at the time the units are priced, then to warrants on a residual value basis. In the case of the issuance of flow-through units, any remaining excess is allocated to the flow-through share premium as a liability.

3. NEW ACCOUNTING PRONOUNCEMENTS

New standards adopted during the year

Effective January 1, 2015, the Company adopted the following standard which did not have impact on the financial statements:

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

New standards and interpretations not yet adopted

IFRS 9, *Financial Instruments*, replaces IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018. The Company has not assessed the impact of this standard.

4. INVESTMENT IN SECURITIES

	December 31, 2015			Decmeber 31, 2014		
	Number of Common Shares	Cost	Fair Value	Number of Common Shares	Cost	Fair Value
Aston Bay Holdings Ltd.	3,500,000	\$ 186,911	\$ 525,000	3,500,000	\$ 186,911	\$ 455,000
Global Gold Corporation	75,000	11,250	1,038	75,000	11,250	1,744
Stratabound Minerals Corp.	-	-	-	100,000	3,000	2,000
Others	4,325	5,545	217	5,070	5,545	123
		\$ 203,706	\$ 526,255		\$ 206,706	\$ 458,867

The Company holds less than 10% of the outstanding common shares of each security. Subsequent to the year ended December 31, 2015, on February 18, 2016, Aston Bay issued 11,000,000 common shares to Commander for the acquisition of the Storm Property (Note 6 (b), 16). The transaction has increased Commander's holdings of Aston Bay's outstanding common shares to 27.4%.

During the year ended December 31, 2015, the Company sold 100,000 shares of Stratabound Minerals Corp. for proceeds of \$1,500, and recognized a loss of \$1,500 in the statement of loss.

During the year ended December 31, 2015, the Company recognized a loss of \$68,887 as other comprehensive loss (2014 – \$106,629) to reflect the unrealized changes in the fair value of the investment in securities.

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5. INVESTMENT IN ASSOCIATED COMPANY

As at December 31, 2015, the Company holds 26% of the outstanding shares of Maritime Resources Corp. ("Maritime") (December 31, 2014 – 32%), giving it significant influence over Maritime's operations. Maritime is primarily engaged in the exploration of resource properties in Green Bay, Newfoundland, Canada. The investment is being accounted for using the equity method and includes a pro-rata share of Maritime's transactions as at and for the year ended December 31, 2015. Maritime is also considered a related party due to common director (Note 9).

On February 12, 2015 the Company and Maritime entered into an Option to Purchase Shares Agreement ("Option Agreement") granting Maritime or its nominees the option to purchase up to 10,000,000 ("Optioned Shares") of the 11,440,000 common shares of Maritime that Commander owned. The Optioned Shares were divided into five equal stages of 2,000,000 each at escalating prices of \$0.18, \$0.25, \$0.30, \$0.40 and \$0.50. On February 20, 2015, Maritime identified third parties to purchase the initial 2,000,000 shares at \$0.18 per share with Commander receiving gross proceeds of \$360,000. The net proceeds after commissions was \$355,973. A loss on disposal of \$24,012 was recognized during the year ended December 31, 2015.

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

Subsequent to the year ended December 31, 2015, the Option Agreement was amended on April 6, 2016, on the time frames and purchase prices of the remaining 8,000,000 Optioned Shares. Maritime has an initial option to purchase 2,000,000 shares at \$0.14 on or before August 31, 2016, of which 1,000,000 shares must be purchased before April 30, 2016. Provided that such initial sale is completed, Maritime will then have the option to identify third party purchasers to purchase an additional 2,000,000 shares every six months over the next 18 months at escalating prices of \$0.21, \$0.25 and \$0.30. The final two option prices are further subject to the price being the greater of the option price or 85% of the volume-weighted average price of the common shares for the 10 trading days immediately preceding the applicable option exercise date. On April 7, 2016, Maritime arranged the purchase of the first 1,000,000 shares at \$0.14 providing Commander gross proceeds of \$140,000 (Note 16).

The Company's investment in Maritime as at December 31, 2015 (26%) and 2014 (32%) was as follows:

	Number of shares	Amount
Balance, December 31, 2013	12,000,000	\$ 2,377,133
Share of loss of Maritime for the year	-	(129,055)
Disposition of Maritime shares	(556,000)	(108,428)
Dilution effect	-	34,625
Balance, December 31, 2014	11,444,000	\$ 2,174,275
Share of loss of Maritime for the year	-	(130,338)
Disposition of Maritime shares	(2,000,000)	(379,985)
Balance, December 31, 2015	9,444,000	\$ 1,663,952

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A summary of Maritime's financial information unadjusted for the percentage ownership held by the Company as at December 31, 2015 and 2014 is as follows:

	December 31, 2015	December 31, 2014
Assets		
Current assets	\$ 9,157	\$ 175,346
Non-current assets	4,924,533	4,798,178
	4,933,690	4,973,524
Liabilities		
Current liabilities	723,366	272,048
	723,366	272,048
Loss for the year	\$ 677,075	\$ 554,559

6. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets are comprised of properties located in Canada. Cumulative expenditures incurred on exploration and evaluation assets as at December 31, 2015 and 2014 were as follows:

Note	Labrador South	Nunavut	Yukon	Ontario	Other	Total
	Voisey's Bay 6(a)	Storm 6(b)	Glenmorangie 6(c)	Sabin 6(d)	Properties 6(e)	
Balance, December 31, 2013	\$ 2,275,438	\$ 823,910	\$ 548,633	\$ 283,250	\$ 14,264,963	\$ 18,196,194
Acquisition costs	-	-	13,500	-	-	13,500
Exploration costs						
Geology	20,594	2,420	3,360	3,050	50,941	80,365
Property	5,100	-	-	2,682	16,150	23,932
Other	-	-	-	-	420	420
	25,694	2,420	3,360	5,732	67,511	104,717
Recoveries		(137,793)	-	-	(8,770)	(146,563)
Impairment	-	-	(565,492)	(288,981)	(13,186,574)	(14,041,047)
Total:	25,694	(135,373)	(548,632)	(283,249)	(13,127,833)	(14,069,393)
Balance, December 31, 2014	\$ 2,301,132	\$ 688,537	\$ 1	\$ 1	\$ 1,137,130	\$ 4,126,801
Acquisition costs	-	-	10,200	-	-	10,200
Exploration costs						
Geology and others	3,150	-	-	-	-	3,150
Property	434	-	-	3,953	-	4,387
	3,584	-	-	3,953	-	7,537
Recoveries	(78,559)	-	-	-	-	(78,559)
Impairment	-	-	(10,200)	(3,953)	-	(14,153)
Total	(74,975)	-	-	-	-	(74,975)
Balance, December 31, 2015	\$ 2,226,157	\$ 688,537	\$ 1	\$ 1	\$ 1,137,130	\$ 4,051,826

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a. South Voisey's Bay, Labrador

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

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

In August 2015, the option agreement was terminated. Subsequent to December 31, 2015, the Company and Fjordland agreed that Fjordland had earned a 15% interest in the project.

During the year ended December 31, 2015, the Company received from Fjordland, \$78,000 (2014 - \$272,000), of which \$74,154 (2014 - \$245,578) was spent on the property. At December 31, 2015, the remaining advance on the project account was \$30,268 (2014 - \$26,422).

As the project operator, the Company earned management fees of \$6,711 during the year ended December 31, 2015 (2014 - \$22,224) which were included in interest and miscellaneous income.

During the year ended December 31, 2015, the Company recorded \$78,559 as recoveries, a reduction to exploration and evaluation assets. The amount pertains to refunds received relating to Labrador government exploration assistance programs, and recoveries of reclamation bonds upon satisfaction of assessment work.

b. Storm Property, Nunavut

The Company holds a 70% interest in the Storm Property, a copper project located on Somerset Island in Nunavut, Canada.

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

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

Subsequent to the year ended December 31, 2015, on February 18, 2016, the Company completed the sale to BAY and received 11 million common shares of BAY which has increased Commander's ownership of BAY's outstanding shares to 27.4% (Note 4, 16).

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c. Glenmorangie, Yukon

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

As a result of the Company's decision not to carry future exploration activity but maintain the claims on the property, it wrote off \$10,200 (2014 - \$565,492) during the year ended December 31, 2015.

d. Sabin, Ontario

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

As the Company decided not to conduct further exploration on the property but maintained the claims, it wrote off \$3,953 (2014 - \$288,981) for the year ended December 31, 2015.

e. Other Properties

The Company holds interests in several other properties in Canada and has granted options on some of these properties. The carrying values of these properties at December 31, 2015 and 2014 are as follows:

Province	Property	Ownership		Carrying value as of December 31,	
		%	Resource	2015	2014
New Brunswick	Nepisiguit / Stewart	100	copper-zinc	\$ 1,133,627	\$ 1,133,626
Newfoundland	Hermitage	100	uranium	3,500	3,500
Ontario	Houghton Lake	100	copper-zinc	-	1
Yukon	Olympic / Rob	100	copper-gold- uranium	1	1
Nunavut	Qimmiq / Bravo Lake	100	gold	1	1
British Columbia	Omineca	100	copper-gold	1	1
				\$ 1,137,130	\$ 1,137,130

Nepisiguit/Stewart, New Brunswick

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

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

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

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

As at December 31, 2015, the Company had received total Stratabound shares of 355,000 (2014 – 100,000) which were disposed in 2015 and 2014.

Houghton Lake, Ontario

In November 2012, the Company acquired several claims adjacent to the Company's Sabin Property.

In 2014, the Company decided not to conduct exploration on the property except maintaining the claims. As a result, \$21,205 was written off in 2014. During the year ended December 31, 2015, all the claims on the property were expired.

Olympic and Rob, Yukon

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

During the year ended December 31, 2014, after the Company's decision not to continue exploration, but to maintain the claims on the properties, \$891,975 was written off to the statement of loss in 2014.

Qimmiq and Bravo Lake, Nunavut

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

During the year ended December 31, 2014, the Company decided not to conduct exploration of the Baffin Properties, but maintained the claims. As a result, \$12,042,948 was written off during the year ended December 31, 2014.

During the year ended December 31, 2015, the Company received a cost refund of \$10,947 from a supplier. This amount was recognized as a recovery on exploration and evaluation assets.

Omineca, British Columbia

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

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In 2014, the Company received a British Columbia mining exploration tax credit of \$5,770. In fiscal year 2014, the Company decided not to conduct further exploration except maintaining the claims. As a result, \$230,446 was written off during the year ended December 31, 2014.

During the year ended December 31, 2015, some of the non-core claims in this area were reviewed and not renewed due to 2015 work requirements.

f. Tam, British Columbia

Under an agreement dated February 13, 2006, between the underlying owners and Teck Resources Limited (“Teck”), the Company is entitled to a 1.5% NSR. Teck and its partner Lorraine Copper Corp., now own 100% of the Tam property subject to a 3% NSR, which is subject to a buy-down to 1% for \$2,000,000. An annual advance royalty payment of \$25,000 is payable to the Company beginning December 31, 2012 and capped at \$250,000. During the year ended December 31, 2015, \$25,000 (2014 - \$25,000) was received and recorded as royalty income in the statement of loss. As at December 31, 2015, the Company has received a total of \$100,000 in advance royalty payments.

g. Letter of Intent

On May 5, 2015 Commander signed a letter of Intent with Bearing Resources Ltd. (“Bearing”) to acquire all of Bearing’s exploration assets for 13,000,000 shares of Commander and cash of \$15,000. The transaction is subject to Bearing’s shareholder’s approval.

7. EQUIPMENT

	Furniture and fixtures	Computer equipment	Leasehold improvements	Total
Cost				
Balance, December 31, 2013, 2014 & 2015	\$ 59,504	\$ 185,082	\$ 3,528	\$ 248,114
Accumulated depreciation				
Balance, December 31, 2013	\$ (59,051)	\$ (181,683)	\$ (2,470)	\$ (243,204)
Depreciation	(453)	(3,176)	(705)	(4,334)
Balance, December 31, 2014	(59,504)	(184,859)	(3,175)	(247,538)
Depreciation	-	(223)	(353)	(576)
Balance as at December 31, 2015	\$ (59,504)	\$ (185,082)	\$ (3,528)	\$ (248,114)
Net book value				
Balance, December 31, 2014	\$ -	\$ 223	\$ 353	\$ 576
Balance, December 31, 2015	\$ -	\$ -	\$ -	\$ -

During the year ended December 31, 2015, the Company disposed of fully depreciated equipment for proceeds of \$1,000 resulting in a gain on disposal of equipment in the statement of loss.

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8. SHARE CAPITAL

Authorized - unlimited number of common shares without par value

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

During the year ended December 31, 2015:

- On July 20, 2015, 510,000 common shares at a fair value of \$10,200 were issued for the acquisition of the Glenmorangie property (Note 6 (c)).

During the year ended December 31, 2014:

- On July 4, 2014, 300,000 common shares at a fair value of \$13,500 were issued for the acquisition of the Glenmorangie property.
- In October 21, 2014, the Company completed a non-brokered private placement for gross proceeds of \$100,000. The Company issued 2,000,000 units at \$0.05 per unit ("Unit"). Each Unit consists of one common share of the Company and one common share purchase warrant. Each Warrant entitles the holder to purchase one additional common share at \$0.10 for three years following the closing date of the Private Placement. The securities issued are subject to a four-month hold period. In connection with the private placement, the Company incurred \$7,000 in share issuance costs.

The Company has adopted the residual method with respect to the measurement of common shares with attached warrants issued as private placement units; as a result, \$40,000 was recorded as warrants reserve and the remaining balances of \$60,000 was recorded as share capital.

Stock options

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

The Company's outstanding stock options as of December 31, 2015 and 2014 were as follows:

	December 31, 2015		December 31, 2014	
	Weighted average		Weighted average	
	Number	Exercise	Number	Exercise
	outstanding	Price	outstanding	Price
Outstanding, beginning of year	6,546,000	\$0.15	6,883,000	\$0.18
Granted	2,600,000	0.05	2,395,000	0.05
Expired / Cancelled	(1,841,000)	(0.27)	(2,732,000)	(0.15)
Outstanding, end of year	7,305,000	\$0.09	6,546,000	\$0.15

During the year ended December 31, 2015, 1,841,000 options with exercise prices ranging from \$0.05 to \$0.35 expired. As a result, the fair value of \$318,578 (2014 – \$282,456) allocated to these options was reclassified to deficit from share-based payments reserve.

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At December 31, 2015, the Company's outstanding and exercisable stock options were as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in
February 11, 2016	1,430,000	1,430,000	\$ 0.19	199,101	0.12
June 12, 2017	1,005,000	1,005,000	\$ 0.10	53,363	1.45
November 14, 2017	400,000	400,000	\$ 0.10	15,122	1.87
February 7, 2019	1,870,000	1,870,000	\$ 0.05	48,025	3.11
July 17, 2020	2,600,000	1,300,000	\$ 0.05	28,863	4.54
	7,305,000	6,005,000		\$ 344,474	2.35

The estimated grant date fair value of the options granted during the year ended December 31, 2015 and 2014 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2015	2014
Risk-free interest rate	0.83%	1.59%
Expected annual volatility	99.47%	90.20%
Expected life (in years)	5	5
Expected dividend yield	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Weighted average grant date fair value per option	\$ 0.012	\$ 0.026

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

During the years ended December 31, 2015 and 2014, the Company recognized share-based payments expense of \$28,912 and \$57,340, respectively.

Warrants

At December 31, 2015, 2 million warrants were outstanding with an exercise price of \$0.05 and an expiry date on October 20, 2017. There was no warrant activity during the years ended December 31, 2015, and 2014.

9. RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies controlled by executive officers and directors. The fees and expenses with those companies for the years ended December 31, 2015 and 2014 were as follows:

	2015	2014
Legal	\$2,347	\$29,396
Administration and others	25,808	89,054
	\$28,155	\$118,450

During the year ended December 31, 2015, the Company charged Maritime, \$nil (2014 - \$47,121) in respect of office administration, accounting, rent, insurance, and investor relations expense shared by the companies.

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At December 31, 2015, included in receivables were \$nil (2014 – \$5,082) for administrative and office expenses due from companies related by common directors.

At December 31, 2015, included in accounts payable and accrued liabilities were amounts due to related parties of \$17,134 (2014 – \$131,006) for consulting fees from companies related by common directors.

Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined its key management personnel to be executive and non-executive officers and directors.

The remuneration, including share-based payments, of key management personnel during the year ended December 31, 2015 and 2014 were as follows:

	2015	2014
Accounting	\$46,756	\$31,200
Consulting	18,000	33,000
Geological consulting (a)	15,750	29,750
Salaries and benefits	87,500	87,500
Share-based payments	28,863	50,380
	\$196,869	\$231,830

^(a) During the year ended December 31, 2015, geological consulting fees were paid to a related party in connection with work performed on the South Voisey's Bay project operated by Commander (Note 6(a)). The amount was paid by the Company and is recorded as a reduction to advance from optionee.

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the years ended December 31, 2015 and 2014.

10. COMMITMENT

The Company has a commitment of \$22,200 for its Vancouver office lease which expires on August 31, 2016.

11. SUPPLEMENTAL CASH FLOW INFORMATION

	2015	2014
Marketable securities received for exploration and evaluation assets	\$ -	\$ 140,793
Shares issued for exploration and evaluation assets	10,200	13,500
Reclassification of grant date fair value on expired or cancelled options	318,578	282,456
Exploration and evaluation assets in accounts payable and accrued liabilities	55,723	96,998
Other cash flow information:		
Interest received	\$ 122	\$ 274

12. SEGMENT INFORMATION

The Company operates in one reportable segment, being the acquisition and exploration of resource properties. All of the Company's non-current assets were located in Canada as at December 31, 2015 and 2014.

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13. CAPITAL MANAGEMENT

The Company defines its capital as all components of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. There were no changes in the Company's approach to capital management during the year ended December 31, 2015. The Company is not subject to externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company has classified its financial instruments as follows:

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

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

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities to ensure it will have sufficient liquidity to meet obligations. At December 31, 2015, the Company had cash of \$137,828 and accounts payable and accrued liabilities of \$73,908. The Company will require additional financing to sustain operations. Refer to Note 1 for additional details.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and receivables. This risk is minimized as cash held at high credit rating financial institution. The maximum exposure to loss arising from receivables is equal to their carrying amounts.

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Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to price risk with respect to its investment in securities. A change in the fair value by 10% would increase or decrease comprehensive income by \$52,626.

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

15. INCOME TAX

A reconciliation of income taxes at statutory rate with the reported taxes is as follows:

	2015	2014
Loss for the year	\$ (439,214)	\$ (14,581,758)
Expected income tax recovery	(114,000)	(3,791,000)
Change in Statutory tax rates and others	192,000	77,000
Permanent difference	45,000	39,000
Change in unrecognized deductible temporary differences	(123,000)	3,172,000
Total income tax expense (recovery)	\$ -	\$ (503,000)

The Canadian income tax rate increased during the year due to changes in the law that increased corporate income tax rates in Canada.

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	2015	2014
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ 1,195,000	\$ 1,215,000
Investment tax credit	236,000	236,000
Equipment	65,000	64,000
Share issue costs	1,000	6,000
Investment in associated company	34,000	-
Investment in securities	(42,000)	(33,000)
Allowable capital losses	10,000	6,000
Non-capital losses for future period	1,550,000	1,643,000
	3,049,000	3,137,000
Unrecognized	(3,049,000)	(3,137,000)
Net deferred tax assets (liabilities)	\$ -	\$ -

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Significant components of the Company's deductible temporary differences and unused tax losses are as follows:

	2015	Expiry Date Range	2014	Expiry Date Range
Temporary differences				
Exploration and evaluation assets	\$ 4,598,000	no expiry date	\$ 4,672,000	no expiry date
Investment tax credit	319,000	2020 to 2035	319,000	2020 to 2034
Equipment	249,000	no expiry date	248,000	no expiry date
Share issue costs	4,000	2036 to 2038	23,000	2035 to 2037
Investment in associated company	130,000	no expiry date	-	no expiry date
Allowable capital losses	39,000	no expiry date	23,000	no expiry date
Non-capital losses for future period	5,962,000	2026 to 2035	6,321,000	2015 to 2034

Tax attributes are subject to review and potential adjustment by tax authorities.

16. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2015:

- a) On February 18, 2016, the Company completed the sale transaction of its Storm Copper Property to Aston Bay Holdings Ltd. ("Bay") and received 11,000,000 common shares of Bay. As a result, Commander's holding of Bay's outstanding shares as of February 18, 2016 has increased to 27.4% (Note 4, 6(b)). These shares are pooled and will be released in four equal tranches of 2,750,000 on each anniversary date.
- b) On March 16, 2016, the Company granted 4,000,000 incentive stock options to its directors and officers, exercisable for five years at \$0.05 per common share.
- c) On April 6, 2016, the Company amended the option agreement with Maritime Resources Corp. ("Maritime") extending Maritime's option to purchase the Optioned Shares of 8,000,000 shares from April 2016 to August 2017 at escalating prices of \$0.21, \$0.25 and \$0.30. (Note 5).
- d) On April 7, 2016, Maritime arranged the sale of the first 1,000,000 Optioned Shares at \$0.14 providing Commander gross proceeds of \$140,000 (Note 5).
- e) On March 14, 2016, Bearing announced that the change of its business transaction it was pursuing would not complete but it intended to complete the proposed sale of its mineral assets to Commander. Both companies are in discussion to complete the transaction.



**COMMANDER
RESOURCES LTD.**

Management's Discussion and Analysis

For the Year Ended
December 31, 2015

DESCRIPTION OF BUSINESS

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

FORWARD-LOOKING INFORMATION AND REPORT DATE

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

This MD&A has been prepared based on available information up to the date of this report, April 27, 2016 (the "Report Date") and should be read in conjunction with the Company's audited financial statements and related notes for the year ended December 31, 2015. The financial information disclosed in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information is available on SEDAR at www.sedar.com and the Company's website www.commandersources.com.

HIGHLIGHTS

[Option to Purchase Shares Agreement with Maritime Resources](#)

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

On April 6, 2016, the Option Agreement was amended. Maritime has an initial option to purchase 2,000,000 shares at \$0.14 on or before August 31, 2016, of which 1,000,000 shares must be purchased before April 30, 2016. Provided that such initial sale is completed, Maritime will then have the option to identify third parties to purchase an additional 2,000,000 shares every six months over the next eighteen months at escalating prices of \$0.21, \$0.25 and \$0.30. The final two option prices are further subject to the price being the greater of the option price or 85% of the volume-weighted average price of the common shares for the 10 trading days immediately preceding the applicable option exercise date. On April 7, 2016, Maritime arranged the purchase of the first 1,000,000 shares at \$0.14 per share providing Commander gross proceeds of \$140,000.

[Storm Property Transaction with Aston Bay Holdings Ltd.](#)

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

[Letter of Intent with Bearing Resources Ltd.](#)

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

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

South Voisey's Bay Joint Venture with Fjordland Exploration

On August 15, 2015, the option agreement signed in September 2014 with Fjordland was terminated and Fjordland has earned a 15% interest in the Company's South Voisey's Bay project. Both companies are in discussion on a future plan for the project.

EXPLORATION AND EVALUATION ASSETS

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

Storm Copper Property, Nunavut

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

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

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

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

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

On February 18, 2016, the Company completed the sale transaction to Aston Bay and received 11,000,000 common shares which increased Commander's ownership of BAY's outstanding shares to 27.4%. These shares are pooled and will be released in four equal tranches of 2,750,000 shares on each anniversary date. In addition, the Gross Overriding Royalty was modified wherein the 0.875% GOR may be reduced to 0.4% for a payment of \$4,000,000.

As of the Report Date, Commander held a total of 14,500,000 shares of BAY.

South Voisey's Bay Nickel Property, Labrador

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

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

In September 2014, Commander signed a Memorandum of Understanding ("MOU") granting Fjordland Exploration Inc. an option to earn into Commander's South Voisey's Bay nickel property. The Option Agreement provides Fjordland the right to earn up to a 70% interest in Commander's wholly owned South Voisey's Bay Property, located in central Labrador, by funding \$5,500,000 in

exploration expenditures, and issuing a total of 2,250,000 shares to Commander. Upon signing the agreement Fjordland subscribed for 2,000,000 shares of Commander at a price of \$0.05, for net proceeds to Commander of \$100,000.

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

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

[Glenmorangie Gold Property, Yukon](#)

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

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

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

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

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

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

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

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

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

Conclusions from the 2012 geochemical program were as follows:

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

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

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

Nepisiguit-Stewart Copper Property, New Brunswick

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

In the first quarter of 2013, Stratabound mined 62,720 dry metric tonnes of ore grading 8.13% zinc, 3.22% lead, and 111 g/t silver. The ore was mined from property adjacent to Commander's Nepisiguit property and shipped to Xstrata's mill in Bathurst prior to it being permanently closed.

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

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

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

Omineca Copper-Gold Property, BC

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

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

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

Baffin Island Gold Project, Nunavut

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

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

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

Olympic Copper-Gold Property, Yukon

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

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

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

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

INVESTMENT IN ASSOCIATED COMPANY

On February 20, 2015, the Company sold 2,000,000 shares of Maritime at \$0.18 per share for gross proceeds of \$360,000 and on April 7, 2016, sold 1,000,000 shares at \$0.14 for gross proceeds of \$140,000. As of the report date, Commander holds 8,400,000 shares which represents a 23% interest in Maritime plus a 2% NSR Royalty on production from the property, other than from the Orion deposit.

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

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

In the Measured category:

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

In the Indicated category:

Hammerdown: 524,600 tonnes @11.39 gr/t, containing 192,100 oz Au

Orion: 1,096,500 tonnes @ 4.47 gr/t, containing 157,582 oz Au

In the Inferred category:

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

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

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

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

SELECTED ANNUAL INFORMATION

The Company's selected annual information for the years ended December 31, 2015, 2014 and 2013 are as follows:

	2015	2014	2013
	\$	\$	\$
Total revenue	-	-	-
Loss before deferred tax recovery	(439,214)	(14,581,758)	(643,071)
Deferred tax recovery	-	503,000	(41,474)
Loss for the year	(439,214)	(14,078,758)	(684,545)
Loss per share - basic and diluted	(0.00)	(0.14)	(0.01)
Total assets	6,405,441	6,935,193	21,203,593
Total long-term liabilities	-	-	(503,000)
Cash dividends per share	-	-	-

SUMMARY OF QUARTERLY RESULTS

	2015				2014			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Royalty income	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
Net loss	\$ (85,469)	\$ (115,744)	\$ (110,992)	\$ (127,009)	\$ (13,571,422)	\$ (242,619)	\$ (102,637)	\$ (162,080)
Total comprehensive (loss) income	\$ (153,899)	\$ (154,014)	\$ 29,402	\$ (231,090)	\$ (13,592,426)	\$ (462,832)	\$ (150,413)	\$ 15,712
Basic and diluted loss per share	\$ (0.001)	\$ (0.001)	\$ (0.001)	\$ (0.001)	\$ (0.134)	\$ (0.002)	\$ (0.001)	\$ (0.002)
Weighted average number of shares outstanding	103,023,069	103,191,651	102,792,521	102,792,521	102,379,478	100,792,521	100,492,521	100,492,521

RESULTS OF OPERATIONS

For the three months ended December 31, 2015 and 2014

The Company incurred a net loss of \$85,469 in the fourth quarter of 2015 as compared to \$13,571,422 for the same period in 2014. The higher net loss in the fourth quarter of 2014 was due to impairment of \$14,041,047 on exploration and evaluation assets whereas \$14,153 impairment charge was recognized in the same period of 2015.

Expenses were reduced by \$62,403 in the three months ended December 31, 2015 comparing with the same quarter of 2014, partially offset by increase in share-based payments from an option grant in July 2015.

For the years ended December 31, 2015 and 2014

For the year ended December 31, 2015, the Company incurred a net loss of \$425,061, excluding impairment of \$14,153 (2014 - \$540,711 excluding impairment of \$14,041,047 and income tax recovery of \$503,000). The decrease was the result of lower general expenses offset partially by increase in share of loss and dilution loss in associated company.

Administration expenses were lowered by \$94,253 for fiscal year 2015 comparing to fiscal year 2014. The decrease was due to lower office rents and rent recoveries of \$15,492 paid in 2014 on behalf of a sub-tenant.

Share-based payments decreased by \$28,428 for the twelve months of 2015 due to fewer options vesting in 2015. During the year ended December 31, 2015 and 2014, stock options of 2,600,000 and 2,395,000 were granted respectively.

In fiscal year 2015, 2,000,000 shares of Maritime at \$0.18 per share were sold for gross proceeds of \$360,000 resulting in a net loss of \$24,012 whereas in 2014, 556,000 shares were sold for gross proceeds of \$114,080 resulting in a net gain of \$4,235.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2015, the Company's cash was \$137,828 (2014 - \$82,216) and working capital was \$585,487 (2014 - \$296,951).

During the year ended December 31, 2015, the Company sold 2,000,000 (2014 - 556,000) shares of Maritime for net proceeds of \$355,973 (2014 - \$112,663).

In 2015, Commander received refunds of \$78,559 (2014 - \$5,770) relating to Labrador government exploration assistance programs, and recoveries of reclamation bonds upon satisfaction of assessment work. The refunds were recorded as reductions to the corresponding exploration and evaluation assets.

Commander has relied on equity financings to meet its cash requirements. Although Commander has been successful obtaining financings in the past, there is no assurance that Commander will be able to raise such financings in the future or on favourable economic terms.

OUTSTANDING SHARE DATA

As at April 27, 2016, the date of this MD&A, the Company had 103,302,521 common shares issued and outstanding, 9,875,000 stock options with exercise prices ranging from \$0.05 to \$0.10 and 2,000,000 warrants with an exercise price of \$0.05.

COMMITMENT

The Company has a commitment of \$22,200 for its Vancouver office lease which expires on August 31, 2016.

OFF-BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

No transactions are proposed.

CHANGES TO THE BOARD OF DIRECTORS AND OFFICERS

- On July 8, 2015, Robert Cameron was appointed as a Director and on March 15, 2016, as the President and Chief Executive Officer replacing Eric Norton who remains as a Director of the Company.
- On October 1, 2015, Patricia Fong was appointed as the Chief Financial Officer.

SUBSEQUENT EVENTS

- On February 18, 2016, the Company completed the sale transaction of its Storm Copper Property to Aston Bay Holdings Ltd. ("Bay") and received 11,000,000 common shares of Bay. As a result, Commander's holding of Bay's outstanding shares as of February 18, 2016 has increased to 27.4%.
- On March 16, 2016, the Company granted 4,000,000 incentive stock options to its directors and officers, exercisable for five years at \$0.05 per common share. The option grant is subject to the policies of TSX Venture Exchange.
- On April 6, 2016, the Company amended the option agreement with Maritime Resources Corp. ("Maritime") extending Maritime's option to purchase the Optioned Shares of 8,000,000 shares from April 2016 to August 2017 at escalating prices of \$0.21, \$0.25 and \$0.30.
- On April 7, 2016, Maritime arranged a third party for the purchase of 1,000,000 Optioned Shares at \$0.14 per share providing Commander gross proceeds of \$140,000.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies controlled by executive officers and directors. The fees and expenses with those companies for the years ended December 31, 2015 and 2014 were as follows:

	2015	2014
Legal	\$2,347	\$29,396
Administration and others	25,808	89,054
	\$28,155	\$118,450

At December 31, 2015, included in receivables were \$nil (2014 – \$5,082) for administrative and office expenses due from companies related by common directors.

At December 31, 2015, included in accounts payable and accrued liabilities were amounts due to related parties of \$17,134 (2014 – \$131,006) for consulting fees from companies related by common directors.

Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined its key management personnel to be executive and non-executive officers and directors of the Company.

The remuneration, including share-based payments, of key management personnel during the year ended December 31, 2015 and 2014 were as follows:

	2015	2014
Accounting	\$46,756	\$31,200
Consulting	18,000	33,000
Geological consulting	15,750	29,750
Salaries and benefits	87,500	87,500
Share-based payments	28,863	50,380
	\$196,869	\$231,830

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the years ended December 31, 2015 and 2014.

NEW ACCOUNTING POLICIES

New standards adopted during the year

Effective January 1, 2015, the following standards were adopted but did not have a material impact on the financial statements.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company has classified its financial instruments as follows:

- Cash and cash equivalents – as FVTPL
- Investment in securities – as AFS
- Receivables – as loans and receivables
- Accounts payable and accrued liabilities and advance from optionee – as other financial liabilities

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

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

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

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities to ensure it will have sufficient liquidity to meet obligations. At December 31, 2015, the Company had cash of \$137,828 and accounts payable and accrued liabilities of \$73,908. The Company will require additional financing to sustain operations.

Credit risk

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

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to price risk with respect to its investment in securities. A change in the fair value by 10% would increase or decrease comprehensive income by \$52,626.

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

RISKS AND UNCERTAINTIES RELATED TO THE COMPANY'S BUSINESS

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

Exploration

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

Market

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

Metal Prices

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

Title

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

Financing

Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future,

and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations

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

Key Personnel

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

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

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



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Director

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

Patricia Fong, CPA (CMA)
Chief Financial Officer

Janice Davies
Corporate Secretary

LISTINGS

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

CAPITALIZATION

(As at Report Date)

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

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