



**COMMANDER
RESOURCES LTD.**

INTERIM REPORT

For the Six Months Ended
June 30, 2008

(See Notice)



**COMMANDER
RESOURCES LTD.**

COMMANDER RESOURCES LTD.

Notice

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited interim financial statements of Commander Resources Ltd. (“the Company”), for the six months ended June 30, 2008, have been prepared by management and have not been the subject of a review by the Company’s independent auditor.

COMMANDER RESOURCES LTD.**Balance Sheets**

(See Notice)

(expressed in Canadian dollars)

	June 30, 2008 (Unaudited)	December 31, 2007 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents (Note 4)	\$ 1,148,296	\$ 2,100,436
Marketable securities (Note 5)	621,824	596,476
Accounts receivable	212,293	167,133
Government grant receivable	-	100,000
Due from related parties (Note 13(a))	8,287	12,165
Prepaid expenses	22,902	55,192
Field supplies (Note 7)	109,252	109,252
Recoverable deposits (Note 8)	-	57,638
	2,122,854	3,198,292
Mineral properties (Note 9)	20,652,610	19,844,016
Property, plant and equipment (Note 10)	31,634	40,995
	\$ 22,807,098	\$ 23,083,303
LIABILITIES		
Current liability		
Accounts payable and accrued liabilities	\$ 385,826	\$ 830,883
Future income taxes (Note 17)	1,618,973	1,618,973
	2,004,799	2,449,856
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	34,434,245	34,803,607
Share subscription	62,400	-
Contributed surplus	135,517	69,400
Option compensation	1,667,606	1,672,798
Deficit	(15,468,934)	(16,030,480)
Accumulated other comprehensive income	(28,535)	118,122
	20,802,299	20,633,447
	\$ 22,807,098	\$ 23,083,303

Nature of Operations and Going Concern (Note 1)

Commitment (Note 14)

Subsequent Events (Note 18)

Approved by the Directors:

"Kenneth E. Leigh"

Kenneth E. Leigh

"Michael W. Byrne"

Michael W. Byrne

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.
Statements of Operations

(Unaudited - See Notice)

(expressed in Canadian dollars)

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2008	2007	2008	2007
General and administrative expenses				
Accounting and audit	\$ 46,186	\$ 58,115	\$ 79,101	\$ 109,014
Amortization	4,681	5,888	9,362	11,347
Annual report and meeting	1,650	5,792	3,416	7,117
Consultants	43,936	17,243	57,826	49,961
Insurance	11,370	12,563	22,738	25,126
Investor relations and promotion	43,228	69,732	117,984	144,954
Legal	1,463	1,020	6,923	4,259
Office and miscellaneous	16,443	34,195	56,754	61,478
Regulatory and transfer agent fees	13,831	10,824	21,982	37,598
Rent and storage	20,056	19,346	45,989	44,732
Salaries and benefits	105,028	91,405	173,230	216,182
Loss before the undernoted	(307,872)	(326,123)	(595,305)	(711,768)
Administration and other fees	7,634	-	7,634	-
Investment income	5,904	33,158	17,058	47,933
Property investigation	-	(12)	(758)	(810)
Write down of mineral properties	-	-	(8,792)	-
Mineral property recovery	-	-	561,257	-
Flow-through charges	-	-	(43,505)	-
Gain on sale of marketable securities	-	-	213,645	-
Profit before taxes	(294,334)	(292,977)	151,234	(664,645)
Future income tax recovery (Note 17)	-	-	410,312	1,303,631
Net Profit for the period	(294,334)	(292,977)	561,546	638,986
Deficit, beginning of period	(15,174,600)	(14,028,136)	(16,030,480)	(14,960,099)
Deficit, end of period	\$ (15,468,934)	\$ (14,321,113)	\$ (15,468,934)	\$ (14,321,113)
Earnings Per Share - Basic	\$ (0.00)	\$ (0.00)	\$ 0.01	\$ 0.01
Earnings Per Share - Diluted	\$ (0.00)	\$ (0.00)	\$ 0.01	\$ 0.01
Weighted average number of shares outstanding - Basic	69,969,122	62,199,648	69,943,215	61,938,252
Weighted average number of shares outstanding - Diluted	69,969,122	62,199,648	83,553,781	73,710,821

Breakdown of Non-Cash Stock Based Compensation

(expressed in Canadian dollars)

Stock based compensation has been included in the statement of operations above in the following categories:

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2008	2007	2008	2007
Accounting and audit	\$ 3,130	\$ 12,140	\$ 3,130	\$ 31,307
Consultants	33,436	8,243	36,826	31,961
Investor relations	-	-	-	1,976
Salaries and benefits	20,969	38,243	20,969	100,281
Total Stock-Based Compensation	\$ 57,535	\$ 58,626	\$ 60,925	\$ 165,525

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.**Statements of Comprehensive Loss**

(Unaudited - See Notice)

(expressed in Canadian dollars)

	For Three Months ended June 30,		For Six Months ended June 30,	
	2008	2007	2008	2007
Net Profit/(Loss) for the period	\$ (294,334)	\$ (292,977)	\$ 561,546	\$ 638,986
Unrealized gain/(loss) of available for sale marketable securities	37,402	1,913	(96,902)	246,000
Transfer to income of realized gains on sale of investments	-	-	(49,755)	-
Future income tax recovery	-	-	-	-
Other comprehensive loss	37,402	1,913	(146,657)	246,000
Comprehensive income	\$ (256,932)	\$ (291,064)	\$ 414,889	\$ 884,986

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

Statements of Cash Flows

(Unaudited - See Notice)

(expressed in Canadian dollars)

	For Three Months ended June 30,		For Six Months ended June 30,	
	2008	2007	2008	2007
Cash provided from (used for):				
Operating activities				
Income for the period	\$ (294,334)	\$ (292,977)	\$ 561,546	\$ 638,986
Items not involving cash:				
Amortization	4,681	5,888	9,362	11,347
Gain on sale of marketable securities	-	-	(213,645)	-
Stock-based compensation	57,535	58,626	60,925	165,525
Write down of marketable securities	-	-	-	-
Write down of mineral properties	-	-	8,792	-
Future income tax recovery	-	-	(410,312)	(1,303,631)
	(232,118)	(228,463)	16,668	(487,773)
Net change in non-cash working capital items:				
Accounts receivable	(92,888)	4,992	(45,161)	38,299
Government grant receivable	-	-	100,000	-
Due from related parties	3,476	(17,612)	3,878	(24,677)
Prepaid expenses	1,368	(31,111)	32,290	(8,741)
Field supplies	-	112,867	-	112,867
Bid deposits	50,438	2,700	57,638	10,050
Accounts payable and accrued liabilities	(138,778)	61,060	(62,855)	81,289
	(408,502)	(95,567)	102,458	(278,686)
Investing activities				
Cash, exploration funds	-	807,865	-	1,196,946
Proceeds from sale of marketable securities	-	-	322,890	-
Mineral property acquisition and exploration costs	(588,091)	(909,221)	(1,057,686)	(1,399,742)
Accounts payable and accrued liabilities related to mineral properties	97,367	(143,443)	(382,202)	(126,725)
Purchase of equipment	-	(6,444)	-	(8,745)
	(490,724)	(251,243)	(1,116,998)	(338,266)
Financing activity				
Shares issued for cash, net of issue costs	-	58,418	-	257,312
Share subscription	62,400	-	62,400	-
	62,400	58,418	62,400	257,312
(Decrease) in cash and cash equivalents	(836,826)	(288,392)	(952,140)	(359,640)
Cash and cash equivalents, beginning of period	1,985,122	2,561,379	2,100,436	2,632,627
Cash and cash equivalents, end of period	\$ 1,148,296	\$ 2,272,987	\$ 1,148,296	\$ 2,272,987

Supplemental Cash Flow Information (Note 16)

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

Statements of Shareholders' Equity

	Share Capital Shares	Amount	Share Subscription	Deficit	Contributed Surplus	Option Compensation	Accumulative Other Comprehensive Income	Total Shareholders' Equity
Balance, December 31, 2006	61,287,575	\$ 33,908,906	\$ -	\$ (14,960,099)	\$ 17,043	\$ 1,126,164	\$ -	\$ 20,092,014
Adjustment to opening balance - change in accounting policy (note 3) (net of income taxes)							131,328	131,328
Net Loss for the Year				(1,070,381)				(1,070,381)
Other Comprehensive Income								
Unrealized gain on available-for-sale investments							(11,454)	(11,454)
Transfer to income of realized gain on sale of investments							(1,752)	(1,752)
Shares issued for cash								
Private Placement	7,350,000	1,722,500						1,722,500
Exercise of options	366,835	98,567						98,567
Exercise of warrants	319,250	159,625						159,625
Agent's compensation		(81,305)						(81,305)
Share issue costs		(12,937)						(12,937)
Non-cash transactions								
Income tax effect on flow-through share renunciation		(1,303,631)						(1,303,631)
Reclassification of option compensation on exercise of options		69,182			52,357	(121,538)		1
Property acquisition	365,000	202,450						202,450
Agent's compensation	161,000	40,250						40,250
Stock-based compensation						668,172		668,172
Balance, December 31, 2007	69,849,660	\$ 34,803,607	\$ -	\$ (16,030,480)	\$ 69,400	\$ 1,672,798	\$ 118,122	\$ 20,633,447
Net Profit for the period				579,546				579,546
Other Comprehensive Income								
Unrealized gain on available-for-sale investments							(96,902)	(96,902)
Transfer to income of realized gain on sale of investments							(49,755)	(49,755)
Shares issued for cash								
Private Placement								-
Exercise of options								-
Exercise of warrants								-
Agent's compensation								-
Share issue costs								-
Non-cash transactions								
Income tax effect on flow-through share renunciation		(410,312)						(410,312)
Reclassification of option compensation on exercise of options								-
Reclassification of option compensation on expiry of options					66,117	(66,117)		-
Property acquisition	131,000	40,950						40,950
Agent's compensation								-
Stock-based compensation						60,925		60,925
Share subscription			62,400					62,400
Balance, June 30, 2008	69,980,660	\$ 34,434,245	\$ 62,400	\$ (15,450,934)	\$ 135,517	\$ 1,667,606	\$ (28,535)	\$ 20,820,299

1. Nature of Operations and Going Concern

The Company is in the process of actively exploring and developing its mineral properties and has not yet determined whether these properties contain mineral resources that are economically recoverable (“reserves”). The Company is considered to be in the exploration stage.

The recoverability of amounts shown for mineral property interests is dependent upon one or more of the following:

- the discovery of reserves;
- the ability of the Company to obtain financing to complete exploration and development; and
- future profitable production from the properties or proceeds from disposition.

At June 30, 2008, the Company has an accumulated deficit of \$15,468,934 (2007 – \$16,030,480) and has working capital of \$1,737,028 (2007 – \$2,367,409) which may be sufficient to achieve the Company’s currently planned business objectives for fiscal 2008. The Company may need to complete further financings for additional drilling and exploration activities as required, and for future operations.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent on continued financial support from its shareholders and other related parties, the ability of the Company to raise equity financing, and the attainment of profitable operations, external financings and further share issuances to meet the Company’s liabilities as they become payable. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include determining the fair value of available for sale securities, the rates of amortization for property, plant and equipment, the recoverability of mineral property costs, valuation of accounts payable and accrued liabilities, the assumptions used in the determination of the fair value of stock-based compensation, and the calculation of future income tax liability. While management believes the estimates are reasonable, actual results may differ from those estimates and could impact future results of operations and cash flows.

(b) Cash and cash equivalents

The Company considers cash and cash equivalents to be cash and short-term investments with original maturities or redemption provisions of three months or less from the date of acquisition.

(c) Marketable securities

Prior to January 1, 2007, marketable securities were carried at the lower of cost or quoted market value on an individual stock by stock basis. When market value was below cost, any unrealized loss was charged to operations. With the adoption of the Canadian Institute of Chartered Accountants’ (“CICA”) Handbook Sections 1530, “Comprehensive Income” and, CICA 3855, “Financial Instruments – Recognition and Measurement”, marketable securities are measured at fair market value in the consolidated financial statements with the unrealized gains or losses recorded in other comprehensive income (Notes 4 and 5).

2. Significant Accounting Policies (continued)

(d) Mineral properties

The Company capitalizes all costs related to investments in mineral properties on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral properties are either developed or the Company's mineral rights are allowed to lapse.

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.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs are depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee; the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. When the amount of recoveries exceeds the total amount of capitalized costs of the property, the amount in excess of costs is credited to income.

Management's estimates of mineral prices, recoverable proven and probable reserves, and operating, capital and reclamation costs are subject to certain risks and uncertainties that 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.

(e) Property and equipment

Property and equipment consisting of office furniture and computer equipment are recorded at cost less accumulated amortization. Amortization is recorded using the straight line method at an annual rate of 20%. Leasehold improvements are amortized on a straight line basis over the six-year term of the lease.

(f) Asset retirement obligations

The Company accounts for the recognition and measurement of liabilities for obligations associated with the retirement of property and equipment when those obligations result from the acquisition, construction, development or normal operations of the assets.

(g) Impairment of long-lived assets

The Company accounts for the recognition, measurement and disclosure of the impairment of non-monetary long-lived assets, including property and equipment, intangible assets with finite useful lives, deferred pre-operating costs and long-term prepaid assets when such amounts are known.

2. Significant Accounting Policies (continued)

(h) Flow-through shares

Under the terms of Canadian flow-through share legislation, the tax attributes of qualifying expenditures are renounced to the subscribers. The tax impact to the Company of the renouncement is recorded on the date that the Company renounces the tax deductions, through a decrease in share capital and the recognition of a future tax liability.

(i) Stock-based compensation

The Company accounts for stock-based compensation using the fair value based method with respect to all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Under this standard, stock-based payments are recorded as an expense in the period the stock-based compensation vests or when the awards or rights are granted, with a corresponding increase to option compensation under shareholders' equity. When stock options are exercised, the corresponding fair value is transferred to share capital or when stock options are forfeited, cancelled or expire, the corresponding fair value is transferred to contributed surplus.

(j) Income taxes

Income taxes are calculated using the asset and liability method. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

(k) Earnings / loss per share

Earnings or loss per share is calculated based on the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. However, diluted loss per share has not been presented as the potential exercise of options and warrants outstanding would have the effect of reducing the loss per share. Therefore, basic and diluted loss per share is the same.

(l) Certain comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

(m) Future accounting changes

(i) Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064 "Goodwill and Intangible Assets" replacing Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new section is effective for years beginning on or after October 1, 2008. The Company is in the process of assessing the impact of this new section on its financial statements.

2. Significant Accounting Policies (continued)

(m) Future accounting changes (continued)

(ii) International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Financial Instruments

(a) Changes in accounting policies

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the CICA. These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

(i) Capital Disclosures

In February 2007, the issued Handbook Sections 1535, “Capital Disclosures”, requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity’s objective, policies and procedures for managing capital. The new section is effective for years beginning on or after October 1, 2007.

(ii) Financial Instruments

In February 2007, the CICA issued two new standards, Section 3862 “Financial Instruments Disclosures” and Section 3863 “Financial Instruments Presentation”. These sections will replace the existing Section 3861 “Financial Instruments Disclosure and Presentation”. Section 3862 provides users with information to evaluate the significance of the financial instruments of the entity’s financial position and performances, nature and extent of risks arising from financial instruments, and how the entity manages those risks. Section 3863 deals with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The new sections are effective for years beginning on or after October 1, 2007.

(iii) Inventories

In June 2007, the CICA issued Handbook Section 3031 “Inventories”. This section requires that inventory be recorded at the lower of cost or net realizable value. This section also clarifies that the allocation of fixed production overhead requires the consistent use of either first-in, first-out or the weighted average method to measure inventory, and requires that any previous write-downs be reversed when the value of the inventory increases. The amount of the reversal is limited to the amount of the original write-down. The new section is effective for years beginning on or after January 1, 2008.

Commander Resources Ltd.
Notes to Interim Financial Statements
For the period ended June 30, 2008
(Unaudited – See Notice)
(expressed in Canadian dollars)

3. Financial Instruments (continued)

(b) Fair value

The fair values of the Company's cash and cash equivalents, accounts and government grant receivable, due from related parties, recoverable deposits, and accounts payable and accrued liabilities approximate their carrying amounts due to the immediate or short-term to maturity of these financial instruments.

(c) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(d) Credit risk

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

(e) Derivatives – mineral properties

The Company retains and/or has obligations related to certain carried interest rights and net smelter return royalties ("NSR"), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral properties to which they relate are not sufficiently developed to reasonably determine value.

4. Cash and Cash Equivalents

Included in the cash and cash equivalents balance, there is an amount of \$142,291 for exploration funds which were raised through the issuance of flow-through shares. The exploration funds are required to be spent on mineral exploration related activities in Canada only (Note 17).

5. Marketable Securities

	As at June 30, 2008						As at December 31, 2007			
	Number of Shares	Book Value	Close Price	Market Value	Quarterly Unrealized Gain/(Loss)	Year-to-Date Unrealized Gain/(Loss) Before Tax	Number of Shares	Book Value	Market Value	Year-to-Date Unrealized Gain/(Loss) Before Tax
Fjordland (FEX.V)	517,647	\$ 101,353	0.195	\$ 100,941	\$ 5,176.00	\$ (85,412.00)	517,647	\$ 101,353	\$ 186,353	\$ 41,412
Diamonds North (DDN.V)	258,000	141,280	1.150	296,700	72,240.00	103,200.00	470,000	250,525	352,500	4,700
Uranium North	333	333	0.280	93	(65.00)	(74.00)	333	333	167	(299)
Alto Ventures (ATV.V)	1,875,000	281,250	0.105	196,875	(28,125.00)	(84,375.00)	-	-	-	-
Bayswater (BAY.V)	29,400	15,000	0.380	11,172	(1,617.00)	(12,936.00)	29,400	15,000	24,108	(24,108)
GBL Gold Corp	75,000	72,439	0.214	16,043	(10,207.00)	(17,305.00)	75,000	72,439	33,348	(39,091)
Pamlico Resources Ltd.	100,000	-	-	-	-	-	100,000	-	-	-
Total		\$ 611,655		\$ 621,824	37,402	\$ (96,902)		\$ 439,650	\$ 596,476	\$ (17,386)

Commander Resources Ltd.

Notes to Interim Financial Statements

For the period ended June 30, 2008

(Unaudited – See Notice)

(expressed in Canadian dollars)

6. Risk Management Policies

(a) Credit Risk

The Company is exposed to credit risk in respect to its cash and cash equivalents, and accounts receivable. The credit risk is limited to the carrying amount on the balance sheet. The Company's cash and cash equivalents are held through large financial institutions. The Company manages its credit risk by entering into transactions with high credit quality counterparties, limiting the amount of exposure to each counterparty where possible and monitoring the financial condition of the counterparties.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with our financial liabilities. The Company manages liquidity risk through the management of its capital structure as outlined in Note 12. Accounts payable and accrued liabilities are due within the current fiscal year.

(c) Market Risk:

The Company is exposed to the financial risk related to the fluctuation of the market prices of its marketable securities. At June 30, 2008, if the market prices of the marketable securities had decreased 10 percent with all other variables held constant, the comprehensive income for the quarter would have been \$62,183 lower. Conversely, if the market prices of the marketable securities had increased by 10 percent with all other variables held constant, the comprehensive income for the quarter would have been \$62,181 higher.

7. Field Supplies

Field supplies consist of fuel and other supplies which were stored in a facility in the hamlet of Clyde River, Nunavut.

8. Recoverable Deposits

During the quarter ended June 30, 2008, the Company reclassified the amount of bonds in lieu of work on its Newfoundland projects to mineral properties to better reflect of the nature of the payment. The balance of the Recoverable Deposits has been recorded as \$0 at June 30, 2008.

Commander Resources Ltd.

Notes to Interim Financial Statements

For the period ended June 30, 2008

(Unaudited – See Notice)

(expressed in Canadian dollars)

9. Mineral Properties

At June 30, 2008 and December 31, 2007, the Company's mineral properties are comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	CMD Major Properties								
	Baffin, Nunavut		Newfoundland Properties			Labrador	Other Properties	Total	
	Qimmiq	Bravo Lake	Hermitage	Strickland	Other				
Balance at									
December 31, 2007	\$ 9,191,249	\$ 2,116,233	\$ 2,615,007	\$ 858,744	\$ 91,947	\$ 1,734,302	\$ 3,236,534	\$ 19,844,016	
Additions during the period:									
Acquisition costs:	-	50,000	97,950	-	-	40,140	-	188,090	
Exploration costs:									
Drilling	58,417	32,230	9,924	-	-	-	1,664	102,235	
Geochemistry	7,237	-	1,456	-	-	-	-	8,693	
Geology	8,149	18,366	33,760	4,294	659	38,794	50,388	154,410	
Geophysics	-	-	1,711	40,559	-	330,730	6,351	379,351	
Mobilization/demob.	-	-	1,371	5,745	-	6,288	-	13,404	
Property	80,151	539	1,287	-	-	42,049	43,588	167,614	
Prospecting	-	-	-	-	-	-	-	-	
Trenching/line cutting	-	-	10,446	-	-	-	-	10,446	
Administration and Others	-	-	-	-	-	41,716	-	41,716	
	153,954	51,135	59,955	50,598	659	459,577	101,991	877,869	
Less:									
Recoveries	-	(25,000)	(200)	-	-	(93,630)	(34,749)	(153,579)	
Write down	-	-	-	-	-	-	(103,786)	(103,786)	
	-	(25,000)	(200)	-	-	(93,630)	(138,535)	(257,365)	
Net additions	153,954	76,135	157,705	50,598	659	406,087	(36,544)	808,594	
Balance at									
June 30, 2008	\$ 9,345,203	\$ 2,192,368	\$ 2,772,712	\$ 909,342	\$ 92,606	\$ 2,140,389	\$ 3,199,990	\$ 20,652,610	

Commander Resources Ltd.

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For the period ended June 30, 2008

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(expressed in Canadian dollars)

9. Mineral Properties (continued)

	CMD Major Properties							
	Baffin, Nunavut		Newfoundland Properties			Labrador	Other Properties	Total
	Qimmiq	Bravo Lake	Hermitage	Strickland	Other			
Balance at								
December 31, 2006	\$ 7,458,164	\$ 1,503,306	\$ 1,472,275	\$ 722,879	\$ 6,431	\$ 1,360,662	\$ 3,264,580	\$ 15,788,297
Additions during the period:								
Acquisition costs:	-	-	85,240	23,450	159,410	-	-	268,100
Exploration costs:								
Drilling	1,184,542	412,450	693,416	20,776	1,525	-	14,490	2,327,199
Geochemistry	29,170	4,405	129,816	-	-	-	-	163,391
Geology	331,735	116,130	234,896	38,980	41,671	27,165	47,832	838,409
Geophysics	23,766	39,290	38,477	50,803	713	282,083	-	435,132
Mobilization/demob.	7,104	3,044	18,741	927	-	-	-	29,816
Property	16,759	4,279	634	8,000	1,582	335	29,933	61,522
Prospecting	145,759	36,463	17,412	83	94,877	-	-	294,594
Trenching/line cutting	1,562	-	100,340	1,161	-	-	-	103,063
Administration and Others	-	-	3,160	585	3,050	64,057	1	70,853
	1,740,397	616,061	1,236,892	121,315	143,418	373,640	92,256	4,323,979
Less:								
Recoveries	(7,312)	(3,134)	(179,400)	(8,900)	-	-	(120,302)	(319,048)
Write down	-	-	-	-	(217,312)	-	-	(217,312)
	(7,312)	(3,134)	(179,400)	(8,900)	(217,312)	-	(120,302)	(536,360)
Net additions	1,733,085	612,927	1,142,732	135,865	85,516	373,640	(28,046)	4,055,719
Balance at								
December 31, 2007	\$ 9,191,249	\$ 2,116,233	\$ 2,615,007	\$ 858,744	\$ 91,947	\$ 1,734,302	\$ 3,236,534	\$ 19,844,016

9. Mineral Properties (continued)

Acquisitions

The acquisition of title to mineral properties is a detailed and time-consuming process. The Company has taken steps, in accordance with industry standard, to verify title to mineral properties in which it has an interest. Although the Company has taken every precaution to ensure that legal title to its properties is properly recorded in the name of the Company, there can be no assurance that such title will ultimately be secured.

Environmental expenditures

The operations of the Company may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

Environmental expenditures that relate to on-going environmental and reclamation programs are charged against operations as incurred or capitalized and amortized depending on their future economic benefits. Estimated future removal and site restoration costs, when the ultimate liability is reasonably determinable, will be charged against operations over the estimated remaining life of the related business operation, net of expected recoveries.

(a) Baffin Island Properties, Nunavut

On May 13, 2008, the Company reported an agreement with Global Resources Corporation Pty. Ltd. ("GRC"), a privately held Australian company. The agreement provides GRC the right to earn a 100-per-cent interest in non-gold rights on the Company's Baffin Island properties, as part of a planned initial public offering (IPO) contemplated by GRC (Newco). Gold, diamond, and uranium dominant resources are excluded from this agreement. GRC plans to advance the exploration opportunity for zinc and nickel hosted by the sedimentary and volcanic rocks, while the Company continues to focus its efforts on advancing the gold potential on the property. Please refer to the MD&A for the terms of this agreement.

(i) Qimmiq

The Company entered into an option agreement on June 18, 2003 with BHP Billiton Diamonds Inc. ("BHP Billiton Diamonds") to explore for gold on 50,000 hectares of Nunavut Tunngavik Incorporated ("NTI") leases on Baffin Island, Nunavut. Under the option agreement, the Company may earn 50 % of BHP Billiton Diamond's exploration rights by expending \$4 million by 2007, 80 % by expending an aggregate \$10 million by 2012 and a 100 % interest by delivering a feasibility study by December 31, 2014. As at the date of this report, the Company has made sufficient expenditures to vest a 50 % interest.

The option agreement is subject to a variable net smelter return gold royalty ranging from 1 % to 3 % based on gold prices (royalties are now held by International Royalty Corporation) and a 12 % royalty to NTI on net profits payable on production. If a mineral discovery, excluding gold, is made, BHP Billiton Diamonds may exercise a back-in option on the mineral discovery allowing BHP Billiton Diamonds to re-acquire up to an aggregate of a 75 % interest for a period of up to ten years after the Company has earned a 100 % interest in the property.

On January 14, 2008, the Company announced that it had letter of intent (LOI) with BHP Billiton Diamonds to amend the terms of the option agreement. The new agreement provides the Company the option to increase its current 50 % interest in the property to 100 % by making a single cash payment of \$400,000 to BHP Billiton by September 30, 2008. The amendment enables the Company to eliminate remaining earn-in expenditures and to eliminate the requirement for a feasibility study. Furthermore, the amendment enables the Company to extinguish BHP Billiton's back-in rights to non-gold resources, as provided under the existing option agreement.

Commander Resources Ltd.

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9. Mineral Properties (continued)

(a) Baffin Island Properties, Nunavut (continued)

(ii) Bravo Lake

The Company entered into an option agreement with Xstrata Canada Corporation (“Xstrata”) in 2003 to explore for gold, diamonds, and other metals on twelve Exploration Permits on Baffin Island, Nunavut. The original permits adjoined the Qimmiq and Dewar Lake properties optioned from BHP Billiton Diamonds. The agreement provided the Company the right to earn a 100 % interest in Xstrata’s exploration rights and interests on Baffin Island by incurring \$8 million of exploration expenditures on the property by 2011. The Company has incurred approximately \$2.1 million in exploration as at the date of this report.

Under the agreement, Xstrata retains certain back-in rights to base metal mineral discoveries to acquire up to an aggregate 75 % interest. If a diamond resource discovery is made, Xstrata may exercise a back-in option to acquire up to an aggregate 50 % interest. There are no back-in rights to a gold discovery. The property is subject to a sliding scale NSR from 1 % to 3 % based on gold prices, a 2 % NSR on nickel production, a 2 % gross overriding royalty on diamond production, and a 1.5 % NSR on base metal production.

In 2005, the Company staked nineteen mineral claims to cover the favourable portions of the prospecting permits in advance of their expiry.

On May 12, 2008, the Company reported an agreement with Xstrata that provides the Company the option to accelerate its vesting rights to 100 % by making total cash payments of \$750,000 by December 31, 2008 including \$50,000 on signing, \$75,000 on or before July 15, 2008, \$200,000 on or before October 15, 2008, and \$425,000 on or before December 31, 2008. Xstrata shall have no rights to any gold, gold concentrates or gold products produced from the property, but Xstrata will have the first right of refusal to purchase all or any portion of the concentrates or other such mineral products produced from any non-gold resource on the property. Please refer to the MD&A for more details on this agreement.

(b) Newfoundland Uranium Properties

(i) Hermitage

On March 16, 2005, the Company entered into an option agreement with a private consortium based in Newfoundland to earn a 100 % interest in the Blue Hills and White Bear Uranium properties over a four-year term by making cash payments of \$82,200, issuing 201,000 common shares, and completing \$1,000,000 in exploration work. On April 13, 2005, the Company issued a share purchase warrant to the optionors to acquire 250,000 common shares exercisable at a price of \$1.00 per share, see Note 11(d) for warrant terms. The agreement is subject to a 2 % “NSR” for the vendors with a buy-back of one-half of the royalty for \$1 million.

On April 22, 2005, the Company completed a second option agreement to earn a 100 % interest in the Couteau Lake Property 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. Of this, \$43,000 in cash has been paid and 100,000 common shares have been issued and approximately \$133,000 of exploration work has been completed. The agreement is subject to a 2 % NSR for the vendor with a buy-back of one-half of the royalty for \$1 million.

On November 1, 2005, the Company acquired an additional 1,600 claims by staking.

On February 14, 2008, the Company announced that it had completed its earn-in requirements to the Blue Hills and White Bear properties and now owns 100 % of the properties subject to the reserved NSR.

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9. Mineral Properties (continued)

(b) Newfoundland Uranium Properties (continued)

(ii) Strickland

On June 26, 2006, the Company staked the Strickland Property, 147 claims southwest of the Hermitage property.

On August 16, 2006, the Company announced that it had entered into an option agreement to purchase a small claim block located in the middle of the Company's wholly owned Strickland Property. The Company may earn a 100 % interest in the claims through cash payments totaling \$43,000 and by issuing 160,000 shares of the Company over a four-year period. The vendors will retain a 2 % NSR, one-half of which may be bought by the Company at any time for \$1 million. To date, the Company has made cash payments totaling \$11,000 and has issued 60,000 shares.

(iii) Hermitage East and West

On November 3, 2005, the Company entered into an agreement with Bayswater in conjunction with the acquisition by Bayswater of 1,429 claims 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 and was issued 150,000 common shares of pre-merger Pathfinder for providing certain geological and technical information that was used in staking the Hermitage East and West properties. Bayswater is a related party to the Company by virtue of a director in common.

Prior to 2007, Bayswater ceased its work on the Hermitage East and Hermitage West properties and as per the agreement, transferred 100 % ownership in the properties to the Company with one year of assessment work filed.

(c) Labrador Nickel Properties (South Voisey's Bay)

(i) Adlatok 1

The Company has a 72.696 % interest in the Adlatok 1 property. A program of ground geophysics (UTEM) was completed in the spring, 2008 and a drill program commenced on August 14, 2008.

(ii) Sadie

The Company owns a 100 % interest in the Sadie property. A program of ground geophysics (UTEM) was completed during the quarter to define drill targets. Drilling is planned for Q3 if warranted.

(iii) Sally

The Company owns a 100 % interest in the Sally property. A program of ground geophysics (UTEM) was completed during the quarter to define drill targets. Drilling is planned during Q3. In 2006 and 2007 the Company made cash payments of \$41,935 in lieu of exploration work that was required to keep the project in good standing. As the Company has now completed the ground geophysics work, the \$41,935 is receivable and will be fully recovered when the Company files its report.

(iv) Sarah Lake

The Company owns a 48.2 % interest in the Sarah Lake property. Donner Metals Ltd. ("Donner Metals") owns 51.8 % and is the operator of the property.

The property was re-activated by the Company and Donner Metals. A program of UTEM geophysics was completed on a portion of the property in order to better define drill targets. The remainder of the geophysical work was completed in the Spring and is currently being interpreted.

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9. Mineral Properties (continued)**(c) Labrador Nickel Properties** (continued)

The Company owns several properties in Labrador, Canada in which it holds interests ranging from 48.2% to 100%. The carrying values of those properties at June 30, 2008 and December 31, 2007 are as follows:

	CMD Ownership %	June 30, 2008	December 31, 2007
<u>Labrador Properties</u>			
Adlatok I (i)	72.696	\$ 331,913	\$ 164,810
Sadie (ii)	100.000	97,998	39,213
Sally (iii)	100.000	140,132	63,199
Sango River	100.000	45,717	-
Sarah Lake (iv)	48.200	1,524,629	1,467,080
Total		\$ 2,140,389	\$ 1,734,302

Commander Resources Ltd.

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(expressed in Canadian dollars)

9. Mineral Properties (continued)**(d) Other Properties**

The Company owns several other properties in Canada in which it holds interests ranging from 10% to 100%. The Company has granted options on some of these properties. The carrying values of those properties included under Other Properties at June 30, 2008 and December 31, 2007 are as follows:

	CMD Ownership %	June 30, 2008	December 31, 2007
<u>Active Projects</u>			
Nunavut			
Storm (i)	100.0	\$ 15,512	\$ -
Quebec			
Despinassy (ii)	-	-	94,994
Newfoundland			
Cochrane Pond (iii)	50.0	31,897	-
Yukon			
Olympic, Rob (iv)	100.0	1,003,231	1,017,172
Total Active Projects		\$ 1,050,640	\$ 1,112,166
	<i>CMD Ownership %</i>	June 30, 2008	December 31, 2007
<u>Inactive Projects</u>			
British Columbia			
Abe and Pal (v)	100.0	\$ 109,536	\$ 107,239
Aten, Mate and Tut (vi)	100.0	1,210	1,196
Haw	100.0	12,133	11,900
Tam (vii)	10.0	49,524	49,524
Ontario			
Matheson	41.6	14,213	14,213
McVean	100.0	-	8,694
Sabin	100 - 58.5	113,566	100,896
Newfoundland			
Green Bay (viii)	100.0	467,380	457,380
New Brunswick			
Nepisiguit/Stewart (ix)	100.0	1,375,481	1,367,019
Yukon			
Rein	25.0	6,307	6,307
Total Inactive Projects		\$ 2,149,350	\$ 2,124,368
Total Other Properties		\$ 3,199,990	\$ 3,236,534

Commander Resources Ltd.

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(expressed in Canadian dollars)

9. Mineral Properties (continued)

(d) Other Properties (continued)

(i) Storm Project, Nunavut

On April 8, 2008 the Company reported the acquisition of a significant copper and zinc property in Nunavut, Canada. The property consists of the *Storm Copper Zone* that includes four near-surface, high-grade centres of copper mineralization, within a seven-kilometre-long mineralized structural corridor, and the *Seal Zinc Zone*, which is adjacent to tidewater. Refer to MD&A for more details.

(ii) Despinassy, Quebec

On April 26, 2004, Cameco Corporation (“Cameco”), the Company’s Joint Venture Partner on the Despinassy project in Quebec, entered into an Agreement with Alto Ventures Ltd. (“Alto Ventures”) for Cameco’s 70 % interest in the project. The Company waived its right of first refusal under the Joint Venture in consideration for 100,000 common shares of Alto Ventures at a deemed price of \$0.10 per share; Alto Ventures carried the Company for \$150,000 of Joint Venture obligations; and the Company retains the right of first refusal under the Joint Venture should Alto Ventures withdraw from the Agreement with Cameco.

On January 10, 2008, the Company reported that it had entered into a letter of intent (LOI) to sell its 24.5-per-cent participating interest in the property to majority partner Alto Ventures. On March 4, 2008, under the terms of the LOI, the Company received a lump-sum cash payment of \$375,000 and 1,875,000 treasury shares of Alto Ventures. The Company retains 1 % net smelter return (NSR) royalty on 83 claims and 0.25 % on the other 30 claims. Alto retains the right to buy down the NSR on the 83 claims to 0.5 % for \$500,000.

(iii) Cochrane Pond

On June 19, 2006, the Company entered into a 50:50 joint venture agreement with Bayswater Uranium Corporation (“Bayswater”), successor Company to Pathfinder Resources Ltd. to stake the Cochrane Pond property adjacent to the Hermitage properties. If either party’s interest dilutes below 10 %, then that party’s interest will convert to a 10 % of Net Proceeds of Production Royalty. The Company is the Operator of the joint venture.

On April 13, 2007, the joint venture entered into an agreement with Global Gold Uranium LLC (“Global Gold Uranium”), a wholly owned subsidiary of Global Gold Corporation (“Global Gold”). The agreement provides Global Gold Uranium the option to earn a 60 % interest in the Cochrane Pond Property (“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 and share payments, US\$200,000 and 150,000 shares were paid on signing and approval. Global Gold Uranium completed the first years’ committed work expenditure of \$500,000 in 2007. The agreement states that once Global Gold Uranium vests at 51 % they 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”).

The Company granted Global Gold Uranium an extension on the second term requirements in order to work out a mechanism for moving the project forward.

9. Mineral Properties (continued)

(d) Other Properties (continued)

(iv) Olympic & Rob, Yukon

On May 1, 2006, the Company signed a Letter of Intent with Blackstone Ventures Inc. (“Blackstone”) to acquire Blackstone’s 50 % interest in the Rob uranium property, Yukon Territory, to increase the Company’s interest to 100 %. In consideration, the Company issued 305,000 common shares to Blackstone and granted a 1 % NSR on metal production from the Property, which may be reduced to 0.5 % at any time for \$1,000,000.

On August 2, 2006, the Company signed a Letter of Intent with Fjordland Exploration Inc. (“Fjordland”) on the Company’s wholly-owned Olympic-Rob Property in the Yukon. Under the terms of the agreement, Fjordland was provided the right to earn an initial 60 % interest in the property by paying the Company \$250,000 in cash, issuing 1.6 million treasury shares to the Company and incurring exploration expenditures on the property totaling \$7 million over a five-year period ending on December 31, 2011. Of this, \$50,000 was paid and 350,000 treasury shares were issued upon receipt of regulatory approval. Fjordland was obligated to incur \$600,000 in exploration expenditures by December 31, 2007, including a minimum of 2,000 metres of drilling.

Fjordland elected to terminate the option prior to meeting the minimum drill footage required as part of the committed expenditures in agreement. Since Fjordland failed to meet the first year commitment of the agreement, the Company is seeking compensation from Fjordland for the shortfall. At the date of this report, negotiations were on-going to reach a settlement with Fjordland.

On May 8, 2008, the Company reported that it had entered into a letter agreement (LOI) with Global Resources Corp. Pty. Ltd., a privately held Australian company providing GRC the right to earn an initial 50 % participating interest and an ultimate 70 % interest in the Olympic-Rob Property, Yukon Territory. To earn the initial 50 % interest property, GRC must complete \$4-million in exploration by December 31, 2011, and pay to the Company \$220,000 in cash or shares, of which \$20,000 has been paid. As part of the initial option, GRC must complete 2,000 metres of diamond drilling by December 31, 2009. Please refer to the MD&A for a complete summary of the terms of the agreement.

(v) Abe and Pal, British Columbia

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

(vi) Aten, Mate and Tut, British Columbia

In February 2007, the Company reported that it had entered into an agreement with Geoinformatics Exploration Canada Limited (“GXL”) providing GXL the option to earn a participating interest in the Company’s five properties (ABE, PAL, MATE, ATEN and TUT claims) located in the Omineca Mining District, British Columbia. The option allowed GXL the right to earn an initial 60 % interest by completing \$4,500,000 in exploration expenditures over four years and by paying to the Company \$300,000 in cash of which \$50,000 in cash and \$750,000 in work expenditures was the commitment for 2007. Upon earning 60 %, GXL could increase its interest to 80 % by completing a positive pre-feasibility study and by paying the Company an additional \$1,500,000. GXL commenced its 2007 work program in July 2007. GXL drilled 3,451.2 metres in 12 holes and spent approximately \$1.2 million. Although the drilling encountered significant widths of highly altered rocks with typical porphyry copper-gold deposits, copper grades were low and GXL elected not to proceed with the option. GXL returned the property to the Company with five years of assessment work filed.

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9. Mineral Properties (continued)

(d) Other Properties (continued)

(vii) Tam, British Columbia

On September 9, 2005, the Company entered into an agreement with a prospector that provided the Company with a 10 % Carried Interest in mineral claims in the Omineca area of British Columbia, hereinafter referred to as the Tam/Misty property. In addition, the Company will receive 50 % of any royalties granted to the prospector under any subsequent third party agreement on the property. In exchange for the interest, the Company agreed to transfer title and all associated data for three legacy claims (the Tam claims) owned by the Company which lie within the boundary area of the Tam/Misty property.

On February 13, 2006, Teck Cominco Limited (“Teck Cominco”) entered into an option agreement with prospectors on the Tam/Misty property. Teck Cominco can earn 100 % of the prospectors’ 90 % interest by making \$525,000 in staged cash payments and incurring \$2.6 million in exploration expenditures before December 31, 2011. As part of the Company’s 10 % carried interest in the Tam/Misty property, the Company received a cash payment of \$2,500. In addition, the Company may receive a 1.5 % NSR of which \$250,000 is payable, as an advance royalty, starting on December 31, 2012. This royalty is subject to a buy-down provision that, if exercised, would pay \$1.0 million to the Company.

(viii) Green Bay, Newfoundland

The Company holds a 100 % interest in the Green Bay property.

(ix) Nepisiguit/Stewart, New Brunswick

The Company’s 100 % owned Nepisiguit/Stewart property is located in the Bathurst area of New Brunswick. On September 27, 2005, the Company negotiated a royalty agreement with BHP Billiton World Exploration Inc. (“BHP Billiton”) on the Nepisiguit portion of the property. Prior to this agreement, BHP Billiton retained the right to earn back a 55 % interest in the property and held a 2 % NSR with no buy-down provision. Under the new royalty agreement, the Company provided BHP Billiton with a 2.75 % NSR subject to a buy-down to 1.0 % NSR for \$1.5 million at any time. In exchange for the increased NSR, BHP Billiton agreed to waive its right to earn back a 55 % interest and therefore, has no future right to earn a participating interest in the property.

(x) St. George’s Bay, Newfoundland

On March 1, 2007, the Company entered into an agreement with Vulcan Minerals Inc. (“Vulcan”) providing the Company the option to earn an 80 % interest over a five year period in base and precious metals and uranium on Vulcan’s 38,350 hectare St. George’s Bay Property located in south western Newfoundland by issuing to Vulcan 500,000 common shares and completing \$3.5 million in exploration work. The deal included issuance of 150,000 shares of the Company and funding \$100,000 of exploration expenditures in the first year.

An initial cash payment of \$50,700 was paid to Vulcan to cover refundable staking deposits. The Company received the full refund before the end of the Quarter.

The Company completed a program of prospecting and stream sediment sampling in the spring but made no significant mineral discoveries. All terms and conditions of the first term were met and the option was terminated in accordance with the agreement.

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9. Mineral Properties (continued)**(d) Other Properties** (continued)**(xi) Murphy, Newfoundland**

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 Murphy property strategically located east and contiguous with the Company's Hermitage Property.

Bayswater and the Company dropped the option at the end of 2007.

10. Property and Equipment

	June 30, 2008		
	Cost	Accumulated Depreciation	Net Book Value
Furniture and fixtures	\$ 57,240	\$ 56,068	\$ 1,172
Computer equipment	169,200	148,169	21,031
Leasehold improvements	28,293	18,862	9,431
	\$ 254,733	\$ 223,099	\$ 31,634

	2007		
	Cost	Accumulated Depreciation	Net Book Value
Furniture and fixtures	\$ 57,240	\$ 55,219	\$ 2,021
Computer equipment	169,200	142,015	27,185
Leasehold improvements	28,293	16,504	11,789
	\$ 254,733	\$ 213,738	\$ 40,995

Commander Resources Ltd.

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11. Share Capital**(a) Authorized:**

Unlimited common shares without par value

(b) Shares issued

During the six months ended June 30, 2008, the Company issued 131,000 shares for acquisition of properties.

	Number of Shares	Amount
Balance, December 31, 2006	61,287,575	\$ 33,908,906
Issued for cash:		
Private placements, net of issue costs	7,511,000	1,668,508
Exercise of options, for cash	366,835	98,567
Exercise of warrants, for cash	319,250	159,625
Issued for other consideration:		
Income tax effect of flow-through share renunciation		(1,303,631)
Exercise of options, stock-based compensation		69,182
For mineral property	365,000	202,450
Balance, December 31, 2007	69,849,660	\$ 34,803,607
Issued for other consideration:		
Income tax effect of flow-through share renunciation		(410,312)
For mineral property	131,000	40,950
Balance, June 30, 2008	69,980,660	\$ 34,434,245

Commander Resources Ltd.

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11. Share Capital (continued)**(c) Stock options**

Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of the grant. Under the Company's Stock Option Plan, the Company may grant stock options for the purchase of up to 12,300,000 common shares. Vesting of stock options is made at the discretion of the board of directors at the time the options are granted. At June 30, 2008, the Company had stock options outstanding for the purchase of 6,328,666 common shares with an average remaining contractual life of 2.0 years, of which 5,633,666 stock options are exercisable at June 30, 2008.

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2006	3,963,003	\$0.39
Granted	2,260,000	\$0.44
Exercised	(366,834)	\$0.27
Expired	(229,000)	\$0.00
Outstanding at December 31, 2007	5,627,169	\$0.42
Granted	1,065,000	\$0.19
Exercised	-	
Expired	(363,503)	\$0.34
Outstanding at June 30, 2008	6,328,666	\$0.39

Commander Resources Ltd.
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11. Share Capital (continued)

(c) Stock options (continued)

The following summarizes information about stock options outstanding at June 30, 2008:

Number of Shares	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price
161,666	\$0.26	August 20, 2008	0.00	
700,000	\$0.53	January 21, 2009	0.06	
50,000	\$0.64	February 19, 2009	0.01	
679,000	\$0.56	May 18, 2009	0.09	
40,000	\$0.40	September 6, 2009	0.01	
200,000	\$0.40	September 21, 2009	0.04	
383,000	\$0.25	July 19, 2010	0.12	
282,000	\$0.39	May 7, 2011	0.13	
656,500	\$0.30	June 19, 2011	0.31	
410,000	\$0.87	January 2, 2012	0.23	
200,000	\$0.41	May 8, 2012	0.12	
1,266,500	\$0.36	June 7, 2012	0.79	
125,000	\$0.23	October 12, 2009	0.03	
110,000	\$0.19	December 21, 2012	0.08	
865,000	\$0.18	February 7, 2013	0.63	
200,000	\$0.21	June 24, 2013	0.16	
6,328,666			2.01	\$0.36

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Risk-free interest rate	2.62%
Expected dividend yield	0.00%
Expected stock price volatility	110.97%
Expected option life in years	5

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 during the period.

Commander Resources Ltd.

Notes to Interim Financial Statements

For the period ended June 30, 2008

(Unaudited – See Notice)

(expressed in Canadian dollars)

11. Share Capital (continued)**(d) Warrants and agent's warrants**

At June 30, 2008, the Company had outstanding warrants for the purchase of an aggregate 1,150,000 common shares as follows:

Exercise Price	Expiry Date	Outstanding at Dec. 31, 2007	Issued	Exercised	Expired	Outstanding June 30, 2008
\$0.50	May 15, 2008	5,054,750	-	-	5,054,750	-
\$0.50	May 15, 2008	1,040,400	-	-	1,040,400	-
\$0.50	May 15, 2008	195,250	-	-	195,250	-
\$0.40	Oct. 26, 2008	1,150,000	-	-	-	1,150,000
		7,440,400	-	-	6,290,400	1,150,000

Warrants of 5,054,750 and agent's warrants of 1,235,650 had expired on May 15, 2008 unexercised.

All of the warrants and 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.

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. These warrants expired on February 14, 2008 when the Company exercised its option and vested at 100% in the Property.

12. Capital Disclosure

The Company's objectives when managing capital are:

- (a) To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (b) To provide an adequate return to shareholders.

The Company sets the amount of capital in relation to requirements. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the requirements to finance its mineral projects. The Company's overall strategy remains unchanged from 2007.

The capital structure of the Company consists of all of the components of shareholders' equity.

During the six months ended June 30, 2008, no additional shares for cash were issued.

Commander Resources Ltd.

Notes to Interim Financial Statements

For the period ended June 30, 2008

(Unaudited – See Notice)

(expressed in Canadian dollars)

13. Related Party Transactions

In addition to the related party transactions disclosed elsewhere in these financial statements, the Company has the following related party transactions and balances:

- (a) The Company shares certain administrative and other costs with four other companies related by virtue of directors in common. Included in due from related parties is an aggregate of \$8,287 owed by those companies.
- (b) During the six months ended June 30, 2008, the Company paid or accrued \$10,717 (2007 - \$16,159) in legal fees, share issuance costs and mineral properties costs to a law firm in which a director of the Company is a partner. Of this amount, there is \$Nil included in accounts payable and accrued liabilities.
- (c) Included in marketable securities are 258,000 common shares of Diamonds North Resources Ltd., a company related by virtue of a director in common.
- (d) Accounts payable includes \$6,320 due to companies related by common directors. Related party transactions are recorded at the carrying amount and have no interest or stated terms of repayment.

14. Commitment

The Company shares the cost of the office premises with several companies based on the proportion to the area occupied. The lease of the office premises was signed by one of the companies and that company invoices other companies. Certain of the companies are related by virtue of directors in common. The Company's proportionate share of minimum annual basic rental payments under this arrangement is approximately \$66,000.

15. Segmented Information

The Company has one operating segment, mineral exploration, and all assets of the Company are located in Canada.

16. Supplemental Cash Flow Information

	For Three Months Ended		For Six Months Ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Significant non-cash operating, investing and financing activities:				
Investing activities:				
Marketable securities received for mineral property	\$ -	\$ -	\$ 281,250	\$ -
Shares issued for mineral property	24,750	19,800	40,950	179,000
Accounts payable included in the mineral property	-	-	125,997	-
	\$ 24,750	\$ 19,800	\$ 448,197	\$ 179,000
Financing activities:				
Income tax effect on flow-through share renouncement	\$ -	\$ -	\$ (410,312)	\$ (1,303,631)
Shares issued for mineral property	(24,750)	(19,800)	(40,950)	(179,000)
Fair value of options exercised	-	20,240	-	69,182
	\$ (24,750)	\$ 440	\$ (451,262)	\$ (1,413,449)
Other cash flow information:				
Interest received	\$ 5,904	\$ 33,158	\$ 17,058	\$ 47,933
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

Commander Resources Ltd.

Notes to Interim Financial Statements

For the period ended June 30, 2008

(Unaudited – See Notice)

(expressed in Canadian dollars)

17. Income Taxes

The Company's future income tax liability arises primarily from the renunciation of mineral exploration costs on flow-through shares issued to investors. Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares. A future income tax liability arises from the renunciation of mineral exploration costs to investors of flow-through shares.

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date, represent the funds received from flow-through share issuances which have not been spent as at June 30, 2008 and which are allotted for such expenditures. As at June 30, 2008, the amount of flow-through proceed remaining to be expended was \$142,291 (2007 - \$1,076,570).

18. Subsequent Events

On July 22, 2008, the Company completed the final tranche of the non-brokered private placement announced on June 18, 2008. The total proceeds from the financing amounted to \$2,202,000, including \$695,784 from Tranche 1, which closed on July 14, 2008 and \$1,506,216 from Tranche 2. An issuance of 5,532,150 flow-through shares at a purchase price of \$0.24 per flow-through share and 850,000 non flow-through units at a purchase price of \$0.21 per non flow-through unit occurred on July 22, 2008. Finders' fees were paid to Dundee Securities Corp. as to \$50,684.76 cash and 241,356 units.

All of the securities issued are subject to a four month hold period and may not be traded until November 23.