COMMANDER RESOURCES LTD.

CMD

INTERIM REPORT
Management Discussion & Analysis
FORM 51-102F1

For the Six Months Ended
June 30, 2007

Description of Business

Commander Resources Ltd. ("the Company") is a company engaged in the acquisition and exploration of prospective gold, uranium and base metal properties primarily in Canada. The Company is currently focusing its 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 June 30, 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 August 29, 2007 (the "Report Date").

Highlights for the Period Ended June 30, 2007

During the three months ended June 30, 2007, the Company was actively exploring the Hermitage uranium project in Newfoundland.

(a) On April 9, 2007, the Company reported results from five diamond drill holes from the initial test of the Blue Hills Main showing on the Hermitage Project. Seven holes totalling 993 metres were completed. Drill results indicate 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.

(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 were paid upon signing and approval, and of the total shares, 150,000 shares were 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 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.

(c) On May 7, 2007, the Company reported the completion of the Phase 1 drill program on the Hermitage uranium project. A total of 31 holes were completed for the entire drill program that started in late 2006.

(d) On June 4, 2007, the Company reported assay results from drilling on the He2 and Doucette targets in the White Bear area of the Hermitage property. Values up to 0.11% U3O8 were intersected in two holes at the Doucette prospect and in one hole at the He2 prospect. At He2, a radon gas anomaly extends for more than one kilometre northeast along-strike from the current drilling. Permissive rock units that host uranium at Doucette extend for several kilometres to the east from the drilled area as indicated by the magnetic pattern. Anomalous values up to 0.02% U3O8 were intersected in the two holes that tested the He1A prospect. The holes were drilled 50 to 150 metres up-ice from uranium bearing boulders. In addition, numerous 1 to 4 metre thick strata in several other drill holes with anomalous uranium values ranging from 10 to 50 times background values further indicate widespread uranium enrichment in the area.

(e) On June 18, 2007, the Company reported that that crews and equipment were mobilizing to resume exploration and drilling of the Baffin Island gold project in Nunavut. The goals of the program include further evaluation of the Brent mineralization discovered in 2006, drill testing of other high priority targets, including extensions of the Ridge Lake prospect, and exploration to discover new gold occurrences.

Subsequent Events to June 30, 2007

(a) On July 3, 2007, the Company reported that Fjordland Exploration Inc. commenced drilling on the Company's 100% owned Olympic-Rob IOCGU (iron oxide copper-gold-uranium) project located in the Wernecke-Ogilvie Mountains region of the Yukon, Canada. Four holes on the Rob zone and two holes on the Olympic zone are planned for approximately 2,000 metres of drilling. The exploration program is budgeted for $600,000, which is Fjordland's required first year expenditure under the terms of the underlying option agreement.

(b) On July 6, 2007, the Company reported that Global Gold Uranium LLC ("Global Gold Uranium"), a wholly owned subsidiary of Global Gold Corporation ("Global Gold") commenced an airborne radiometric and magnetic survey over the Cochrane Pond uranium property located in southern Newfoundland. The survey and a follow-up prospecting program, funded and operated by Global Gold, is part of the minimum $500,000 program required under an option agreement dated April 13, 2007.

(c) On July 11, 2007, the Company reported that Geoinformatics Exploration Canada Limited ("GXL"- TSX Venture) commenced its 2007 work program on the Company's wholly owned package of five (5) copper-gold porphyry properties located about 100 km south of the Kemess Copper-Gold mine in the Omineca Mining District, British Columbia. The program, to be funded and operated by GXL, is budgeted at about $ 1 million and will include approximately 3,000 metres of drilling on at least two of the properties. This represents the first term of an option agreement between GXL and The Company with a minimum of $750,000 in committed expenditures by GXL in 2007.

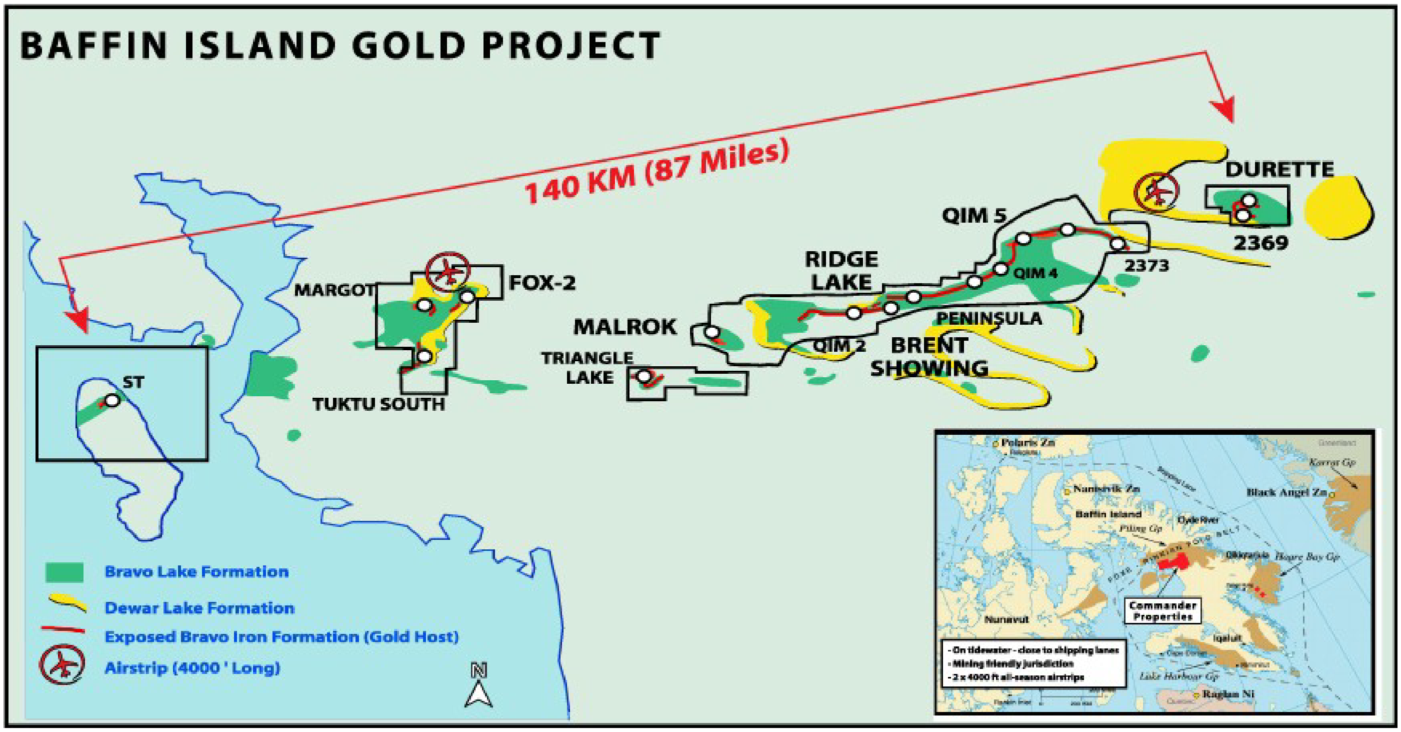
(d) On July 25, 2007, the Company reported that it was preparing to commence a follow-up program on its Hermitage uranium project in southern Newfoundland. This phase of exploration is designed to expand and better define uranium zones intersected in the first stage drill program earlier this year and to develop targets for wider intervals of better uranium grades. The results will be used to plan a follow-up drill program that could start in early fall.

Baffin Island Gold Project, Nunavut

Sixteen (16) gold occurrences occur over a strike length of 140 kilometres on central Baffin Island, Nunavut. The primary exploration target is iron formation-hosted gold similar to the Proterozoic iron formation-hosted Homestake gold deposit in South Dakota, USA.

High grade gold values occur in at least three separate iron formation units and within at least two 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.

The Baffin Island Property consists of two separated properties named Qimmiq and Bravo Lake, subject to two separate option agreements. 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 manage the field program in 2006 and 2007.

Qimmiq Property, Nunavut

On June 18, 2003, the Company entered into an option agreement with BHP Billiton Diamonds Inc. ("BHP Billiton Diamonds) on Nunavut Tunngavik Incorporated ("NTI") leases on Baffin Island, Nunavut. Malrok, Ridge Lake, and the Brent Zone are located on the Qimmiq property along with several of the other gold prospects. The Company incurred 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).

At Ridge Lake, a semi-continuous sheet of gold mineralization containing higher-grade plunging shoots has been identified in drilling of the central zone. Higher grade intercepts from the zone include 21.24 g/t gold over 4.24 metres at a depth of 89 metres and 10.17 g/t gold over 4.45 metres along a southwest-plunging structural trend that defines a high-grade shoot of unknown width that extends over a plunge length of at least 100 metres. 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 western portion of the zone where intercepts included 17.5 g/t gold over 2.15 metres and 15.10 g/t gold over 1.67 metres.

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%). Grab samples collected along the length of the shear zone contained values ranging up to 113.95 g/t gold. Out of 66 samples collected, 21 samples (32%) assayed greater than 5 g/t gold and nine samples (14%) assayed greater than 10 g/t gold. The shear zone represents a new and potentially significant target type on the property.

The first two holes on the Brent showing, drilled in 2006, intersected the shear zone containing 1-10% arsenopyrite and 1-3% pyrrhotite in quartz veins and as disseminations in the surrounding host rock. Additional groundwork is required prior to further drilling.

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. 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 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. The property is now 447,300 acres (180,400 hectares) in size 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, on the order of a few metres to ten metres, with limited outcrop exposure. 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. 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.

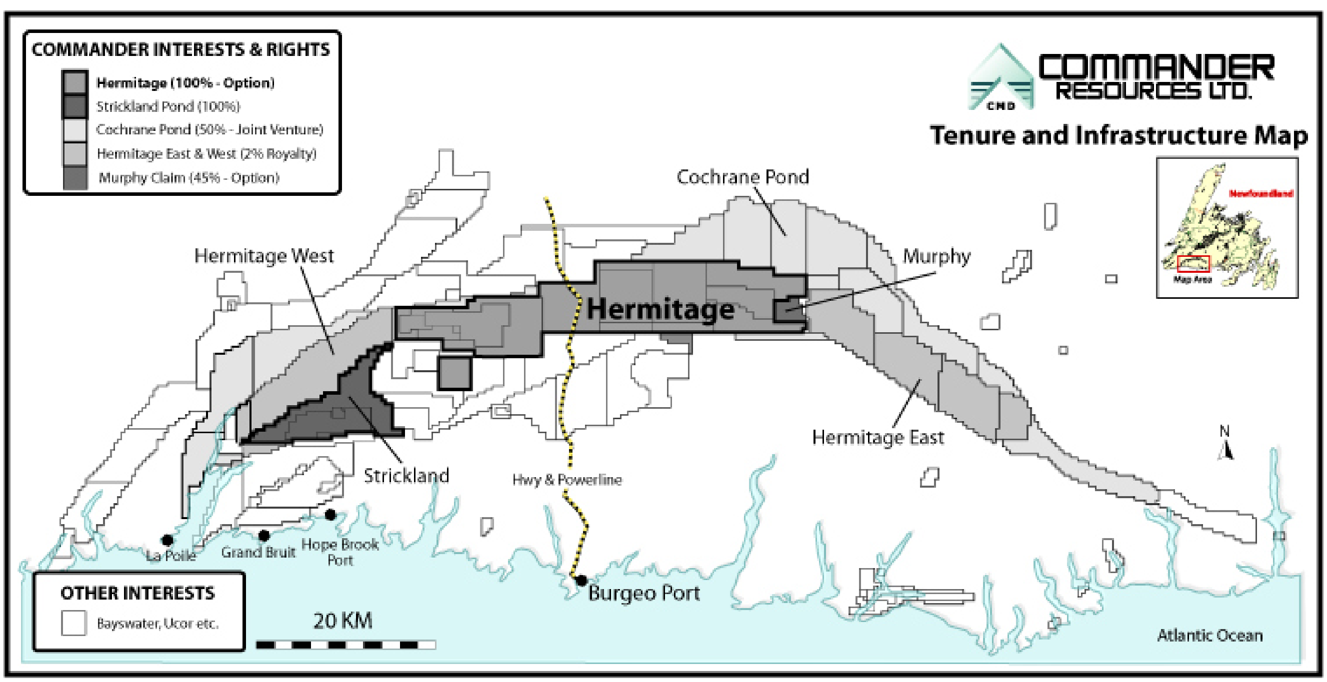
Uranium mineralization is interpreted to be stratabound hosted by sandstone and felsic volcanic rocks of Ordovician age (450 million years) in the southwest portion of the Gander Tectonic Zone of Newfoundland, intruded and underlain by radiogenic granite bodies and cut by the regional Hermitage flexure structural zone.

Work to date on the property has confirmed that:

- Uranium occurs in bedrock beneath a thin veneer of overburden -- the property is 90% overburden covered;
- Uranium-bearing boulders are locally derived with indicated movement of only 100-500 metres;
- The property is located in an excellent logistical location within the right geological setting for the development of uranium resources;
- Both grade and width potential are indicated from the first pass drilling -- 60% of the holes hit uranium; and,
- The mineralized intervals are open away from the areas drilled and have the opportunity for increase in thickness and/or grade along strike.

Several techniques that may help to define mineralized trends include radon gas (alpha cup) surveys, ground spectrometer surveys and soil sampling in conjunction with ground magnetics. Trends several hundred metres in length have been identified with these techniques and are open due to lack of coverage. This set of tools has only been applied to very small areas on the large property so expansion of this work and more detailed sampling is needed to better define drill targets.

Selective induced polarization surveys will be completed at Troy's Pond, where previously reported hole SP-06-06 intersected 0.045% U_3O_8 over 4.3 metres and where pyrite appears to be directly associated with better uranium mineralization.



Hermitage and Strickland Properties

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.

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 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 announced the acquisition by staking of the Cochrane Pond Property under a 50:50 joint venture (the Company is Operator), covering 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. entered into an agreement with Global Gold Uranium LLC whereby Global Gold Uranium may earn up to a 60% interest in the Cochrane Pond property as described in the "Highlights" section above.

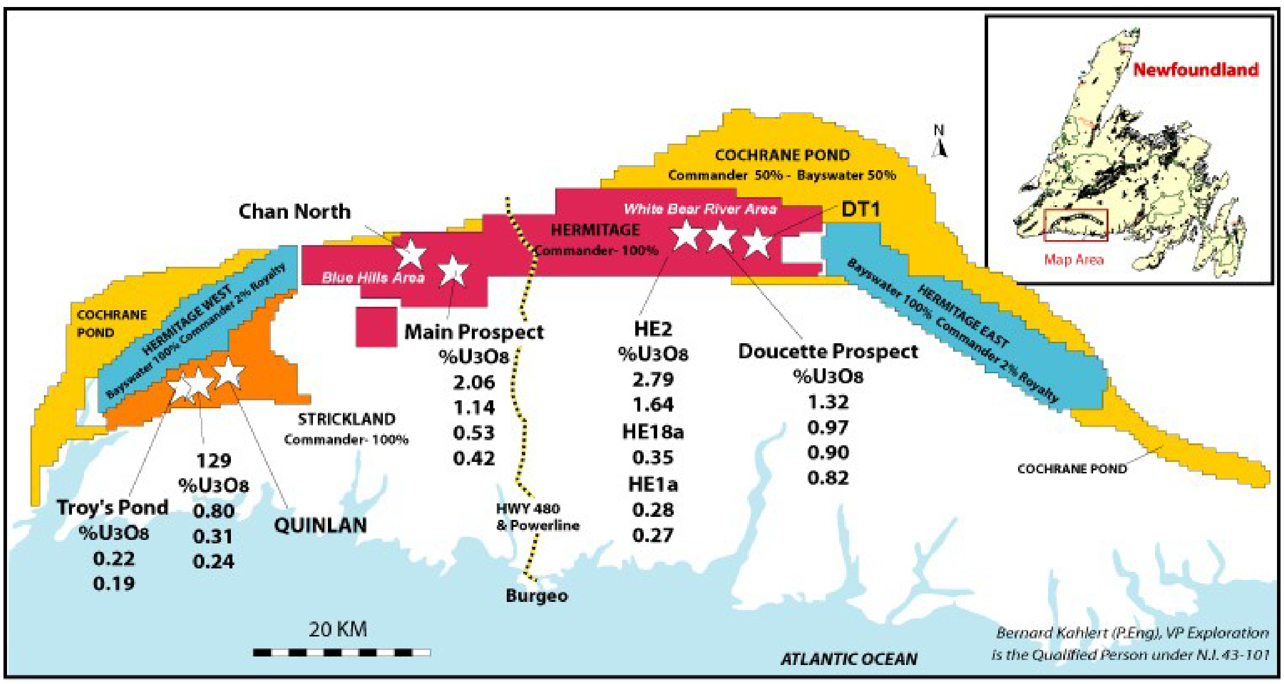
Murphy Option

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.



Exploration Results

Strickland Property

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. At the ST-129 prospect, holes 06-01 intersected a 0.5 metre interval grading 0.084% U_3O_8 from 10.0 to 10.5 metres. 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.

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.

The ST-129 prospect, discovered with the airborne radiometric survey, consists of scattered anomalous outcrops extending for a strike length of over 400 metres in a northeast-southwest direction.

Hermitage Property

White Bear

At least six uranium showings (HE-2, Doucette, HE-1, #3, HE-9, HE-18A, and HE-1A) are located within a 4 kilometre x 7 kilometre overburden covered area. 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. 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). The He1A target consists of numerous uranium-bearing boulders, nine of which assayed between 0.10 and 0.28% U3O8 in composite chip samples. 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. All of these targets have coincident radon gas anomalies.

Sixteen diamond drillholes totalling 2,614 metres were 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.

At He2, drilling 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. Hole WBR-07-16 intersected a uranium-bearing zone consisting of one strong and several moderate radiometric intervals over three 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.

At He-1A, drilling in one of the holes 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. Folding in the rock units suggests the possibility for stratigraphic thickening. Detailed geophysical and geochemical work will be considered to assist in locating the source of the mineralized boulders.

At Doucette, drilling identified 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 source of the magnetic or highly contorted radiometric boulders has not been located.

Significant uranium values in drill core at Doucette and He2 are shown in the table below.

Prospect	**DDH #**	**From – To**	**Interval Length**	**% U3O8**	**lb/ton U3O8**
He2	WBR-07-01	64.0 – 64.35	0.35m	0.024	0.5
He2	WBR-07-16	22.6 – 22.8	0.20m	0.10	2.0
Doucette	WBR-07-09	15.0 – 15.4	0.40m	0.10	2.0
Doucette	WBR-07-10	191.6 – 192.0	0.40m	0.11	2.2
Doucette	WBR-07-13	16.5 – 16.8	0.30m	0.04	0.8

Blue Hills

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.

Quinlan Option

In 2006, the Company's prospecting crew located a strong radiometric occurrence in a brecciated and highly altered and sheared host rock in the approximate area where 0.19% U_3O_8 was reported by Shell Minerals in the 1980's. A new area of mineralized sub-crop was found about 500 metres west of this showing where at least four separate uranium-bearing stratigraphic units were identified within a 12-15 metre wide zone extending 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.

Results of Operations

- Current Quarter Results

During the quarter ended June 30, 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 a total of $929,021, including a cash acquisition cost of $17,800, issuance of 40,000 common shares (equivalent of $20,000) in accordance with agreements related to properties of Couteau Lake option agreement, and exploration costs of $1,014,077, offset by recoveries and option payments of $122,857. The Company also incurred total general and administrative expenses of $326,123. These activities resulted in a net reduction of $1,096,257 in cash and exploration funds.

- Six Months Ended June 30, 2007 compared with the Six Months Ended June 30, 2006

The Company had no revenues for the periods ended June 30, 2007 and 2006. General and administrative expense of $711,768 (2006 - $539,223) represented a $172,545 increase over the comparative fiscal period. Notable changes include:

- Consulting expense of $49,961 (2006 - $35,877) increased in the period ended June 30, 2007, mainly due to the increase in stock-based compensation of $16,487, from $15,474 in the comparative fiscal period of 2006 to $31,961 in 2007.

- Investor relations and promotion expense of $144,954, increased by $52,717 from the comparative fiscal period of 2006 as the Company elected to attend more conferences and trade shows. Also, the Company incurred additional costs for two-month overlapping period of having two investor relations managers to ensure a smooth transition for a maternity leave of absence commencing July 1, 2007. A breakdown is as follows:

	For the Three Months Ended		For the Six Months Ended	
	30-Jun-07	**30-Jun-06**	**30-Jun-07**	**30-Jun-06**
Conferences and trade shows	$ 22,278	$ 13,662	$ 53,623	$ 33,756
Consulting, wages and benefits	31,053	16,885	53,438	33,781
Media	7,149	2,450	13,992	5,511
Promotion and advertising	9,252	8,031	23,901	17,213
Total Investor Relation Expenses	**$ 69,732**	**$ 41,028**	**$ 144,954**	**$ 90,261**

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

- Salaries and benefits expense of $216,182 (2006 - $204,045), included $100,281 (2006 - $23,797) in stock-based compensation expense.

- Audit and accounting expense increased to $109,014 in the period ended June 30, 2007, compared to $40,069 in the same period of 2006. Excluding the stock-based compensation expense of $31,307 (2006 - $7,027), the accrual of $15,000 audit fee for fiscal 2007 and a payment of $7,516 to a consultant related to 2006 accounting services, the net increase was $22,149.

- Office and miscellaneous expenses were $61,478 in the first half, compared to $38,013 in 2006, a 62% increase. This was mainly due to the increase of $14,991 in purchases of new software upgrades and computer assistance expenses as well as the hiring of a full-time Administrative Assistant.

For the six months period ended June 30, 2007, the Company's earning after tax was $638,986 (2006 - $786,098) resulting largely from future income tax recovery and not from operating revenues. The Company did not pay cash dividends during the period.

Summary of Quarterly Results

	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	Jun. 30 2007 Q2
Mineral expenditures, net	$ 1,535,399	$ 514,555	$ 89,876	$ 1,304,625	$ 2,364,244	$ 427,780	$ 649,722	$ 929,021
G&A (incl. stock comp.)	$ 426,664	$ 271,613	$ 268,332	$ 270,891	$ 221,310	$ 262,973	$ 385,645	$ 326,123
Stock comp. expense	$ 258,342	$ -	$ -	$ 48,274	$ 48,274	$ (96,548)	$ 106,899	$ 58,626
Adjusted G&A (less stock comp.)	$ 168,322	$ 271,613	$ 268,332	$ 222,617	$ 173,036	$ 359,521	$ 278,746	$ 267,497
Income (loss)	$ (7,666)	$ 327,849	$ 475,537	$ 310,561	$ (396,405)	$(1,209,454)	$ 931,963	$ (292,977)
Income (loss) per share								
-basic	$ -	$ -	$ 0.01	$ 0.01	$ -	$ (0.02)	$ 0.02	$ (0.00)
-diluted	$ -	$ -	$ 0.01	$ 0.01	$ -	$ (0.02)	$ 0.01	$ (0.00)
Weighted avg. common shares								
-basic	36,208,162	34,359,557	39,668,585	47,699,912	55,106,372	57,034,643	61,682,789	62,199,648
-diluted	36,208,162	34,359,557	46,235,375	61,802,491	55,106,372	57,034,643	72,115,281	62,199,648

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 June 30, 2007, the Company had $3,691,248 in working capital, which is sufficient to complete the Company's planned business objectives for 2007. The Company is currently active exploring 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. As at the date of this report, this minimum expenditure had been met.
- 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. As at the date of this report, this cash payment and share issuance had been made.
- 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 June 30, 2007, marketable securities included 470,000 common shares of Diamonds North Resources Ltd., 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 $41,749 owed by those companies for shared administrative expenses.

During the six months ended June 30, 2007, the Company paid or accrued $16,159 in legal fees and disbursements to a law firm in which a director of the Company, Brian Abraham, is a partner. During the three months ended June 30, 2007, the Company paid or accrued $5,796 in legal fees and disbursements to the law firm.

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 June 30, 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 June 30, 2007 was $616,378.

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 62,338,660 issued common shares outstanding and the following unexercised stock options and warrants:

- Stock Options

Number of Shares	Exercise Price	Expiry Date
202,003	$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
200,000	$0.41	May 8, 2012
1,300,000	$0.36	June 7, 2012
5,382,169		

- 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
-	$0.50	May 11, 2007*
1,040,400	$0.50	May 15, 2008*
195,250	$0.50	May 15, 2008*
1,235,650		

* 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 June 30, 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.

Mineral Property Expenditure Table

	Gold Project at Baffin, Nunavut		Uranium Project at 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:	-	-	85,240	-	187,700	-	-	**272,940**
Exploration costs:								
Drilling	276,488	54,952	664,941	20,663	1,194	10,783	2,360	**1,031,381**
Geochemistry	1,952	263	4,500	-	-	-	(1)	**6,714**
Geology	117,262	10,190	109,098	27,717	34,004	9,034	9,699	**317,004**
Geophysics	4,467	1,400	18,791	4,307	713	-	(1)	**29,677**
Mobilization/demob.	-	-	-	-	-	-	-	**-**
Property	10,778	-	634	-	647	8,579	7,134	**27,772**
Prospecting	26,101	6,525	4,168	-	93,225	-	0	**130,019**
Trenching/line cutting	-	-	-	-	-	-	-	**-**
Administration and Others	-	-	1,856	585	3,050	-	(0)	**5,491**
	437,048	73,330	803,988	53,272	132,833	28,396	19,192	**1,548,059**
Less:								
Recoveries	-	-	(79,400)	(8,900)	-	(153,957)	1	**(242,257)**
Write down	-	-	-	-	-	-	-	**-**
	-	-	(79,400)	(8,900)	-	(153,957)	1	**(242,257)**
Net additions	437,048	73,330	809,828	44,372	320,533	(125,561)	19,192	**1,578,742**
Balance at 30-Jun-07	**$ 7,895,212**	**$ 1,576,636**	**$ 2,282,103**	**$ 767,251**	**$ 326,964**	**$ 1,219,366**	**$ 3,299,507**	**$ 17,367,039**

HEAD OFFICE

Commander Resources Ltd.
Suite 510 – 510 Burrard Street
Vancouver, British Columbia
Canada V6C 3A8

TEL: (604) 685-5254
TOLL FREE: 1-800-667-7866
Email: info@commanderresources.com

OFFICERS & DIRECTORS

Kenneth E. Leigh, M.Sc.
President, Chief Executive Officer and Director

William J. Coulter, B.A.Sc.
Chairman and Director

Bernard H. Kahlert, P.Eng.
Vice President, Exploration and Director

Albert F. Reeve, P.Eng.
Director

Victor A. Tanaka, P.Geo.
Director

Brian Abraham, LLB., P.Geo.
Director

David Watkins, M. Sc.
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 June 30, 2007)

Shares Authorized: Unlimited
Shares Issued: 62,303,660

REGISTRAR & TRUST AGENT

CIBC Mellon Trust Company
Suite 1600, The Oceanic Plaza
1066 West Hastings Street
Vancouver, British Columbia
V6C 3X1

AUDITOR

Smythe Ratcliffe, LLP
7th Floor, Marine Building
355 Burrard Street
Vancouver, British Columbia
V6C 2G8

LEGAL COUNSEL

Tupper Johnson & Yeadon
Suite 1710 – 1177 West Hastings Street
Vancouver, British Columbia
V6N 1Y3

COMMANDER RESOURCES LTD.