COMMANDER RESOURCES LTD.

INTERIM REPORT
Management Discussion & Analysis
FORM 51-102F1

For the Three Months Ended
March 31, 2007

Description of Business

Commander Resources Ltd. ("the Company") is an exploration stage company engaged in the acquisition and exploration of prospective gold, uranium and base metal properties primarily in Canada. The Company is currently focusing its exploration activities on a gold project on Baffin Island, Nunavut and on a uranium property in southern 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 audited financial statements and the notes thereto for the period ended March 31, 2007.

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 28, 2007 (the "Report Date").

Highlights for the Period Ended March 31, 2007

During the three months ended March 31, 2007, the Company was actively exploring the Hermitage uranium project in Newfoundland. Major events in the period included:

(a) On February 7, 2007, the Company reported that it had entered into an agreement with Geoinformatics Exploration Canada Limited ("GXL") whereby GXL may earn an initial 60% interest and an ultimate 80% interest in the Company's five properties in the Omineca Mining District, British Columbia, located about 100 kilometers south of the Kemess Copper-Gold mine. The properties include Abe, Pal, Mate, Aten and Tut. GXL may earn an initial 60% interest by completing $4.5 million in exploration expenditures over 4 years and paying to the Company $300,000 in cash of which $50,000 in cash and $750,000 in work expenditures is the commitment for 2007 and a second cash payment of $250,000 made to the Company once GXL vests at 60%.

Upon earning 60%, GXL will continue to sole-fund work on the property until GXL completes and delivers a positive pre-feasibility study to the Company and pays the Company $1.5 million, at which time GXL will have earned an 80% working interest in the properties. Once GXL vests at 80%, a joint venture will be formed (CMD 20% / GXL 80%). Funding on the properties will continue pro-rata. If GXL vests at 60% and fails to propose work programs for three years, the Company will be entitled to propose a budget and program on the Properties, which will be funded pro-rata or GXL's interest will dilute. A 2% NSR is provided to a diluted party whose interest drops below 10%. The NSR varies between 1.75% and 2% depending on the mineral claim. There is a buy-down provision to 1% NSR for $3 million. An underlying agreement between the Company and John Robins, summarized in Note 7d(1), applies to the Abe and Pal claims only. Under this underlying agreement, fifty-percent of the cash considerations attributable to Abe and Pal less 10% management fees and a royalty consideration will be transferred to John Robins.

(b) On March 1, 2007, the Company reported that it had entered into an agreement with Vulcan Minerals Inc. ("Vulcan") whereby the Company may earn an 80% interest in designated metals, including base and precious metals and uranium, on Vulcan's large, 38,350 hectare Bay St. George Property in southwestern Newfoundland. The Company may earn an 80% interest in all base metals, precious metals and uranium on the Property over a five-year period by issuing to Vulcan 500,000 common shares and completing $3.5 million in exploration work, including 150,000 shares of the Company on regulatory approval and $100,000 of exploration expenditures in the first year. An initial cash payment of $50,700 will be paid to Vulcan to cover refundable staking deposits with the provincial Department of Natural Resources. Any future refunds will be the property of the Company. Once the Company has earned its 80% interest, a joint venture will be formed and the parties will jointly fund continuing work on the designated metals. Once a party's interest falls to 10% or lower, its interest will convert to a 2% royalty, which will be an NSR in the case of base and precious metals and a gross sales royalty in the case of uranium production. As at the date of this report, regulatory approval for the agreement had been attained and the cash payment and share issuances were made.

Subsequent Events to March 31, 2007

(a) On April 9, 2007, the Company reported results from five diamond drill holes from the initial test of the Blue Hills Main showing, one of the seven known uranium prospects in the Blue Hills area of the Company's large Hermitage project, Newfoundland. Seven holes totaling 993 metres were completed. Drill results indicate that uranium mineralization is hosted by a thick sequence of brecciated felsic volcanics associated with strong silica and sericite alteration and that a fault may have offset the more significant portion of the mineralized zone tested at surface.

(b) On April 13, 2007, the Company reported it and Bayswater Uranium Corp. collectively, the "Companies", entered into an agreement with Global Gold Uranium LLC ("Global Gold Uranium"), a wholly owned subsidiary of Global Gold Corporation ("Global Gold") whereby Global Gold Uranium may earn up to a 60% interest in the Companies' 2,600 claim, 61,000 hectare Cochrane Pond property located in southern Newfoundland (the "Property"). The Companies own the Property under a 50:50 Joint Venture. Commander is the Operator. The claims were staked jointly by the Companies' in early 2006 to cover favourable geology after uranium discoveries were made on Commander's adjacent Hermitage Property. No significant exploration work has been done on the Property. Global Gold Uranium may earn an initial 51% working interest in the Property over a four year period by making total cash payments to the Companies of US$700,000, issuing 350,000 shares of Global Gold and completing exploration expenditures of $3.5 million (the "Initial Option"). Of the total cash payments, USD$200,000 is payable upon signing and approval, and of the total shares, 150,000 shares are to be issued on signing and approval. The first years committed work expenditure is $500,000. Once Global Gold Uranium has vested a 51% in the Property through the Initial Option, Global Gold Uranium shall continue funding the project by either; (a) completing the next $2 million in exploration on the Property over a maximum two (2) year term; or (b) funding and delivering to the Companies a feasibility study on the property within a maximum of three (3) years. Following completion of either (a) or (b), Global Gold Uranium will have increased its interest in and to the Property to 60% (the "Second Stage"). As at the date of this report, the cash payment had been made.

(c) On April 26, 2007, the Company reported that drilling at both He2 and Doucette on the White Bear area of its Hermitage uranium project in southern Newfoundland intersected multiple intervals of uranium mineralization in bedrock in the vicinity of mineralized boulder trains. The Company completed 898 metres of drilling in six holes on the He2 target area and 1,232 metres in seven holes on the Doucette target area.

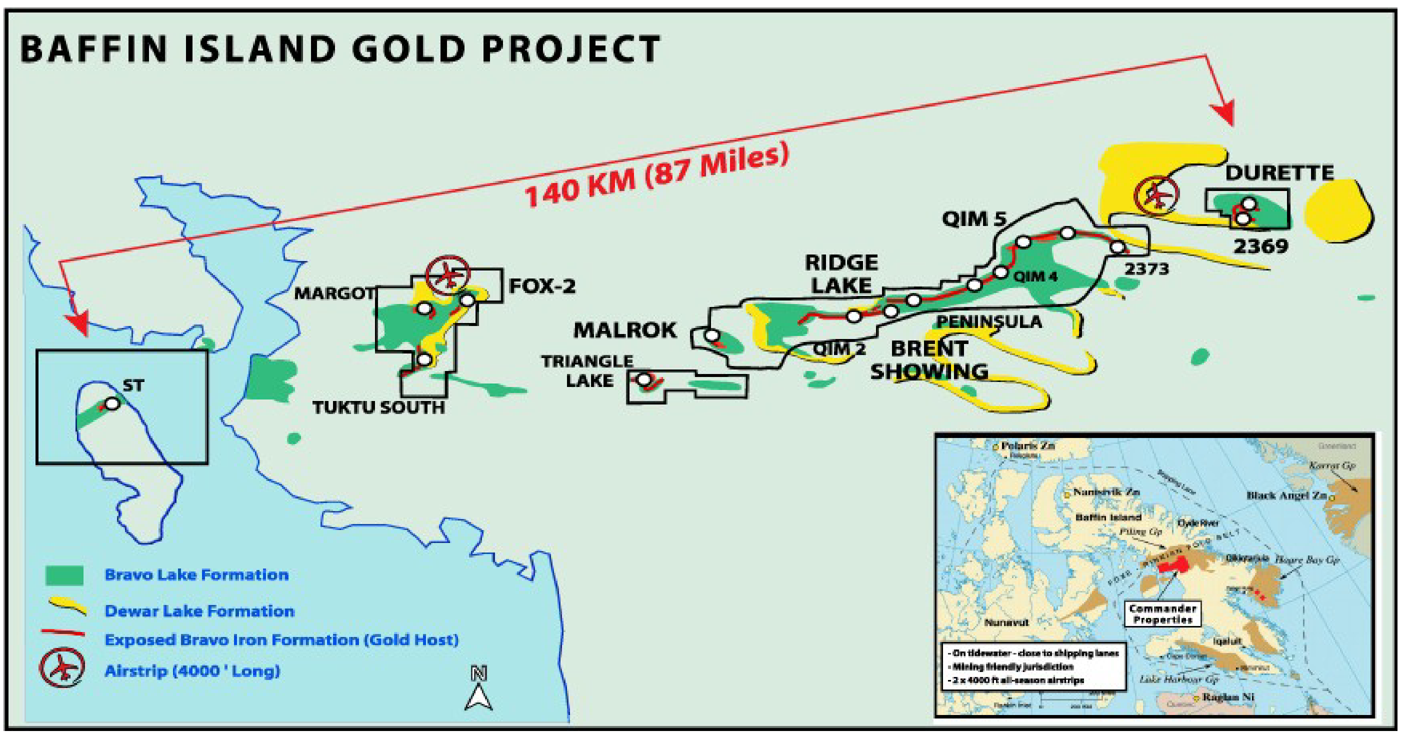
(d) On May 7, 2007, the Company reported the completion of the Phase 1 drill program on the Hermitage uranium project, Newfoundland. There were a total of 16 holes drilled in the White Bear area and 31 holes in total for the entire drill program that started in late 2006. At the date of this report, results from all 16 holes drilled in the White Bear area were awaited. Of the 31 holes drilled on the six widely-spaced target areas, 21 holes hit uranium mineralization, supporting the potential of this belt.

Baffin Island Gold Project, Nunavut

From 2003 to 2006, the Company's exploration work on central Baffin Island resulted in the discovery of 16 gold occurrences over a strike length of 140 kilometres. The primary 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 three separate iron formation units and within at least two large shear zones in younger granodiorite and gabbro units. In each of the different settings, 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 Brent Shear Zone, discovered in 2006, represents a new and potentially significant target on the property requiring further work.

The Baffin Island Property is subject to two separate option agreements named Qimmiq and Bravo Lake. The Company owns 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 Company engaged GeoVector Management Inc. of Ottawa to operate the field program.

Qimmiq Property, Nunavut

On June 18, 2003, the Company entered into an option agreement with BHP Billiton Diamonds Inc. ("BHP Billiton Diamonds") to explore for gold and base metals on Nunavut Tunngavik Incorporated ("NTI") leases on Baffin Island, Nunavut. Malrok, which was drill-tested in 2004, Ridge Lake, the focus of the 2005 and 2006 program, and the Brent Zone are located on the Qimmiq property along with several of the other gold prospects. The Company made sufficient expenditures through 2005 to vest a 50% interest in the property. Since the initial date of the agreement, the property has been reduced to five (5) leases totalling 58,000 acres (23,600 hectares).

Drilling to date at Ridge Lake has defined a semi-continuous sheet of gold mineralization containing higher grade plunging shoots, typical of the iron formation class of gold deposits. Higher grade intercepts in holes 06-50 and 06-55 along a southwest-plunging structural trend from hole 05-35 (21.24 g/t gold over 4.24 metres at a depth of 89 metres), define a high-grade shoot of unknown width that extends over a plunge length of at least 100 metres. The shoot is open both up-plunge to the northeast and down-plunge to the southwest within the eastern portion of the mineralized zone outlined by the 2005 drilling. This high-grade shoot is within a south-dipping sheet of lower grade mineralization that extends to surface where previously reported channel sampling identified local high grade gold values including 15.4 g/t gold over 1.9 metres.

A similar southwest-plunging structure is seen in the drill data for the western portion of the Ridge Lake central zone where holes 06-53 and 06-54 contribute to existing drill intercepts to define part of a lower grade sheet in an area where several previously reported holes trace a higher-grade shoot with approximately the same southwest orientation.

While only about a one kilometre extent of the entire Ridge Lake prospect has been drilled, the results and the identification of a predominant plunge direction to high grade shoots will help to focus follow-up drilling in the central zone and guide future targeting on similar trends along the Ridge Lake prospect and other prospects on the large property.

Several proposed holes to the east and west of the central mineralized zone on Ridge Lake and the eastern end of the prospect trend were not completed in 2006 because of early season drilling delays and the decision to move the drill onto the newly discovered Brent Showing. These areas will be considered for the 2007 program.

The Brent Showing, located five kilometres southwest of Ridge Lake, consists of a 1,400 metre long shear zone with well developed quartz veining that contains arsenopyrite (5-50%) and pyrrhotite (3-5%). A total of the 66 grab samples collected along the length of the shear zone contained values ranging up to 113.95 g/t gold. A total of 21 samples (32%) assayed greater than 5 g/t gold and nine samples (14%) assayed greater than 10 g/t gold. The shear zone is up to 50 metres wide and represents a new and potentially significant target type on the property.

The first two holes on the Brent showing were drilled 100 metres apart on the eastern portion of the near vertical shear zone. Hole Q2-06-01 intersected the shear zone between 19.0 metres and 59.0 metres, a 33 metre interval containing five percent quartz veining with arsenopyrite. Within this wider interval, a 13.7 metre wide zone of more intense alteration, sulphides and quartz veining between 45.5 and 59.2 and correlative with the zone sampled on surface, contained 5-10% quartz veins with up to 25% arsenopyrite. Sulphides consisting of 1-10% arsenopyrite and 1-3% pyrrhotite were also identified as disseminations in the host rock surrounding these veins. In hole Q2-06-02, drilled 100 metres west from hole Q2-06-01, the same shear zone and mineralized zone was intersected between 16.50 metres and 45.00 metres. The strongest alteration zone was intersected between 25.0 metres and 31.0 metres with a similar alteration and mineral association to that intersected in hole Q2-06-01. Detailed mapping, ground geophysics and sampling will be completed prior to a follow-up drilling program.

Bravo Lake Property, Nunavut

On August 21, 2003, the Company entered into an option agreement with Falconbridge Limited now named Xstrata PLC, ("Xstrata") 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).

The Bravo Lake program in 2006 focused primarily on the "Durette" Prospect identified in 2005. The program included 1,234 metres of drilling in six holes over a 465 metre strike length and to a maximum depth of 278 metres. Ground conditions, including slumped mega-blocks of the silicified iron formation and deep snow cover, prevented a direct test of surface mineralization over the central part of the main showing area. Drill hole 06-03, the most westerly of the six-hole program, intersected 9.61 g/t over 1.56 metres at a depth of 14.30 metres within a 19 metre thick highly silicified iron formation which appears to be thickening to the northwest. This trend is open and continues to the west under cover for 300 metres and into the area where a surface sample collected in 2005 assayed 17 g/t gold. The 2007 program will be planned to include a drill test in the area that was inaccessible in 2006 and to follow the mineralized trend to the northwest of hole 06-03.

Dewar Lake, Nunavut

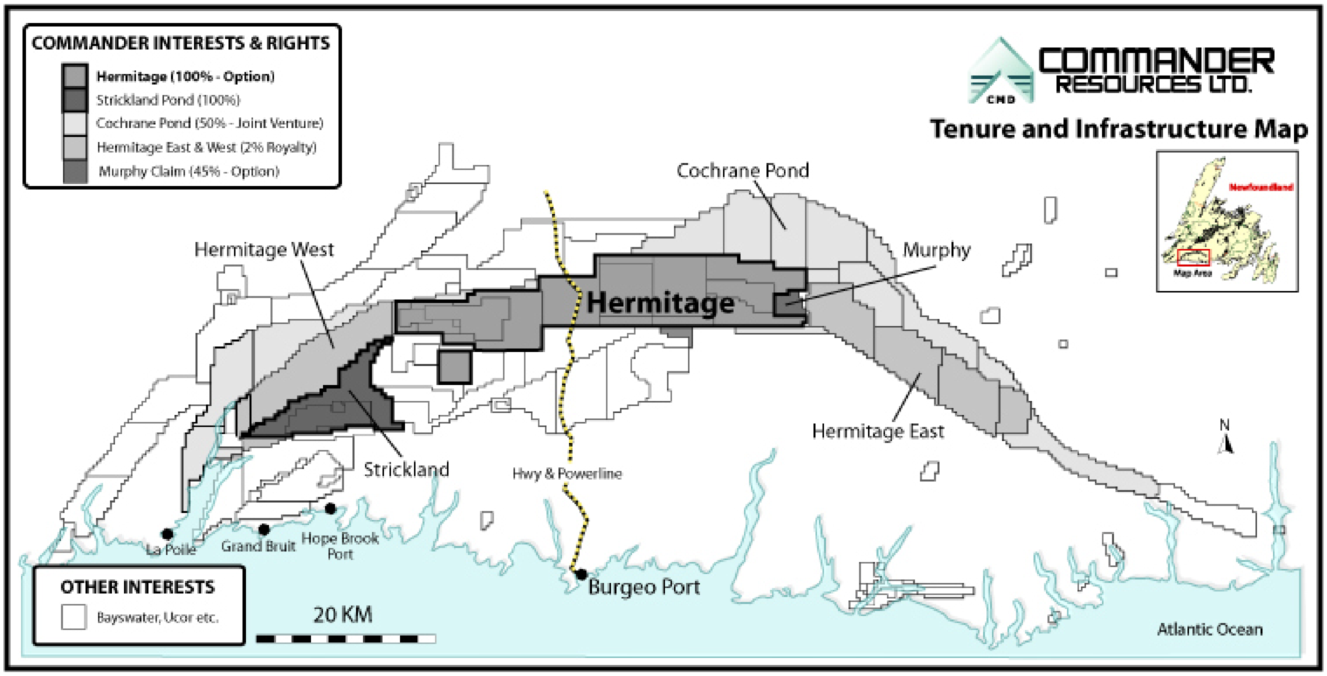
On June 18, 2003, the Company entered into an option agreement with BHP Billiton Diamonds to explore for gold and base metals on three Nunavut Prospecting Permits located on Baffin Island, totaling 162,947 acres (65,000 hectares). The Company earned a 100% interest in the property with completion of the 2004 program. No significant exploration work was completed in 2005 or 2006 and the final permit lapsed on January 31, 2007. The property carrying value of $275,829 was written down to $Nil in December 2006.

The Hermitage Uranium Project, Newfoundland

The Hermitage Uranium Project is located just north of the port town of Burgeo in southern Newfoundland and is intersected by Highway 480 and a major power-line. In 2005, the Company assembled approximately 99,200 acres (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 2006, the property had grown to approximately 447,300 acres (180,400 hectares) covering a strike length of 144 kilometres. The Project includes the contiguous Hermitage Property, Strickland Property, Cochrane Pond Property and the Murphy Option. In addition, the Company holds a royalty on the adjacent Hermitage East and Hermitage West properties which are owned by Bayswater.

The property area is 90-95% covered by thin overburden, with limited outcrop exposure. The overburden is considered to be in the order of a few metres to ten metres. Prospecting and surface sampling to date has identified 23 uranium occurrences; thirteen discovered by the Company's prospecting crew, seven of which were made with the assistance of the airborne radiometric survey flown in 2006. Numerous high values in grab samples from boulders and outcrop exposures range up to 3.1% U_3O_8.

Uranium mineralization is interpreted to be stratabound hosted by sandstone and felsic volcanic rocks of Ordovician age (450 million years) in the southwest portion of the Gander Tectonic Zone of Newfoundland, intruded and underlain by radiogenic granite bodies and cut by the regional Hermitage flexure structural zone. Two of the smaller showings were reported to be within one of the granitic bodies. Pitchblende appears to be the primary uranium mineral, with minor associated uraninite, autinite, uranophane and brannerite.



Hermitage Property (Blue Hills, White Bear, Couteau Lake)

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 River 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 (99,200 acres, 40,000 hectares) covering the Hermitage Flexure and tying together the Blue Hills and White Bear River properties within the Blue Hills and White Bear option agreement.

Strickland Property

On June 26, 2006 the Company staked the Strickland Property, 147 claims totalling 9,100 acres (3,675 hectares) located to the south of Bayswater's Hermitage West property.

On August 16, 2006, the Company announced that it had entered into an option agreement with prospectors E. and R. Quinlan to purchase claims containing an historical uranium showing grading 0.19% U_3O_8. The new property is surrounded by the Company's wholly owned Strickland Property. The Company may earn a 100% interest in the claims through cash payments totalling $43,000 and by issuing 160,000 common shares of the Company over a four year period. The first tranche of 25,000 common shares and $3,000 cash were issued on October 5, 2006. The vendors will retain a 2% NSR, half of which may be bought by the Company at any time for $1 million.

Cochrane Pond

On June 28, 2006 the Company and Bayswater jointly staked the Cochrane Pond Property, approximately 151,000 acres (61,000 hectares) of favourable geology to the north of the Company's Hermitage Property.

On April 13, 2007, the Company reported it and Bayswater Uranium Corp. collectively, the "Companies", entered into an agreement with Global Gold Uranium LLC ("Global Gold Uranium"), a wholly owned subsidiary of Global Gold Corporation ("Global Gold") whereby Global Gold Uranium may earn up to a 60% interest in the Companies' 2,600 claim, 61,000 hectare Cochrane Pond property located in southern Newfoundland (the "Property"). The Companies own the Property under a 50:50 Joint Venture. Commander is the Operator. The claims were staked jointly by the Companies' in early 2006 to cover favourable geology after uranium discoveries were made on Commander's adjacent Hermitage Property. No significant exploration work has been done on the Property.

Under the agreement, Global Gold Uranium may earn an initial 51% working interest in the Property over a four year period by making total cash payments to the Companies of US$700,000, issuing 350,000 shares of Global Gold and completing exploration expenditures of $3.5 million (the "Initial Option"). Of the total cash payments, USD$200,000 is payable upon signing and approval, and of the total shares, 150,000 shares are to be issued on signing and approval. The first years committed work expenditure is $500,000. Once Global Gold Uranium has vested a 51% in the Property through the Initial Option, Global Gold Uranium shall continue funding the project by either; (a) completing the next $2 million in exploration on the Property over a maximum two (2) year term; or (b) funding and delivering to the Companies a feasibility study on the property within a maximum of three (3) years. Following completion of either (a) or (b), Global Gold Uranium will have increased its interest in and to the Property to 60% (the "Second Stage"). Should Global Gold Uranium fail to complete the Second Stage by completing either (a) or (b), the interest will flip such that the Companies will hold 51% and Global Gold Uranium 49% in and to the Property.

Once Global Gold Uranium has vested the Second Stage, a joint venture will be formed, 60% as to Global Gold Uranium and 40% as to the Companies. The project will be funded pro-rata by Global Gold Uranium and the Companies according to their retained interest. If either Global Gold Uranium's or the Companies' interest is diluted below 10%, that party's interest will convert to a Royalty.

Either party may, at any time up to the commencement of commercial production, elect to convert the their respective interest to a 2% gross uranium sales royalty in the case of a uranium deposit or a 2% NSR in the case of a non-uranium deposit ("Royalty"). In either case, 50% of the Royalty obligation may be purchased at any time prior to commercial production for a $1,000,000 cash payment.

Global Gold Uranium is planning an airborne radiometric and magnetic survey over the property starting in late June or early July 2007.

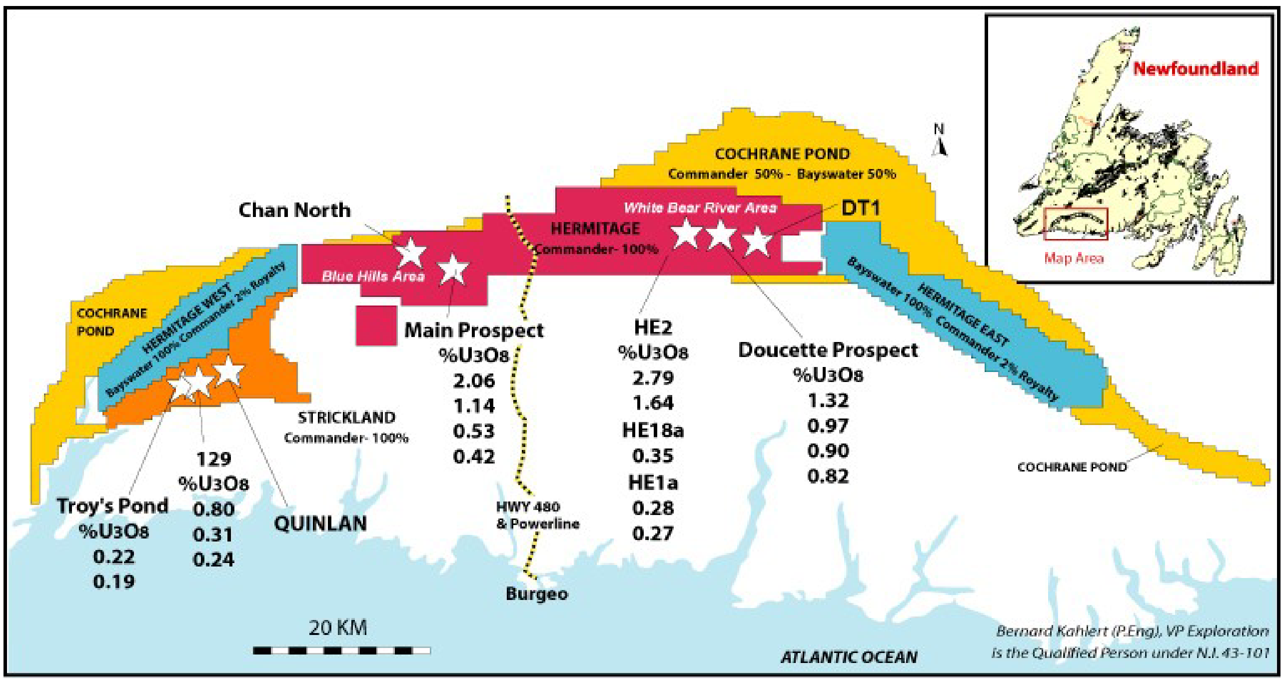
Murphy Option

On December 6, 2006, the Company reported that it had entered into an agreement with Bayswater to acquire 50% of Bayswater's right to earn a 90% interest in the 3,212-acre Murphy property strategically located east and contiguous with the Company's Hermitage Property. The first year obligations attributable to the Company include a cash payment of $12,500 (paid) and issuance of 80,000 shares of the Company to Bayswater (issued), and funding $50,000 in exploration expenditures.

The Company's share of optional obligations following the first year include additional cash payments of $175,000, issuing to Bayswater shares in the Company equal to 450,000 shares of Bayswater over three years and contributing $450,000 in exploration expenditures over four years. The underlying owner's 10-per-cent property interest will be carried to commercial production; prior to production, the interest may be converted to a 3-per-cent net smelter return royalty (NSR) on production. Bayswater may reduce the NSR to 2 per cent by paying the owner $2-million, of which $1 million would be payable by the Company.

Hermitage East and West

On November 3, 2005, the Company entered into an agreement with Bayswater Uranium Corporation ("Bayswater"); (Bayswater and Pathfinder Resources Ltd. ("Pathfinder") amalgamated in August 2006) in conjunction with the acquisition by Bayswater of 1,429 claims aggregating 35,725 hectares to the east and west of the Company's property. In consideration, the Company received a 2% NSR on all commodities produced from the claims staked by Bayswater and was issued 150,000 common shares of pre-merger Pathfinder for providing to Pathfinder certain geological and technical information that was used by Pathfinder in staking the Hermitage East and West properties. Bayswater is a related party to the Company by virtue of a director in common.



A 5,000 line kilometre airborne radiometric, magnetic and radiometric geophysical survey was flown in June 2006. A second survey covered the newly acquired Strickland property. Detailed ground prospecting based on the airborne survey data included follow-up work on known uranium prospects as well as on new showings discovered from the airborne data. Most samples collected during the first pass prospecting program consisted of 1.5 kg composite rock chip samples from bedrock or angular boulders considered to be close to bedrock sources. Detailed grid work including mapping, magnetic surveying, alpha track surveying, soil sampling and channel sampling were completed on specific uranium showing areas. A diamond drill program on the property commenced in November 2006 and was completed in May 2007. A total of about 4,569 metres in 31 holes tested six separate target areas.

Strickland Property

Significant uranium values from bedrock at the Troy's Pond prospect included 0.19% U_3O_8 and 0.22% U_3O_8. Two channel samples graded 0.08% to 0.11% U_3O_8 over 0.6 to 0.8 metres, both ended at the overburden cover, which was radioactive beyond the outcrop contact.

The ST-129 prospect, discovered with the airborne radiometric survey, consisted of scattered anomalous outcrops extending for a strike length of over 400 metres in a northeast-southwest direction. A 6.7 metre long composite channel sample from outcrop exposed within a 35 metre wide alteration zone, graded 0.05% U_3O_8 including three higher grade samples, 0.10% U_3O_8 over 1.5 metres, 0.12% U_3O_8 over 1.0 metre and 0.11% U_3O_8 over 0.6 metre. The 6.7 metre channel terminated at the overburden contact, the overburden being strongly radioactive for a further five metres along the grid line to the south. Additional higher grade channel samples included 0.10% U_3O_8 over 1.14 metres and 0.11% U_3O_8 over 0.8 metres, the latter channel ended at strongly radioactive overburden extending for several metres.

In late 2006, eight core holes totalling 961.5 metres of drilling were completed on the ST-129 (5 core holes) and Troy's Pond prospects (3 core holes). All eight holes intersected anomalous radiometric zones. At Troy's Pond, hole SP-06-06, drilled to test outcropping uranium mineralization, intersected 0.045% U_3O_8 or 1.0 pound per tonne U_3O_8 over 4.3 metres within a broader zone 15.5 metres wide grading 0.021% U_3O_8 within 40 metres of surface. Several other anomalous zones carrying from 100 ppm to 150 ppm U_3O_8 over 0.5 to 1.5 metres were encountered at the bottom of the hole which was lost at 104 metres.

A second hole on the Troy's Pond prospect, drilled towards hole SP-06-06 and designed to test another bedrock target, intersected anomalous uranium mineralization between 103.0 and 112.5 metres ranging from 65 ppm U_3O_8 to 275 ppm U_3O_8. A third hole was drilled 50 metres along apparent strike, west of hole SP-06-06 to a depth of 150 metres. This hole encountered anomalous zones ranging from 50 ppm to 140 ppm U_3O_8 over one to three metres.

The geology of Troy's Pond consists of steeply-dipping biotite-rich metasediments or metavolcanics containing stratabound uranium mineralization. The stronger uranium mineralization is associated with 5 to 10% disseminated pyrite which can be detected using geophysical techniques and an IP survey will be considered as part of a follow-up program. Additional drilling at Troy's Pond will be considered following completion of the IP survey.

On the ST-129 target, about one kilometre east from Troy's Pond, the best value recovered was a 0.5 metre grading 0.084% U_3O_8 from 10.0 to 10.5 metres in drill hole 06-01. Several other uranium values from holes 06-01, 06-02 and 06-05 ran 0.053% over 0.3 metres, 0.03% U_3O_8 over 0.5 metres and 0.023% U_3O_8 over 0.8 metres. These intervals occurred within wider zones of anomalous uranium mineralization.

Hermitage Property

In 2006, assay results of 3.1%, 2.79% and 1.64% U_3O_8 were reported from boulders on the HE-2 prospect, White Bear River area. Three new uranium showings (HE-9, HE-18A, HE-1A) were found within a 4 kilometre x 7 kilometre area that includes the HE-2, Doucette, HE-1 and #3 Showings. The He1A target consists of numerous uranium-bearing boulders, nine of which assayed between 0.10 and 0.28% U3O8 in composite chip samples. The boulders show tight folding patterns, indicating potential for stratigraphic thickening in this area. The target also has a coincident radon gas anomaly. At the site of airborne radiometric anomaly He-18A, two small angular boulders assayed 0.35% U_3O_8 and 0.07% U_3O_8. These boulders were considered to be close to source and are geologically similar to the He-2 prospect.

At the Blue Hills Main Showing, seven holes totalling 993 metres were completed. Drill results indicate that uranium mineralization in this location is hosted by a thick sequence of brecciated felsic volcanics associated with strong silica and sericite alteration and that a fault may have offset the more significant portion of the mineralized zone tested at surface. Further groundwork is planned to determine the fault movement and location of the offset mineralized zone.

In the White Bear area, 2614 metres of drilling in 16 holes was completed at He2, Doucette and He1A targets. Several of the holes intersected multiple intervals of uranium mineralization in bedrock in the vicinity of mineralized boulder trains.

The He2 target area consists of a 500-metre-diameter airborne radiometric anomaly within which clusters of angular sedimentary boulders carried uranium values up to 3.1 per cent U3O8 in composite chip samples. The first four holes, drilled to test the source for the uranium-bearing boulders, intersected six separate uranium-bearing horizons with weak to moderate radiometric responses over core lengths ranging from one to 10 metres in fine-grained quartzite and metasediments with interbedded felsic volcanic units. The last hole of the program (WBR-07-16), drilled at He2, intersected a uranium-bearing zone consisting of one strong and several moderate radiometric intervals over three metres between 23 and 26 metres hosted in an impure quartzite unit, similar to the mineralized boulders. This intersection is open along strike and at depth and is within the up-ice boundary of the airborne radiometric anomaly, opening the opportunity for other radiometric zones north of this hole.

At He-1A, two holes were drilled up-ice from uranium-bearing boulders. Hole WBR-07-14 encountered a narrow, moderate strength radiometric zone at a depth of 49 metres, associated with coarse arsenopyrite and quartz veining. High arsenic was also associated with many of the uranium bearing boulders at this anomaly. The second hole drilled at He-1A was collared 90 metres north and up-ice from hole 07-14. Two low intensity radiometric anomalies were encountered at 58 metres and 149 metres depth. Folding in the rock units suggests the possibility for stratigraphic thickening. The nature of the radiometric boulders indicates that the source has not been located so detailed geophysical and geochemical work will be considered to assist in locating the source.

At Doucette, located three kilometres east of He2, the target is highlighted by uranium values in angular magnetite-bearing boulders ranging up to 1.3 per cent U3O8 (in composite chip samples). There is no outcrop in the area. Drilling has potentially established a key horizon as part of the source of the uranium mineralized boulders. Two holes intersected moderate to strong radiometric anomalies over short intervals with similar lithology as some of the boulders, but these were insufficient to account for the wide variety of lithologic zones seen in the boulder train. The radiometric zone in the drill holes is within a non-magnetic unit while the better uranium mineralization on surface is hosted in a related lithologic unit that is magnetic. The company has not yet encountered magnetic or highly contorted radiometric zones as seen in local boulders.

At the date of this report, assay results for all 16 holes from the White Bear area are awaited. A follow-up exploration program will be designed based on the drill results and geological interpretation.

Quinlan Option

In 2006, the Company's prospecting crew located a strong radiometric occurrence in a brecciated and highly altered and sheared host rock with 30-50% angular quartz fragments. The occurrence was found in the approximate area where 0.19% U_3O_8 was reported by Shell Minerals in the 1980's. Prospecting discovered a new area of sub-crop of similarly altered breccia about 500 metres west of this showing. At this new area, at least four separate uranium-bearing stratigraphic units were identified within a 12-15 metre wide zone that extends over an 800 metre long structure/contact zone. Twenty grab samples were collected from first pass prospecting, all anomalous in uranium, including three samples greater than 0.10% U_3O_8 and eight greater than 0.02% U_3O_8. The prospect area was covered by a thin veneer of soil and grass; bedrock was exposed by hand trenching where radioactive overburden was encountered. A work program during the summer of 2007 will evaluate this target are further.

<u>Results of Operations</u>

- Current Quarter Results

During the quarter ended March 31, 2007, the majority of Company's activities related to drilling operations in Blue Hills and White Bear areas on the Hermitage uranium project. The mineral property expenditures increased by $649,722, including a cash acquisition cost of $75,939, issuance of 290,000 common shares (equivalent of $159,201) in accordance with agreements related to properties of Murphy, St. George and Blue Hills, and exploration costs of 533,982, offset by recoveries and option payments of $119,400. The Company also incurred total general and administrative expenses of $385,645. These activities resulted in a net reduction of $460,329 in cash and exploration funds.

- Three Month ended March 31, 2007 compared with the Three Months Ended March 31, 2006

The Company had no revenues for the periods ended March 31, 2007 and 2006. General and administrative expense of $385,645 (2006 - $268,332) represented a $117,313 increase over the comparative fiscal period. Notable changes include:

- Consulting expense of $32,718 (2006 - $10,017) increased as the quarter ended March 31, 2007 included a stock-based compensation of $23,718 (2006 - $Nil).

- Investor relations and promotion expense of $75,222 increased from the comparative fiscal period of 2006 as the Company elected to attend more conferences and trade shows. A breakdown is as follows:

	31-Mar-07	31-Mar-06
Conferences and trade shows	$ 31,345	$ 20,094
Consulting, wages and benefits	22,385	16,896
Media	6,843	3,061
Promotion and advertising	14,649	9,182
Total Investor Relation Expenses	**$ 75,222**	**$ 49,233**

Included in wages and benefits was $1,976 for stock-based compensation (2006 - $Nil)

- Salaries and benefits expense of $124,777 (2006 - $121,671), included $62,038 in stock-based compensation expense. Included in the quarter ended March 31, 2007, was an additional accrual of $18,000 severance for the President and CEO, compared to the amount of $48,000 accrued in the period ended March 31, 2006. The President's contract was extended on a month-to-month basis following the 2006 year end.

- Audit and accounting expense increased to $50,899 in the quarter ended March 31, 2007, compared to $14,670 in the same period of 2006. Excluding the stock-based compensation expense of $19,167 (2006 - $Nil) and a quarterly accrual of $7,500 audit fee for fiscal 2007, the net increase was $9,562.

- Future income tax recovery of $1,303,631 (2006 - $689,824) resulted from the renunciation of $3,790,724 of exploration expenditures under the Company's flow-through share program. The income was a non-cash item, a result of accounting pronouncement EIC-146.

For the period ended March 31, 2007, the Company's earning after tax was $931,963 (2006 - $475,537) resulting largely from future income tax recovery noted above and not from operating revenues. The Company did not pay cash dividends during the period.

Summary of Quarterly Results

	Jun. 30 2005 Q2	Sept. 30 2005 Q3	Dec. 31 2005 Q4	Mar. 31 2006 Q1	Jun. 30 2006 Q2	Sept. 30 2006 Q3	Dec. 31 2006 Q4	**Mar. 31 2007 Q1**
Mineral expenditures, net	$ 829,253	$ 1,535,399	$ 514,555	$ 89,876	$ 1,304,625	$ 2,364,244	$ 427,780	**$ 649,722**
G&A (incl. stock comp.)	$ 182,658	$ 426,664	$ 271,613	$ 268,332	$ 270,891	$ 221,310	$ 262,973	**$ 385,645**
Stock comp. expense	$ 7,855	$ 258,342	$ -	$ -	$ 48,274	$ 48,274	$ (96,548)	**$ 106,899**
Adjusted G&A (less stock comp.)	$ 174,803	$ 168,322	$ 271,613	$ 268,332	$ 222,617	$ 173,036	$ 359,521	**$ 278,746**
Income (loss)	$ (409,489)	$ (7,666)	$ 327,849	$ 475,537	$ 310,561	$ (396,405)	$ (1,209,454)	**$ 931,963**
Income (loss) per share								
-basic	$ (0.01)	$ -	$ -	$ 0.01	$ 0.01	$ -	$ (0.02)	**$ 0.02**
-diluted	$ (0.01)	$ -	$ -	$ 0.01	$ 0.01	$ -	$ (0.02)	**$ 0.01**
Weighted avg. common shares								
-basic	31,452,614	36,208,162	34,359,557	39,668,585	47,699,912	55,106,372	57,034,643	**61,682,789**
-diluted	31,452,614	36,208,162	34,359,557	46,235,375	61,802,491	55,106,372	57,034,643	**72,114,781**

The Company's main exploration projects are on Baffin Island, Nunavut in Canada's far north and in southern Newfoundland. The Baffin project is subject to seasonal working conditions, the main exploration occurring during the spring and summer to early fall periods; therefore, a larger proportion 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 and Q2 of 2006 resulted from the record of future tax recovery for the exploration expenditures of $2,021,757 and $1,699,999 under its flow-through share program in accordance with accounting pronouncement EIC-146. The Q2 future tax recovery of $580,040 was reversed in Q4 2006, as the expenditure of $1,699,999 was not renounced until February 2007.

Liquidity

At March 31, 2007, the Company had $4,793,046 in working capital, which is sufficient to complete the Company's planned business objectives for 2007. The Company is currently in the process of reviewing the program and budgets for the next round of drilling on its Hermitage uranium and Baffin Island gold projects.

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 2007 to keep the options in good standing:

- On the Bravo Lake property in Nunavut, the Company's cumulative exploration expenditures are $1,503,306 which was sufficient to meet the minimum of $1,000,000 in exploration expenditures requirement before December 31, 2006. The Company is required to expend an aggregate of $2,000,000 by December 31, 2007 and therefore will require expenditures of $496,694 in 2007.
- On the newly acquired Bay St. George property in Newfoundland, the Company is required to expend a minimum of $100,000 before March 1, 2008.
- On the Quinlan option in Newfoundland, the Company is required to make a cash payment of $8,000 and issue 35,000 shares to the underlying owners before August 16, 2007.
- On the Murphy option in Newfoundland, the Company is required to complete $50,000 in exploration expenditures by December 6, 2007. As at the date of this report, approximately $34,000 of this obligation had been spent.

Off-Balance Sheet Arrangements

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

Related Party Transactions

At March 31, 2007, marketable securities included 470,000 common shares of Diamonds North Resources Ltd. ("Diamonds North"), a company related by a director in common, Bernard Kahlert, and 517,647 common shares of Fjordland and 29,400 common shares of Bayswater, companies related by a director in common, Victor Tanaka.

The Company shares certain administrative costs with four other companies related by virtue of directors in common. Included in accounts receivable is an aggregate of $28,549 owed by those companies for shared administrative expenses. Included in accounts payable is $17,039 owed to Diamonds North relating to office costs.

The Company paid or accrued $10,363 in legal fees and disbursements 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.

The Company has entered into an agreement with Bayswater and a Letter of Intent with Fjordland, companies related by a director in common, Victor Tanaka. In both cases, Mr. Tanaka disclosed his potential conflict of interest and abstained from voting on the approval of these matters.

Proposed Transactions

None.

Critical Accounting Estimates

The most significant accounting estimates for the Company relates to the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.

Management's estimates of mineral prices, recoverable proven and probable reserves, and operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

Changes in Accounting Polices

Effective January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Sections 1530, "Comprehensive Income"; 3855, "Financial Instruments – Recognition and Measurement"; 3861, "Financial Instruments – Disclosure and Presentation" and 3865, "Hedges" on January 1, 2007. The adoption of these new standards resulted in changes in accounting have been recorded in opening accumulated comprehensive income as describe below.

(a) Comprehensive Income

Comprehensive income is the change in shareholders' equity, which results from transactions and events from sources other than the Company's shareholders. These transactions and events include unrealized gains and losses resulting from changes in fair value of certain financial instruments such as marketable securities.

The adoption of this Section implied that the Company now presents a consolidated statement of comprehensive income as a part of the consolidated financial statements.

(b) Financial Instrument – recognition and measurement

Under the new standards, all financial instruments are classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are included on the consolidated statement of financial position and are measured at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Held for trading financial investments are subsequently measured at fair value and all gains and losses are included in net income in the period which they arise. Available-for-sale financial instruments are subsequently measured at fair value with revaluation gains and losses included in other comprehensive income until the instrument is derecognized or impaired. As a result of the adoption of these standards, the Company has made the following classifications:

- Cash and cash equivalents, cash of exploration fund are classified as financial assets held for trading and are measured at fair value. Gains and losses related to periodical revaluation are recorded in net income.
- Marketable securities are classified as available-for-sale securities. Such securities are measured at fair market value in the consolidated financial statements with the unrealized gains or losses recorded in other comprehensive income. At the time securities are sold or otherwise disposed of, gains or losses are included in net income (loss).
- Accounts receivables are classified as loans and receivables and are initially measured at fair value and subsequent periodical revaluations are recorded at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost.
- Accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value and subsequent periodical revaluations are recorded at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost.

(c) Hedges

Section 3865 "Hedges" is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the existing Accounting Guideline 13 "Hedging Relationships" and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. At March 31, 2007, the Company had no hedging relationships.

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 fair market value. The market value of marketable securities at March 31, 2007 was $614,465.

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 62,190,325 issued common shares outstanding and the following unexercised stock options and warrants:

Stock Options

Number of Shares	Exercise Price	Expiry Date
315,337	$0.20	January 23, 2008
161,666	$0.26	August 20, 2008
700,000	$0.53	January 21, 2009
50,000	$0.64	February 19, 2009
692,000	$0.56	May 18, 2009
40,000	$0.40	September 6, 2009
200,000	$0.40	September 21, 2009
383,000	$0.25	July 19, 2010
282,000	$0.39	May 7, 2011
656,500	$0.30	June 19, 2011
100,000	$0.56	October 22, 2011
415,000	$0.87	January 2, 2012
300,000	$0.41	May 7, 2012
4,295,503		

- Warrants

Number of Shares	Exercise Price	Expiry Date
5,054,750	$0.50	May 15, 2008*

* 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) with a gross value 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

Number of Shares	Exercise Price	Expiry Date
59,089	$0.50	May 11, 2007*
1,040,400	$0.50	May 15, 2008*
195,250	$0.50	May 15, 2008*
1,294,739		

* 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.

As March 31, 2007, 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

	Baffin, Nunavut		Hermitage, Newfoundland			Other Properties		Total
	Qimmiq	Bravo Lake	Hermitage	Strickland	Other	Active Projects	Inactive Projects	
Balance at 31-Dec-06	$ 7,458,164	$ 1,503,306	$ 1,472,275	$ 722,879	$ 6,431	$ 1,344,926	$ 3,280,315	**$15,788,297**
Additions during the period:								
Acquisition costs:	-	-	47,440	-	187,700	-	-	**235,140**
Exploration costs:								
Drilling	37,334	6,628	288,865	20,160	-	-	765	**353,752**
Geochemistry	1,307	263	4,500	-	-	-	(1)	**6,069**
Geology	17,627	9,018	65,743	14,768	2,119	4,706	2,348	**116,329**
Geophysics	-	1,400	2,457	4,307	713	-	(1)	**8,876**
Mobilization/demob.	-	-	-	-	-	-	-	**-**
Property	10,778	-	-	-	-	2,610	7,039	**20,427**
Prospecting	-	-	2,569	-	25,960	-	0	**28,529**
Trenching/line cutting	-	-	-	-	-	-	-	**-**
	67,046	17,309	364,134	39,235	28,792	7,316	10,150	**533,982**
Less:								
Recoveries	-	-	(79,400)	-	-	(40,000)	-	**(119,400)**
Write down	-	-	-	-	-	-	-	**-**
	-	-	(79,400)	-	-	(40,000)	-	**(119,400)**
Net additions	67,046	17,309	332,174	39,235	216,492	(32,684)	10,150	**649,722**
Balance at 31-Mar-07	**$7,525,210**	**$1,520,615**	**$ 1,804,449**	**$762,114**	**$ 222,923**	**$1,312,243**	**$3,290,465**	**$16,438,018**

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Director

David Watkins
Director

Michael Chen, CPA, MBA
Chief Financial Officer

Janice Davies
Corporate Secretary

LISTINGS

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

CAPITALIZATION
(as at March 31, 2007)

Shares Authorized: Unlimited
Shares Issued: 62,062,825

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