



INTERIM REPORT
Management Discussion & Analysis
FORM 51-102F1

For the Three Months Ended
March 31, 2006

Description of Business

Commander Resources Ltd. (“the Company”) is an exploration stage company engaged in the acquisition and exploration of prospective gold, nickel and base metal properties primarily in Canada. The Company is currently focusing its exploration activities on Baffin Island, Nunavut and to a lesser extent on a property in Newfoundland. The Company is a reporting issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol CMD. The following discussion and analysis of the financial position and results of operations for the Company should be read in conjunction with the interim financial statements and the notes thereto for the three months ended March 31, 2006.

Forward-Looking Information and Report Date

This Management Discussion and Analysis (“MD&A”) may contain forward-looking statements that involve risks and uncertainties. When used in this MD&A, the words “anticipate”, “believe”, “estimates”, “expects” and similar expressions are intended to identify such forward-looking statements. Readers are cautioned that these statements which describe the Company’s proposed plans, objectives, and budgets may differ materially from actual results. Such forward-looking statements in this MD&A are only made as of May 24, 2006 (the “Report Date”).

Highlights for the Three Months Ended March 31, 2006

- On January 20th, the Company reported the discovery of eight high grade uranium results on its Hermitage uranium project in southern Newfoundland confirming that the uranium mineralization is predominantly stratiform, following chemically-favourable stratigraphic units or beds of unknown lateral and depth extent. Refer to the Section entitled Hermitage Uranium Project for details.
- On February 13th, the Company reported that Teck Cominco Limited (“Teck Cominco”) entered into an option agreement with prospectors Lorne Warren and Westley Grant Luck on the Tam/Misty property. Under that agreement, Teck Cominco may earn a 100% of Warren and Luck’s 90% interest by making \$525,000 in staged cash payments and incurring \$2.6 million in exploration expenditures before December 31, 2011. The Company maintains a 10% carried interest in the Tam/Misty property and as part of the first cash payment, received \$2,500. In addition, the Company may receive a 1.5% Net Smelter Returns royalty of which \$250,000 is payable, as an advance royalty, starting on December 31, 2012. This royalty is subject to a buy-down provision that, if exercised, would pay \$1.0 million to the Company.
- On February 27th, Alto Ventures Ltd. informed the Company of results from the first three holes of the 5,000 metre winter diamond drilling program at the Despinassy Gold Project near Val d’Or, Quebec including hole DES06-85 which intersected 19.6 grams per tonne over 9.9 metres including 178.5 grams per tonne over 1.0 metre.
- On March 27th the Company announced that a target area was identified by geophysical and geochemical surveys on the White Bear portion of the Hermitage Uranium Property, Newfoundland. The target may represent the source of the high grade uranium boulders on the Doucette Prospect, discovered in late 2005, that returned values ranging from 0.13% to 1.32% U₃O₈. This scattered cluster of boulders, considered to be close to source, occurs in a thin but extensive veneer of till with no visible outcrop.
- On March 29th, Alto Ventures Ltd. reported additional drill results from the Despinassy Project highlighted by hole DES06-91 which intersected 19.5 g/t over 2.1 metres and identified a new gold zone - Darla Gold Zone, one kilometre east of the DAC Deposit.

Subsequent Events to March 31, 2006

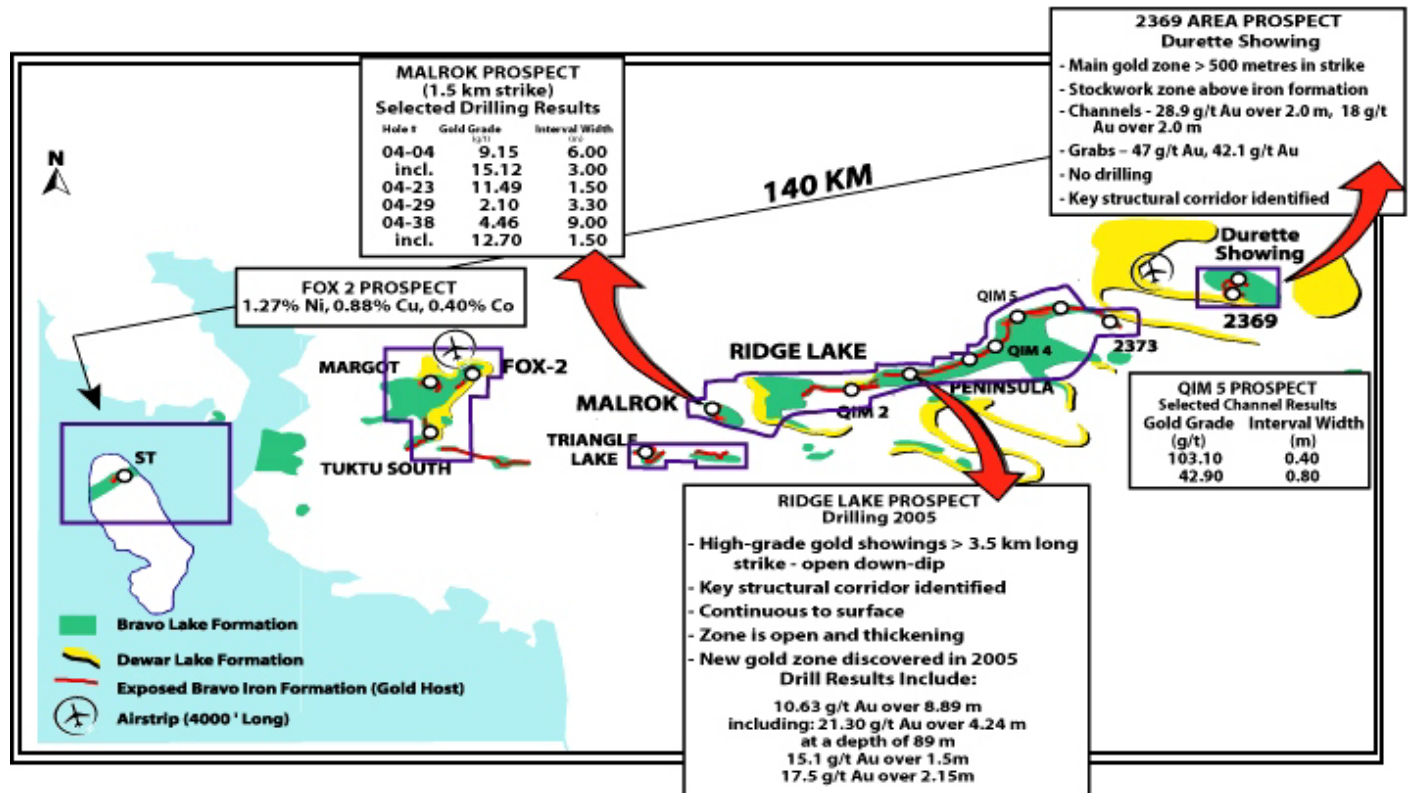
- On May 1st, the Company signed a Letter of Intent with Blackstone Ventures Inc. (“Blackstone”) to acquire Blackstone’s 50% interest in the Rob uranium property, Yukon Territory, providing the Company with a 100% interest. Under the terms of the agreement, the Company may purchase the 50% interest from Blackstone by issuing to Blackstone 305,000 common shares of the Company and granting Blackstone a 1% Net Smelter Returns Royalty on metal production from the Property which may be reduced to 0.5% at any time for \$1,000,000.
- On May 12th, the Company reported that a 5,200 line kilometre airborne radiometric, magnetic and Electromagnetic survey had commenced on its Hermitage uranium property in southern Newfoundland.
- On May 15th, the Company completed a brokered private placement for gross proceeds \$3,885,000 and a non-brokered flow-through private placement for gross proceeds of \$1,699,999, details of which are described under the Liquidity Section.

Baffin Island Gold Project, Nunavut

From 2003 to 2005, the Company’s exploration on central Baffin Island resulted in the discovery of 14 gold occurrences over a strike length of 140 kilometres. The target is an iron formation-hosted gold deposit similar to the Proterozoic iron formation-hosted Homestake gold deposit in South Dakota, USA and other iron formation hosted gold deposits such as Lupin, Nunavut, and Morro Velho, Brazil.

The Bravo Lake Formation contains high grade gold values in two separate iron formation units (upper and lower) and a quartzite unit. In each of three different units, gold occurs primarily as free gold, disseminated, within quartz veins and associated with arsenopyrite. The most advanced prospects are Malrok (see Qimmiq), Ridge Lake (see Qimmiq), and Durette (see Bravo Lake).

The Baffin Island Property is subject to three separate option agreements named Qimmiq, Dewar Lake and Bravo Lake. As at March 31, 2006, the Company had vested 100% of the Dewar Lakes property and 50% of the Qimmiq property. The project area is typified by flat rolling hills of exposed rock and tundra located on tidewater and dotted with deep lakes providing access to water throughout the year. In addition, the Company has temporary access to two “Distant Early Warning” (DEW line) radar stations each with an operational 4,000 foot airstrip. Access to the camp and field is via fixed wing and/or helicopter.



The proposed budget breakdown for the 2006 Baffin Island exploration program follows:

Baffin Island 2006 Budget

	Budget	Actual	Variance
Administration	\$ 20,000	\$ -	\$ 20,000
Drilling	2,000,000	10,550	1,989,450
Geology	220,000	15,624	204,376
Geophysics -Ground	100,000	-	100,000
Property	60,000	-	60,000
Mobilization/demob.	300,000	-	300,000
Prospecting and trenching	200,000	-	200,000
	<u>\$ 2,900,000</u>	<u>\$ 26,174</u>	<u>\$ 2,873,826</u>

Costs to date reflect in house field and program preparation.

Qimmiq Property, Nunavut

On June 18, 2003, the Company entered into an option agreement with BHP Billiton Diamonds Inc. (“BHP Billiton”) to explore for gold and base metals on Nunavut Tunngavik Incorporated (“NTI”) leases on Baffin Island, Nunavut. The two main prospects: Malrok, which was drill-tested in 2004, and Ridge Lake, the focus of the 2005 program, are located on the Qimmiq property. The Company has made sufficient expenditures to vest a 50% interest in the property. Since the initial date of the agreement, the property has been reduced to five (5) leases totaling 23,600 hectares (58,000 acres).

2006 Exploration Program

For 2006, drilling will be focused at Ridge Lake to expand the high-grade zone that includes hole 05-35 and to test the lower iron formation on the eastern portion of the property. In addition, detailed drilling will be planned to extend the Ridge Lake zone to the west and south from the known gold intercepts. The proposed initial program will include approximately 3,500 metres in 20 to 30 drill holes.

Bravo Lake Property, Nunavut

On August 21, 2003, the Company entered into an option agreement with Falconbridge Limited (“Falconbridge”) on twelve Nunavut Exploration Permits on Baffin Island, Nunavut. The Durette Prospect is located at the eastern end of the 140 kilometre long Bravo Lake gold belt, approximately 50 kilometres east of Ridge Lake. In the fall of 2005, the Company staked nineteen (19) mineral claims to cover the favourable portions of the prospecting permits. The revised area of the Bravo Lake property is 14,668 acres (5,900 hectares).

2006 Exploration Program

The 2006 program will be focused primarily on the “Durette” Prospect located at the eastern end of the property. Geological mapping and rock sampling in 2005 outlined a significant gold mineralized area over at least a 500 metre strike length. Gold values including 29.8 g/t gold over a 2.0 metre channel sample occur in a highly altered quartzite unit lying stratigraphically above the level of the iron formations carry gold at Ridge Lake and Malrok Prospects on the adjacent Qimmiq property. Both iron formations are predicted to be at depth beneath the mineralized quartzite unit at Durette. The initial 2006 drill program will consist of about 1,500 metres in 10 to 12 holes.

Dewar Lake Property, Nunavut

On June 18, 2003, the Company entered into an option agreement with BHP Billiton to explore for gold and base metals on three Nunavut Prospecting Permits located on Baffin Island, totaling 65,000 hectares (162,947 acres). The Company earned a 100% interest in the property with completion of the 2004 program. Currently, the property has been reduced to one (1) permit with an area of 8,255 Hectares (20,400 acres).

At this time, there are no significant exploration plans for Dewar Lake.

The Hermitage Uranium Project, Newfoundland

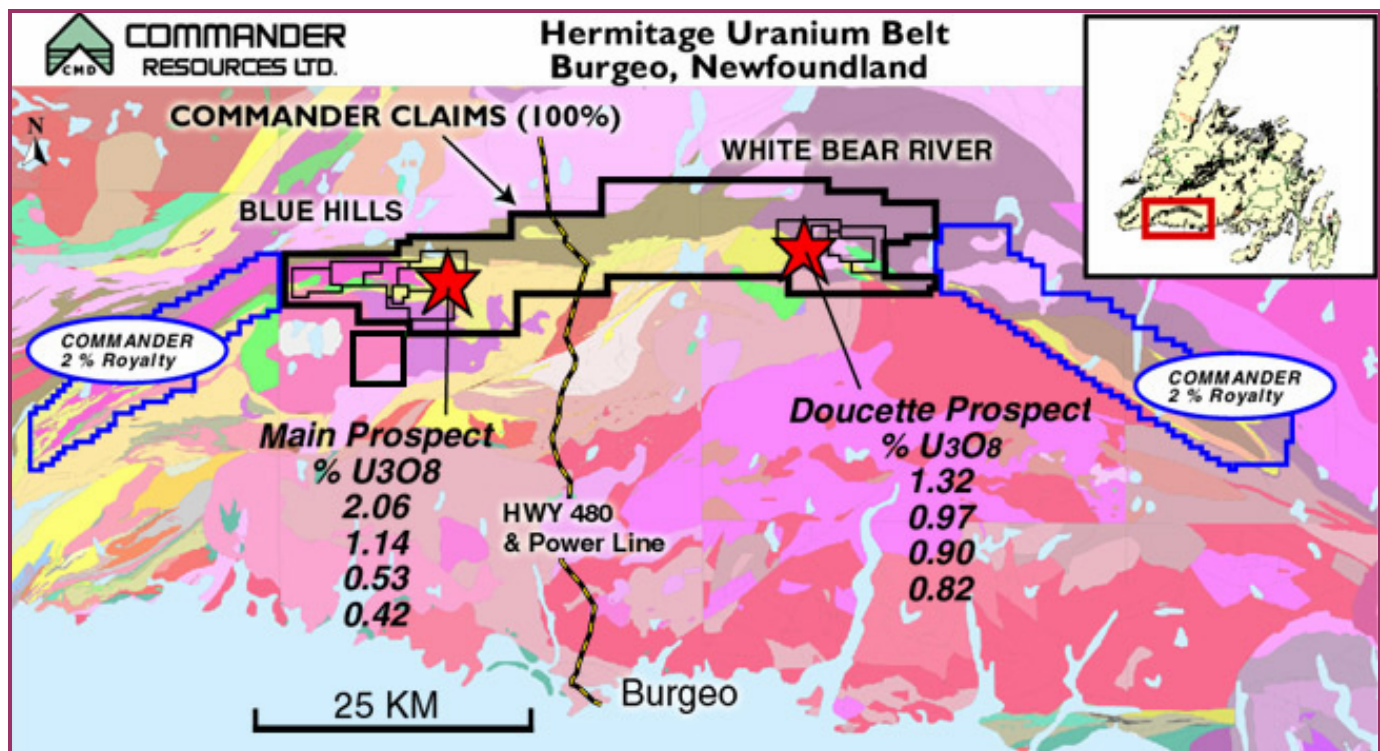
In 2005, the Company assembled approximately 40,000 hectares of land in southern Newfoundland covering a strike length of more than 100 kilometres through two separate option agreements and 1,600 claims staked on-line by the Company. The project is on the south coast just north of the port town of Burgeo, close to a paved highway and power line. The property has not been previously drilled.

On March 16, 2005, the Company entered into an option agreement with a private consortium based in Newfoundland to earn a 100% interest in the Blue Hills and White Bear Uranium properties over a four year term by making cash payments of \$82,200, issuing 201,000 common shares, a warrant and completing \$1,000,000 in exploration work. The agreement is subject to a 2% of Net Smelter Returns Royalty for the vendors with a buy-back of one half of the royalty for \$1.0 million.

On April 22, 2005, the Company completed a second option agreement to earn a 100% interest in the Couteau Lake Property from prospector Lai Lai Chan over a four year term by making total cash payments of \$60,000, issuing 150,000 common shares and completing \$300,000 in exploration work. The agreement is subject to a 2% Net Smelter Returns Royalty for the vendor with a buy-back of one half of the royalty for \$1.0 million.

In the fall of 2005, the Company acquired an additional 1,600 claims covering a major geological belt known as the "Hermitage Flexure". The Hermitage Flexure ties together the Blue Hills and White Bear uranium properties and becomes part of the Blue Hills and White Bear option agreement.

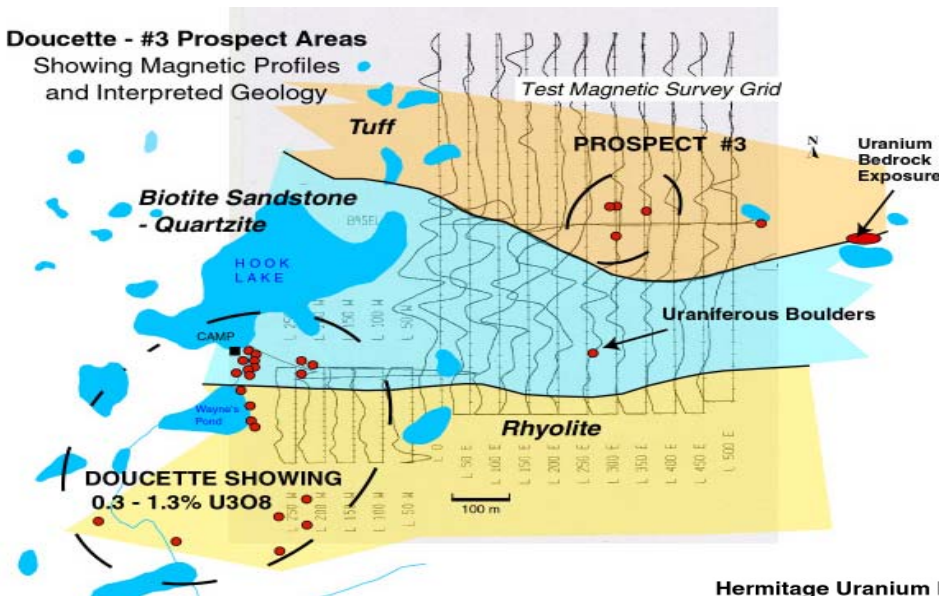
The Company entered into an agreement with Pathfinder Resources Ltd. in conjunction with the acquisition by Pathfinder of 1,429 claims aggregating 35,725 hectares to the east and west of the Company's property. Under the agreement, the Company received 150,000 common shares of Pathfinder and a 2% Royalty on all commodities produced from the claims staked by Pathfinder.



The Hermitage Fall 2005 Exploration Summary

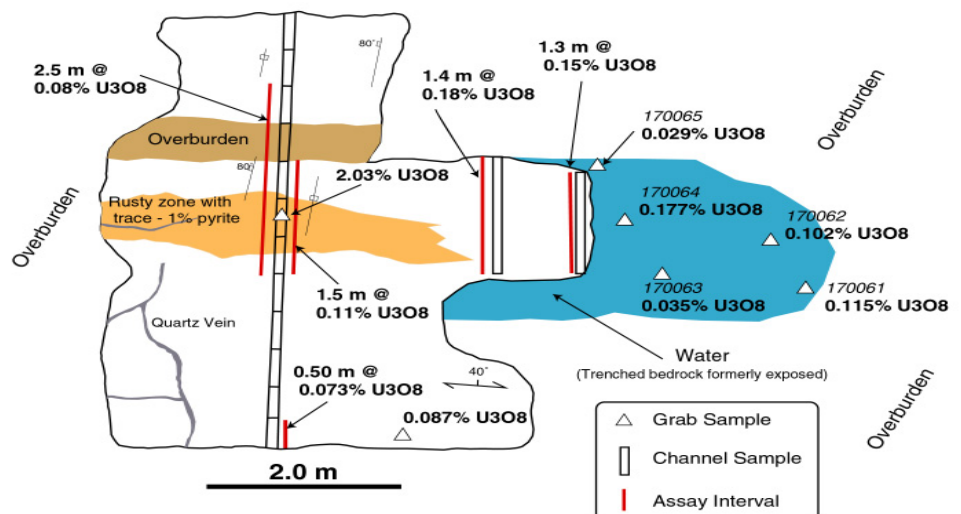
In March 2006, the Company reported the remaining results from the 2005 fall geophysical and geochemical surveys. On White Bear, a close spaced grid of magnetic surveying covered boulder fields at the Doucette Showing and Prospect #3 (500 metres apart). The northern and southern portions of the grid showed a low level, flat response, while the central 300 metre wide belt showed a very active magnetic response. The magnetic signature in this area correlates with the measured response of the uranium bearing rocks at the Doucette Showing and may represent the source rock of this uranium mineralization.

Scattered uranium soil anomalies located within and down-ice from magnetically active bedrock support this possibility. Anomalous soil values, ranging from 3 to 14 times background (background is 1 ppm uranium), were also found from the main boulder discovery area over at least 300 metre strike length. The uranium grades shown at Doucette and size potential of a sandstone hosted deposit make this an attractive source target area. See Doucette – Prospect #3 Areas Map below:



At Blue Hills, the bedrock outcrop at the Main Showing was extended by backhoe trenching approximately five metres along strike. Two channels cut in the trench, assayed 0.18% U3O8 over a 1.4 metre length and 0.14% U3O8 over a 1.3 metre length respectively. Three composite rock chip samples collected from the eastern end of the trench contained values ranging from 0.10% U3O8 to 0.18% U3O8, consistent with previous channel sample values and further demonstrating the bedding control and extent of the uranium-bearing rock units. See Trench Map below:

Hermitage Uranium Project- Blue Hills Main Zone
 Outcrop of Felsic Volcanics With Uranium Mineralization
 Showing Channel and Rock Chip Uranium Assays



A new uranium showing 400 metres west of the known “Chan” showing returned two bedrock composite chip samples assaying 0.11% U3O8 and 0.09% U3O8 and a locally derived boulder chip composite sample assaying 0.66% U3O8 at a volcanic – sedimentary contact. The Chan prospect is located about seven kilometres west from the Main Showing.

A composite chip sample from a new showing in outcrop from the Baggs Hill granite intrusive assayed 0.49% U3O8, the highest result

received to date from the granite indicating that significant potential may exist in the granite bodies themselves.

Four additional samples, collected near the Hawks Nest, Fat Lip, Main and #4 prospects assayed between 0.14% U3O8 and 0.36% U3O8. These were from coarse angular float considered to be sourced by these prospects.

The Hermitage 2006 Exploration Program

The 2006 program will consist of an airborne geophysical survey followed up with ground prospecting and geological mapping. The 5,200 line kilometre airborne radiometric, magnetic and electromagnetic survey commenced on May 12th designed to locate rocks containing uranium and to assist in mapping out the main geological units under the thin overburden cover. The airborne survey is budgeted at \$350,000. Additional detailed work is planned on the known uranium prospects as part of the summer field program. Airborne data and follow-up along with detailed ground work will be used to develop priority drill targets.

Pathfinder Resources Ltd. will also be flying approximately 4,000 line kilometres of airborne survey over their property which lies adjacent to the east and west boundaries of the Company's property and on which the Company retains a 2% Royalty.

Despinassy Gold Project, Quebec

On April 26, 2004, Cameco Corporation ("Cameco"), the Company's Joint Venture Partner on the Despinassy, Quebec project, entered into an Agreement with Alto Ventures Ltd. ("Alto Ventures") for Cameco's 70% interest in the project. The Company waived its right of first refusal under the Joint Venture in consideration for 100,000 common shares of Alto Ventures at a deemed price of \$0.10 per share and retained the right of first refusal under the Joint Venture should Alto Ventures withdraw from the Agreement with Cameco.

Despinassy 2005/2006 Exploration Program

Alto Ventures completed a 5,000 metre diamond drill program during the winter, 2005. The Company's 30% interest in the property was carried for the entire budgeted program. Results from the DAC deposit included wide intervals of shear hosted gold mineralization, up to 33 metres thick, containing multiple, high grade quartz veins. The best results included: 14.6 g/t gold over 3.7 metres (including 51.2 g/t gold over 1.0 metre); 7.0 g/t gold over 7.2 metres (including 16.4 g/t gold over 2.7 metres); 6.7 g/t gold over 3.1 metres (including 14.0 g/t gold over 1.2 metres); 6.4 g/t gold over 5.9 metres (including 22.0g/t gold over 1.4 metres); and 45.8 g/t gold over 0.4 metres.

A further 5,000 metres of drilling was proposed by Alto for early 2006 and the Company elected not to contribute. The Company anticipates that its interest in the Despinassy project will dilute from 30% to approximately 26% upon completion of this drill program. The results included intercepts of encouraging gold mineralization in all three holes testing multiple veins in the DAC deposit. Hole DES06-85 intersected 19.6 g/t gold over 9.9 metres including 178.5 g/t gold over 1.0 metre. A second round of drilling resulted in the discovery of the 'Darla Gold Zone' one kilometre east of the DAC Deposit. Hole DES06-91 intersected 19.5 g/t gold over 2.1 metres. Discovery of the Darla Gold Zone confirmed the potential for multiple lenses of high grade gold mineralization along the six kilometre strike length of the Despinassy Shear Zone.

Results of Operations
-Current Quarter Results

During the current quarter, the majority of the Company's exploration activities related to in-house preparation for the upcoming Baffin drill program and compilation of field results from the fall 2005 geophysical and geochemical surveys on the Hermitage Property. Acquisition costs of \$24,130 included \$9,700 in cash and 39,000 common shares issued at a deemed price of \$0.37 per share in accordance with the Blue Hills and White Bear River Newfoundland option agreement. Subsequent to March 31, 2006, the Company paid \$18,000 and issued 40,000 common shares in accordance with the terms of the Couteau Lake, Newfoundland Option Agreement.

To help supplement cash requirements, the Company sold 100,000 common shares of Diamonds North Resources Ltd. and 50,000 common shares of Alto Ventures Ltd. The sales resulted in a gain of \$51,044 and provided net cash proceeds of \$111,019. In addition, the Company received 150,000 common shares of Pathfinder Resources Ltd. at a deemed price of \$0.30 per share. The deemed amount of \$45,000 has been applied as a recovery against the Hermitage, Newfoundland uranium mineral property.

-Three Months Ended March 31, 2006 compared with the Three Months Ended March 31, 2005

General and administrative expense, for the period, of \$268,332 (2005 - \$341,314) represented a \$72,982 decrease over the comparative fiscal period. Notable changes included:

- Consulting expense of \$10,017 (2005 - \$22,092) decreased as the comparative period included cost for a part-time corporate consultant who assisted the President with corporate communications;
- Investor relations and promotion expense of \$49,233 has decreased from the comparative fiscal period as the Company elected to attend less trade shows. A breakdown is as follows:

	<u>2006</u>	<u>2005</u>
Administration	\$ -	\$ 28
Conferences and trade shows	20,094	28,496
Consulting, wages and benefits	16,896	14,700
Media	3,061	3,951
Promotion and advertising	9,182	15,161
	<u>\$ 49,233</u>	<u>\$ 62,336</u>

- Salaries and benefits expense of \$121,671 (2005 - \$72,732) increased due to a \$48,000 severance accrual upon expiration of the President's contract on March 31, 2006. The President agreed to extend the current contract and defer the payment until December 31, 2006. The Compensation Committee and the President have agreed to negotiate a new contract in the fall;
- Stock-based compensation expense of \$Nil (2005 - \$102,113) as no stock options vested during the period. Stock-based compensation expense is a non-cash item;
- Future income tax recovery of \$689,824 (2005 - \$73,458) resulted from the renunciation of \$2,021,757 of exploration expenditures under the Company's flow-through share program. The income is a result of accounting pronouncement EIC-146 and is a non-cash item.



Management Discussion and Analysis
For the Period Ended March 31, 2006

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For the three months ended March 31, 2006, the Company's earnings after tax were \$475,537 (2005 - \$(286,261)) resulting largely from the future income tax recovery noted above and not from operating revenue. The Company did not pay cash dividends during the quarter.

Summary of Quarterly Results, For the Three Months Ended:

	Jun. 30 2004 Q2	Sept. 30 2004 Q3	Dec. 31 2004 Q4	Mar. 31 2005 Q1	Jun. 30 2005 Q2	Sept. 30 2005 Q3	Dec. 31 2005 Q4	Mar. 31 2006 Q1
Mineral expenditures, net	\$ 1,553,593	\$ 1,923,323	\$ 149,112	\$ 183,624	\$ 829,253	\$ 1,535,399	\$ 514,555	\$ 89,876
Revenues	\$ 62,788	\$ -	\$ (228)	\$ -	\$ -	\$ -	\$ -	\$ -
G&A (incl. stock comp.)	\$ 620,971	\$ 333,858	\$ 284,807	\$ 341,314	\$ 182,658	\$ 426,664	\$ 271,613	\$ 268,332
Stock comp. expense	\$ 393,358	\$ 110,007	\$ 7,855	\$ 102,113	\$ 7,855	\$ 258,342	\$ -	\$ -
G&A (less stock comp.)	\$ 227,613	\$ 223,851	\$ 276,952	\$ 239,201	\$ 174,803	\$ 168,322	\$ 271,613	\$ 268,332
Income (loss)	\$ (168,255)	\$ (364,026)	\$ (459,486)	\$ (286,261)	\$ (409,489)	\$ (7,666)	\$ 327,849	\$ 475,537
Income (loss) per share								
-basic	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ -	\$ -	\$ 0.01
-diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ -	\$ -	\$ 0.01
Weighted avg. common shares								
-basic	22,890,063	25,967,914	25,314,313	30,764,701	31,452,614	36,208,162	34,359,557	39,668,585
-diluted	22,890,063	25,967,914	25,314,313	30,764,701	31,452,614	36,208,162	34,359,557	46,235,375

The Company's predominant exploration project is currently on Baffin Island, Nunavut in Canada's far north and is subject to seasonal working conditions. The Company's exploration on this project typically runs during the spring and summer to early fall periods, therefore most of the expenditures are incurred during the second and third quarters.

Since the adoption of the CICA accounting standard for stock-based compensation, the Company's general and administrative quarterly expense has fluctuated significantly. The granting and vesting of stock options is at the discretion of the Board of Directors and the resulting expense does not reflect the normal operations of the Company. The Company has included "adjusted general and administrative expense" without the stock-based compensation expense to be more reflective of normal operations.

Earnings per share in Q1 2006 resulted from the renunciation of \$2,021,757 of exploration expenditures under its flow-through share program in accordance with accounting pronouncement EIC-146.

Liquidity

At March 31, 2006, the Company had \$886,290 in working capital, which is not sufficient to complete the Company's planned business objectives for 2006. A non-brokered flow-through private placement for gross proceeds of \$1,699,999 closed on May 12, 2006, and a brokered private placement closed on May 15, 2005 for gross proceeds \$3,885,000.

- The brokered private placement for gross proceeds \$3,885,000 consisted of 10,500,000 units at a purchase price of \$0.37 per unit. Each unit consists of one common share and one-half non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.50 per share until May 15, 2008. The Agents received \$144,226 in cash, 390,500 units at a deemed price of \$0.37 per unit in lieu of cash, 1,040,400 Agent's warrants and an administration fee of \$5,000. The Agent's warrants have the same terms as the client's warrants. The securities may not be traded until September 16, 2006.
- The non-brokered flow-through private placement for gross proceeds of \$1,699,999 consisted of 3,695,652 common shares at a purchase price of \$0.46 per share. Fees paid include \$98,017 in cash and 213,089 Agent's warrants. Each Agent's warrant entitles the holder to purchase one common share at a price at \$0.50 per share until May 11, 2007. The securities may not be traded until September 11, 2006.
- All of the warrants and the Agent's warrants are subject to an early expiry provision once resale restrictions have ended. Upon the Company's shares trading at or above a weighted average trading price of \$0.80 for 20 consecutive trading days, the Company may give notice to the warrant holders and issue a news release advising that the warrants will expire 30 days from the date of the news release.

The Company does not have operating cash flow and has relied on equity financings to meet its cash requirements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financings will be favourable.

Capital Resources

The Company has active option agreements under which the Company is required to meet certain obligations during fiscal 2006 to keep the options in good standing:

- On the Big Hill property in Newfoundland, the Company is required to issue 80,000 common shares to Black Bart Prospecting Inc. and has made \$230,000 in cumulative exploration expenditures (satisfied) on or before July 31, 2006.
- On the Bravo Lake property in Nunavut, the Company's cumulative exploration expenditures are \$775,795 and the Company is required to spend a minimum of \$1,000,000 in exploration before December 31, 2006.

Off-Balance Sheet Arrangements

The Company has not entered into any Off-Balance Sheet Arrangements.



Related Party Transactions

At March 31, 2006 marketable securities included 470,000 common shares of Diamonds North Resources Ltd., a company related by a common director, Bernard Kahlert, and 167,647 common shares of Fjordland Exploration Inc., a company related by a common director, Victor Tanaka.

The Company shares certain administrative costs with four other companies related by virtue of common directors. Included in accounts receivable is an aggregate of \$4,471 owed by those companies for shared administrative expenses. Included in accounts payable is \$5,250 owed to Diamonds North relating to shared office premises and administrative staff.

The Company paid \$1,200 in legal fees to a law firm in which a director of the Company, Brian Abraham is a partner.

Given that the Company's directors and officers are engaged in a wide range of activities in the junior resource industry, the Company operates under the Conflict of Interest provisions found within the Business Corporations Act of BC. In addition, management has adopted language from these provisions and incorporated them into the Company's Code of Business Conduct and Ethics.

Proposed Transactions

None.

Changes in Accounting Policies

None.

Financial Instruments

The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash and cash equivalents have been placed with major financial institutions.

Marketable securities are carried at the lower of cost or quoted market value. The market value of marketable securities at March 31, 2006 was \$568,621.

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

Other MD&A Requirements

Additional information relating to the Company, including the Company's most recent Annual Information Form, is available on SEDAR at www.sedar.com.

As at the Report Date, the Company had 54,503,133 issued common shares outstanding and the following unexercised stock options and warrants:

-Stock Options

Expiry Date	Exercise Price	Number of Shares
September 11, 2006	\$0.23	115,999
January 23, 2008	\$0.20	330,337
August 20, 2008	\$0.26	221,666
September 10, 2008	\$0.45	5,000
December 18, 2008	\$0.50	75,000
January 21, 2009	\$0.53	700,000
February 19, 2009	\$0.64	50,000
May 18, 2009	\$0.56	791,000
September 6, 2009	\$0.40	100,000
September 21, 2009	\$0.40	200,000
January 24, 2010	\$0.34	50,000
July 19, 2010	\$0.25	733,000
May 11, 2011	\$0.39	282,000
		3,654,002

**-Warrants**

Expiry Date	Exercise Price	Number of Shares
October 20, 2006	\$0.45	544,788
December 8, 2006	\$0.50	2,500,000
May 15, 2008*	\$0.50	5,250,000
		<u>8,294,788</u>

Under an option agreement on the Blue Hills and White Bear, Hermitage Newfoundland project, the Company issued a warrant to the optionors to purchase 250,000 common shares exercisable at a price of \$1.00 per share. The warrant is exercisable only if a Mineral Reserve (as defined by CIM Classification under National Instrument 43-101) of at least \$500 million is defined. The warrant will expire on the earlier of the date the Company exercises the option or March 4, 2009.

-Agent's Warrants

Expiry Date	Exercise Price	Number of Shares
May 15, 2008*	\$0.37	1,040,400
May 11, 2007*	\$0.50	213,089
		<u>1,253,489</u>

* All of the warrants and the Agent's warrants are subject to an early expiry provision once resale restrictions have ended. Upon the Company's shares trading at or above a weighted average trading price of \$0.80 for 20 consecutive trading days, the Company may give notice to the warrant holders and issue a news release advising that the warrants will expire 30 days from the date of the news release.

At March 31, 2006, the Company held mineral properties exclusively in Canada. Exploration activity and expenditures incurred on the Company's properties are detailed in the Mineral Property Expenditure Table on the following page. The Company's principal project is located in Canada's far north which poses an inherent risk associated with exploring due to the remoteness from populated areas, lack of surface infrastructure, and availability of skilled labour, fuel and supplies. Exploration is dependent on air transportation, fixed wing and helicopter, which are susceptible to bad weather. The unpredictability of the weather can cause unavoidable delays in carrying out a planned exploration program resulting in cost overruns.

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Mineral Property Expenditure Table

	Sarah Lake	Green Bay	Adlatok 1	Big Hill	Hermitage Project(1)	Nepisiguit/ Stewart	Sally	Qimmiq	Dewar Lake	Bravo Lake	Other Properties	Total
Balance at												
December 31, 2005	\$ 1,155,423	\$ 416,225	\$ 130,778	\$ 208,523	\$ 517,995	\$ 1,352,957	\$ 61,173	\$ 5,336,615	\$ 249,761	\$ 775,795	\$ 1,498,015	\$11,703,260
Additions during the period:												
Acquisition costs:	-	-	-	-	24,130	-	-	-	-	-	-	24,130
Exploration costs:												
Drilling	-	165	-	-	-	200	-	7,385	-	3,165	-	10,915
Geochemistry	-	-	-	225	2,040	-	-	65	-	-	-	2,330
Geology	1,717	374	339	161	22,998	1,308	-	7,993	2,756	4,810	14,681	57,137
Geophysics -Ground	-	-	-	-	13,763	-	-	-	-	-	-	13,763
Prospecting	-	-	-	-	1,170	-	-	-	-	-	-	1,170
Trenching/line cutting	-	-	-	-	225	-	-	-	-	-	-	225
	1,717	539	339	386	40,196	1,508	-	15,443	2,756	7,975	14,681	85,540
Less:												
Recoveries	-	-	-	-	(45,203)	-	-	(1,144)	-	(67)	(3,950)	(50,364)
Net additions	1,717	539	339	386	19,123	1,508	-	14,299	2,756	7,908	10,731	59,306
Balance at												
March 31, 2006	\$ 1,157,140	\$ 416,764	\$ 131,117	\$ 208,909	\$ 537,118	\$ 1,354,465	\$ 61,173	\$ 5,350,914	\$ 252,517	\$ 783,703	\$ 1,508,746	\$11,762,566

(1) The Hermitage, Newfoundland project includes the Blue Hill/White Bear and Couteau option agreements along with the 1,600 claims staked on-line.



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Vice President, Exploration and Director

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Director

Brian Abraham, LLB., P.Geo
Director

Michael Lee
Chief Financial Officer

Janice Davies
Corporate Secretary

Maynard E. Brown, LLB.
Assistant Corporate Secretary

LISTINGS

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

CAPITALIZATION

(as at March 31, 2006)

Shares Authorized: Unlimited
Shares Issued: 39,721,981

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