COMMANDER RESOURCES LTD.

Interim Report
Management Discussion and Analysis

For the Six Months Ended
June 30, 2008

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For the Period Ended June 30, 2008

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 nickel property in Labrador and a gold project on Baffin Island, Nunavut. 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 unaudited financial statements and the notes thereto for the period ended June 30, 2008.

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 27, 2008 (the "Report Date").

Summary of activities and results for the Quarter Ended June 30, 2008

South Voisey's Bay Nickel properties

- The Company completed a 50 line kilometre UTEM-EM survey on its Sarah Lake, Adlatok1, Sally and Sadie properties in April – June 2008 to better define and assess the conductors and prioritize targets for drill testing. On May 22, the Company reported the discovery of a significant geophysical anomaly interpreted to be caused by a large buried massive sulphide body on the Adlatok 1 property. The anomaly represents a high priority drill target. The anomaly is large, ovoid shaped and has a very strong response. It is approximately 600 x 700 metres in size and varies in depth from 100 to 300 metres. A second anomaly is smaller in size and somewhat lower in intensity, but both are likely caused by near flat lying bodies of massive sulphide, which is the main target for the setting of Voisey's Bay type nickel deposits.

  The host to the two strong conductors appears to be a flat lying formation which is typical of the nickel bearing gabbros in the South Voisey's Bay area. From the geophysical signatures, the gabbroic bodies appear to underlay much of the Adlatok 1 and Sally properties, which is the first time these highly potential host rocks are indicated to appear this far to the east at South Voisey's Bay. As the eastern limits of this highly prospective host rock has not been established, and appear within a few 100 metres of the eastern property boundaries, the Company staked close to 700 new claims to the cover the potential extension of the favourable geology. The new property is called "Sango."

Baffin Gold Project, Nunavut

- On May 12, 2008, the Company reported an agreement with Xstrata that provides the Company the option to accelerate its vesting rights to 100 % for the following considerations:

  - Total cash payments to Xstrata 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 will not retain 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. For the first four years of commercial production, Xstrata's right shall apply to 50 % of the concentrates; the other 50% of the concentrates shall be available for the Company to support or facilitate mine financing terms and other project capitalization and Xstrata shall retain a first right of refusal to match such financing terms.

  - Xstrata will retain the royalties provided under the original option agreement but under the amended agreement, 50 % of the royalties may be purchased by the Company for $1-million at any time up to commencement of commercial production.

- If the Company makes $125,000 of the total payments as agreed but does not complete the total payments to vest at 100 %, the existing agreement and its expenditure schedule will remain in effect but the Company may carry over $400,000 in 2008 work commitments to add to the requirements for 2009. If the Company makes the total $750,000 in payments, the existing agreement will terminate and be replaced by the definitive agreement covering the terms of this new agreement.

- 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. The terms of the agreement are as follows:

    - GRC will issue 10 % of the total number of issued shares in Newco to the Company, calculated immediately following completion of the planned IPO.
    - GRC will pay $1,425,000 cash to the Company, including $25,000 cash upon signing of this agreement, $50,000 cash on or before July 15, 2008, $200,000 cash on or before October 15, 2008, and $1.15-million cash within 10 days of successfully listing the IPO.
    - Prior to the IPO of Newco, GRC shall offer the Company the opportunity to buy up to 10 % of any pre-IPO seed stock, at the same price agreed between for all pre-IPO seed capital participants and GRC.
    - GRC will also deliver to the Company, for no consideration, rights to 5% additional equity in Newco at the time of and as part of the IPO, by means of an issue of unlisted warrants, at an exercise price and term to be determined by GRC immediately prior to the IPO of Newco.
    - GRC agrees to complete a minimum $500,000 exploration program on the Baffin project by December 31, 2009.
    - GRC reserves one seat on the board of directors of Newco for the Company.

  - The terms and conditions as agreed are subject to the underlying agreements between the Company and BHP Billiton, and between the Company and Xstrata, such that GRC shall assume all obligations and considerations to Xstrata and BHPB under those agreements.
  - A portion of the cash proceeds from this deal will be used by the Company to complete recently executed agreements between the Company and BHP Billiton announced on January 14, 2008, and between the Company and Xstrata announced on May 12, 2008, subject to successful completion of the Newco IPO.

Subsequent Events

- Subsequent to the quarter, the Company was granted an extension to July 31, 2008 to make the $75,000 cash payment to Xstrata and the Company provided GRC the same extension for the $50,000 payment owed to it.
- On July 31, 2008, the Company made the $75,000 cash payment to Xstrata and granted a further extension to GRC for their $50,000 payment.
- On August 1, 2008, the Company commenced a detailed mapping and channel sampling of the Hebert trend on the Qimmiq property.

Other Properties

Storm Project (Copper, zinc), 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.

On May 30, 2008, the Company announced its plans to complete a National Instrument 43-101 compliant technical report to verify the historical data and resources, if any, and plans to compile and evaluate large quantities of geological, geophysical and geochemical data in order to define priorities and develop a strategy to advance the property.

The Company was awarded three prospecting permits valid for a term of five years. The total cost of the acquisition was about $15,000, which will be refunded upon completion of an equivalent amount of exploration work within the first two years. The entire property covers about 154,000 acres (62,320 hectares) on the northwest corner of Somerset Island, Nunavut, extending from tidewater inland for about 40 kilometres. The property is about 150 kilometres south of the commercial airport and service centre of Resolute Bay on neighbouring Cornwallis Island. The Polaris mine has shipped lead and zinc concentrates from this region for 20 years.

The property was discovered and explored by Teck Cominco Ltd. ("Teck Cominco") between 1995 and 2000, during which time a total of 67 shallow holes were drilled on the Storm Copper area and 31 holes were drilled on or in the vicinity of the Seal zinc zone. Work on the property ceased in 2001 due to weak metal prices and the soft metal markets. The mineral claims lapsed over the subsequent six years as the credits ran out. The Company's acquisition of the property was confirmed on April 1, 2008.

All of the geological information that we have in hand including assay intervals and descriptions of mineralization was taken from publicly available assessment reports and assay data filed with the Nunavut government by Teck Cominco. The Company has not verified this data.

Storm Copper Zone

- Four zones of copper mineralization, named 2200N, 2750N, 3500N and 4100N are hosted by Paleozoic carbonates, outcrop at surface and extend to depths of at least 100 metres. These are located within 16 to 20 kilometres of tidewater. The 4100N zone, the largest discovered, contains a consistent interval of copper mineralization starting at a depth of about 50 metres from surface based on 17 widely spaced diamond drill holes. The zone extends over an area of at least 1,000 metres by 400 metres and remains open. Examples of drill intersections from this large zone include:
  - 3.5 % Cu over 17.2 metres;
  - 2 % Cu over 10.2 metres;
  - 2.33 % Cu over 4.9 metres;
  - 1.14 % Cu over 52.2 metres, including 2.41 % Cu over 7.3 metres;
  - 1.16 % Cu over 52.2 metres, including 3.27 % Cu over 10.2 metres.
- The other three zones have potential as indicated by the following drill intercepts:
  2750N zone (exposed at surface over at least 200 metres of strike):
  - 2.92 % Cu over 105 metres starting at surface including 5.09 % Cu over 53.9 metres;
  - 3.1 % Cu over 58.4 metres including 4.54 % Cu/35.5 metres and 9.56 % Cu over 13.3 metres.

  2200N zone (exposed at surface over 500 metres of strike):
  - 2.46 % Cu over 26 metres starting at surface and including 3.76 % Cu over 15 metres;
  - 1.56 % Cu over 50.9 metres starting at surface including 9.29 % Cu over 6.4 metres from surface and 1.93 % Cu over 10.6 metres at a depth of 38 metres.

  3500N zone (exposed at surface over a 300-metre strike length):
  - 0.96 % Cu over 95.6 metres including 2.2 % Cu over 12.6 metres starting at 7.6 metres and 3.09 % Cu over 8.2 metres at a depth of 33.4 metres;
  - 0.62 % Cu over 80.3 metres from surface including 1.58 % Cu over 11.8 metres.
- Chalcocite and bornite are the dominant copper sulphides, which is significant since both minerals contain much higher copper content than chalcopyrite and therefore result in a high-grade copper concentrate.

Seal Zinc Zone

- The Seal zinc zone is located on tidewater, 20 kilometres to the west from the centre of the copper mineralization and within the same structural trend. The Seal zone is stratabound, consisting of massive-to-disseminated and vein-filled sphalerite, marcasite and minor pyrite hosted by a clean, white sandstone unit that is stratigraphically below the main copper mineralization at Storm Copper. 14 holes drilled on the target intersected high-grade zinc mineralization hosted by a sandstone unit and includes historical drill intercepts up to 10.5 % Zn and 28 g/t Ag over 18 metres of drill core. Drilling also identified intense hydrothermal alteration extending over a 600-metre-long, 150-metre-thick zone in the footwall carbonate units to the main massive sulphide zone.

Olympic-Rob (copper-gold), Yukon

- On May 8, 2008 the Company reported that it had attracted a new partner to the property under a letter agreement (LOI) with Global Resources Corp. Pty. Ltd. ("GRC") a privately held Australian company. The terms of the agreement are as follows:
    - GRC has the right to earn an initial 50-per-cent participating interest in the property by completing $4-million in exploration by December 31, 2011, and paying 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.
    - Upon completion of the earn-in to 50 %, GRC may then elect to acquire an additional 10 % in the property by completing an additional $4-million in exploration by December 31, 2013, and paying to the Company $600,000 in cash or shares.
    - Should GRC vest at 60 % as provided, GRC may then elect to increase its interest to 70 % by completing and delivering a full feasibility study to the Company by December 31, 2016, and by paying to the Company $1-million in cash or shares on the date GRC elects to proceed with this final option.
    - Once a 70:30 joint venture is formed, the Company may elect at any time to convert its interest to a 2-per-cent net smelter return royalty.
    - The terms of this agreement, except for the $20,000 initial cash payment, shall not be in effect until GRC has successfully completed a planned initial public offering. If GRC fails to complete the IPO by October 31, 2008, this agreement will terminate unless mutually agreed to by both parties.

Other Events or Activities during the quarter

- Victor Tanaka announced that he was not standing for re-election as a Director of the Company in May 2008 but remains as a Technical Advisor to the Company.
- On June 18, 2008 the Company announced a non-brokered financing to raise approximately $2.2-million, including approximately $2 million in flow-through shares and $210,000 in non-flow through units to finance exploration on the company's projects in Canada and for general working capital. The flow-through shares comprise up to 8.3 million common shares at 24 cents per flow-through share and the units comprise up to one million units at 21 cents per unit. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant will entitle the holder to purchase one common share at a price of $0.40 for one year following the closing.
- On June 24, 2008 the Company appointed Michael Byrne to the position of director with the Company. Mr. Byrne will also serve as the chair of the audit committee. Mr. Byrne is a chartered accountant with over 20 years experience in public practice accounting as a partner in Byrne & Associates, a Vancouver-based accounting firm. Mr. Byrne is the president, chief financial officer and director of Galore Resources Inc., a mineral exploration company listed on the TSX Venture Exchange. He is also a director and chair of the audit committee for Austpro Energy Corp., an emerging alternative energy company currently listed on the TSX NEX exchange. Mr. Byrne was granted an incentive stock option to acquire 200,000 common shares of the Company at a price of $0.21 per share, exercisable for five years under the company's stock option plan.

Subsequent Events to the Quarter ending June 30, 2008

On July 22, 2008, the Company reported the completion of 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 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, 2008.

Main Properties

South Voisey's Bay Nickel, Labrador

The Sarah Lake property covers a portion of the extensive Pants Lake gabbro complex, which is similar in age and chemical composition to the intrusions that host the 150 Mt. Voisey's Bay nickel deposit. Large areas of the key basal contact of the gabbro lie within a few hundred metres of the surface and significant areas have not been sufficiently explored for nickel-bearing massive sulphide accumulation. Government geologists have calculated that a very large volume of nickel metal has been removed from the gabbro melt and it is interpreted that the nickel has been concentrated in magmatic sulphides during the injection of the intrusion(s). The location of this concentration has yet to be discovered.

In a 2000 publication by the government of Newfoundland and Labrador (by A. Kerr), sulphide mineralization from the Pants Lake gabbro is described as "texturally and mineralogically similar to Voisey's Bay" and that "virtually all of the gabbroic rocks are depleted in Ni and Cu, a result of interaction with sulphidic liquids." In addition, the publication goes on to say that "the potential of the Pants Lake area is far from fully tested as the intrusion has a surface area about 100 times larger than the Voisey's Bay intrusion."

Previous work indicates that a large portion of the North gabbro-black gabbro phase of the Pants Lake complex underlies the Sarah Lake property. This portion of the North gabbro is associated with numerous nickel-sulphide intersections ranging from 0.5 % nickel to 11.9 % nickel on the property immediately to the west of Sarah Lake. For example, historical intersections located less than one kilometre to the west of the Sarah Lake property reported from the Donner/Northern Abitibi joint venture included 11.9 % nickel, 9.6 % copper over 1.10 metres in the footwall (hole 97-75); 1.13 % nickel, 0.78 % copper over 15.7 metres in gabbro (hole 97-96); 4.49 % nickel, 2.6 % copper over 0.20 metre in gabbro (hole 98-131).

The North gabbro in this area contains several other geological characteristics that are associated with Voisey's Bay nickel, such as leopard-spot textures and assimilation by the gabbro of large volumes of local country rock. Furthermore, the latest work showed that very little of the North gabbro has been tested by drilling here, leaving ample room for a Voisey's Bay-sized deposit.
Previous geophysical surveys located discrete conductors at a depth coincident with the interpreted base of the North gabbro. Since high-grade nickel-sulphide deposits are usually highly conductive, the companies undertook an extensive low-frequency electromagnetic (EM) survey on the Sarah Lake property, using the well-known UTEM system to better define the existing anomalies and identify new prospective targets.

About three kilometres to the north of the Sarah Lake property, the Sally, Sadie and Adlatok 1 properties form a contiguous block adjoining the Sarah Lake property. Work by the Company in the western portion of this block identified a highly contaminated gabbro which appears to extend eastward. A reconnaissance AMT-EM survey (audio-magneto-telluric) identified three apparent conductors on these properties on lines spaced one kilometre apart.

The company owns 48.2 % of the Sarah Lake property, 72.696 % of the Adlatok 1, and 100 % of Sally and Sadie. Donner is the operator of the Sarah Lake joint venture and the Company is the operator of the Adlatok 1 joint venture.

Baffin Island Gold Project, Nunavut

Seventeen (17) gold prospect areas 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 shear zones and quartz veins in younger granodiorite, gabbro, and sedimentary 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, Ridge Lake, and Durette. The Brent Shear Zone, discovered in 2006, and the Hebert trend discovered in 2007, represent new and potentially significant target types on the property. In 2007, the main zones, Ridge Lake and Malrok were not drilled due to budgetary constraints and the fact that both now require extensive and detailed drilling to outline potential resources.

The Baffin Island Property consists of two separated properties named Qimmiq and Bravo Lake, subject to two separate option agreements. The project area consists of 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, 2007 and 2008.

Qimmiq Property

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, Brent, and the Hebert zones are located on the Qimmiq property along with several of the other gold prospect areas. 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).

On January 14, 2008, the Company reported that it entered into a Letter of Intent ("LOI") with BHP Billiton Diamonds ("BHP Billiton") to amend the terms of the Qimmiq Property Option Agreement dated June 18, 2003. Terms of the agreement are as follows:

- The Company has the option to accelerate its exclusive right to earn 100 % in the Property by paying the lump sum of $400,000 in cash to BHP Billiton on or before September 30, 2008.
- BHP Billiton retains the Right of First Refusal ("ROFR") to purchase all or any portion of the concentrates or other such mineral products produced only from non-gold resources on the Property. For the first four years of commercial production, BHP Billiton's ROFR shall apply to 50 % of the non-gold concentrates; the other 50 % of the non-gold concentrates shall be available for the Company to support or facilitate mine financing terms and other project capitalization and BHP Billiton shall retain a ROFR to match such financing terms. The Company will have 100 % control over the sale and marketing of all gold concentrates or gold products produced from the Property.
- BHP Billiton retains no ROFR or other rights to gold concentrates or gold products produced from the Property. International Royalty Corporation ("IRC") retains certain royalties on the Property. IRC purchased the royalties from BHP Billiton.

Malrok

Diamond drilling at Malrok in 2004 confirmed the continuity of the iron formation with potential for high-grade gold zones. The Malrok zone is composed of iron formation traced through surface sampling and drilling over a strike length of approximately two kilometres. The horizon varies in thickness from approximately 0.5 to greater than nine metres. Surface samples returned high-grade gold assays of up to 212 g/t gold and drilling results down to 50 metres depth included 15.12 g/t gold over 3.0 metres and 12.1 g/t Au over 3.3 metres. The iron formation and gold mineralization extends down-dip from surface for at least 130 metres and remains open along strike and down-dip.

Ridge Lake

The Ridge Lake Prospect, located 30 kilometres east of Malrok, contains a 3.5 kilometre strike length of gold-bearing iron formation as determined by geological mapping, sampling and geophysics. At Ridge Lake West, surface rock chip and channel samples returned assays up to 40.27 g/t gold over 1.0 metre. Twelve diamond drill holes totaling 800 metres were completed in 2004 over a strike length of approximately 1.3 kilometres confirming the surface results. The best hole, RLD-04-02 contained 17.48 g/t gold over 2.15 metres including 31.34 g/t gold over 1.15 metres at a depth of less than 30 metres from surface. At Ridge Lake East numerous high-grade gold rock chip and channel samples were received from the sampling program including 107.1 g/t gold over 0.6 metres. Some of the best gold values occurred over an area of approximately 100 x 25 metres where a section of thickened iron formation was exposed in outcrop.

In 2005, drill hole 05-35 cut 10.63 g/t gold over 8.89 metres including 21.30 g/t gold over 4.24 metres at a depth of 89 metres within the lower gold-bearing sulphide iron formation unit down-dip from a high-grade surface outcrop containing 15.4 g/t gold over 1.9 metres. Holes drilled 50 to 80 metres to the west and north of 05-35 intersected the same thick gold-bearing lower iron formation at shallower depths with gold grades ranging from 2.8 g/t to 5.4 g/t gold. Additional drill holes were successful in extending the gold system for more than 600 metres in strike length with good results from the same lower sulphide iron formation in an area where a hole drilled in 2004 contained 17.48 g/t gold over 2.15 metres. In 2006 drill hole

06-50, located 50 metres to the southwest of hole 05-35, intersected 10.17 g/t gold over 4.45 metres, including 15.96 g/t gold over 2.85 metres at a depth of 105 metres. Hole 06-55, drilled a further 50 metres to the southwest intersected 8.79 g/t gold over 1.80 metres, defining a southwest plunging high-grade gold shoot. Hole 06-62 drilled as a 150 metre step-out to the southwest of RLD-05-44 (15.13 g/t gold over 1.67 metres) intersected 2.02 g/t gold over 2.09 metres indicating that the system is open to the west, southwest and south in that area.

Two new gold mineralized zones were discovered in 2006, the Brent Shear Zone and the Gabbro Shear Zone. The Brent Shear zone, located five kilometres southwest of Ridge Lake consists of a 1,400 metres long shear zone with well developed quartz veining that contains arsenopyrite and pyrrhotite. Surface grab samples returned up to 113.95 g/t gold with 21 of 66 samples assaying greater than 5 g/t gold. Two test holes, drilled 100 metres apart, confirmed the gold potential of the shear zone. The best result was 6.41 g/t gold over 1.0 metre. At Ridge Lake, a second, similar shear zone, located 1.8 kilometres west of 2005 drill hole RLD-05-35 contained 3-5 %, disseminated, medium to coarse grained arsenopyrite over a strike length of 250 metres. Six grab samples from this zone contained 1.34 to 9.23 g/t gold. This target was not drill tested.

In 2007, three holes for 460 metres were drilled on Ridge Lake East, four holes for 497 metres on the Brent Zone, and two holes for 415 metres on the Peninsula Prospect. At the Peninsula prospect, two holes drilled two kilometres apart along a previously untested six-kilometre portion of the property intersected a gold-bearing iron formation similar to the high-grade gold zone at Ridge Lake. One of the holes intersected 3.59 g/t over 1.27 metres, including 8.16 g/t over 0.50 metres confirming the potential of this area. An additional shear zone with modest gold values was discovered at Brent.

Hebert Trend

Prospecting in 2007 discovered a new, potentially significant mineralized trend called “Hebert” that covers a seven kilometre by two-kilometre area consisting of quartz veins carrying arsenopyrite, pyrrhotite, and minor galena. Fifty-three one-metre long surface channel samples were collected from a small portion of the trend. Results ranged from 0.99 g/t gold to 5.14 g/t gold over one metre. Two sections of channel samples outlined continuous gold mineralization with 2.18 g/t gold over 3 metres and 1.12 g/t gold over 4 metres. Grab samples from the veins carried 13.65 g/t gold, 14.81 g/t gold, 15.16 g/t gold and 6.55 g/t gold.

Bravo Lake Property, Nunavut

On August 21, 2003, the Company entered into an option agreement with Falconbridge Limited (now named Xstrata Canada Corporation, “Xstrata”) on twelve Nunavut Exploration Permits on Baffin Island, Nunavut. In the fall of 2005, the Company staked nineteen 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).

Durette – 2369 Area

At the Durette Showing eight rock chip samples assayed > 5 g/t gold including values of 41.1 g/t gold and 46.95 g/t gold. The target iron formation was traced for approximately one kilometre. At the 2369 prospect, results of up to 7.5 g/t gold were received from the iron formation near the axis of a large syncline and up to 9.5 g/t gold from samples along the southern limb of the syncline. The iron formation was traced intermittently for several kilometres and may be continuous with the Durette Showing sequence.

Significant arsenopyrite and intense silicification were associated with gold values in the samples collected. Presence of a large synclinal fold, secondary folds and varied bedding attitudes are evidence for structural complexity and potential thickening of the iron formation.

Further work completed in 2005 included extensive chip and channel sampling along a 500 metre strike length. Forty samples exceeded 1 g/t gold, with ten of these samples ranging from 11 to 47 g/t gold. The best channel sample results were 29.8 g/t gold over 2.0 metres and 18.0 g/t gold over 2 metres.

Diamond drilling on the Durette prospect in 2006 produced initial results of 9.61 g/t gold 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.

In 2007, five holes totalling 550.5 metres drilled along a 500-metre long EM conductor tested the area of mineralization intersected in DUR-06-03 (2006). The 2007 drilling intersected thick intervals of silicate iron formation (SIF) ranging from 5 to 30 metres thick and carrying variable amounts of arsenopyrite and pyrrhotite. A high grade assay of 15.23 g/t gold was intersected over 0.83 metres within a 7.02 metre interval grading 2.08 g/t gold in hole Dur-07-09, the easternmost hole drilled at Durette. The gold-bearing intersections (DUR-07-07, 08, 09 and 10) occur over a strike length of 225 metres and within 40 metres of surface and are open at depth and along strike. This zone is completely open to the east, where the Durette gold zone trends into a large, shallow lake and the conductor is continuous to the last line at lakeshore.

The offset portion of the Durette conductor continues for a further 1,500 metres to the west. This offset has not been tested by drilling and is largely covered by overburden. A separate discrete conductor, located one kilometre to the southwest of Durette is 900 metres in length and associated with previously reported surface gold values grading up to 9.5 g/t gold (2369 Area) from prospecting samples.

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. The Project includes the Hermitage Property, Strickland Property and Cochrane Pond Property. In addition, the Company now owns 100 % of the adjacent Hermitage East and Hermitage West properties which were previously 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. Detailed ground follow-up of airborne survey data included prospecting, mapping, magnetic surveying, alpha track surveying, soil sampling, and channel sampling on specific uranium showing areas and airborne anomalies. A preliminary diamond drill program, consisting of 4,569 metres in 31 holes, tested six target areas between November 2006 and May 2007.

Uranium mineralization is interpreted to be predominantly 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.

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 147 claims on the Strickland Property totalling 9,100 acres (3,675 hectares) located to the south of Bayswater's Hermitage West property.

On February 14, 2008, the Company reported that it earned a 100 % interest in the Blue Hills and White Bear Properties that make up a large portion of the Hermitage uranium project in southern Newfoundland. The Company paid the final $40,000 and issued 81,000 shares of the Company to the vendors to complete the earn-in subject to a 2 % royalty with a buy-back of 50 % of the royalty for $1 million.

No work is planned for 2008 and a strategic plan for moving the properties forward is underway. All underlying agreements pertaining to the properties are in good standing.

Results of Operations

- Current Quarter Results

During the quarter ended June 30, 2008, the majority of the Company's activities related primarily to geophysical survey work on the South Voisey's Bay nickel property and preparations for the Baffin Island gold project in Nunavut. The mineral property expenditures increased by a total of $612,841. The Company also incurred total general and administrative expenses of $307,872 of which $57,535 was non-cash stock based compensation.

- Six Months Ended June 30, 2008 compared with the Six Months Ended June 30, 2007

The Company had no revenues for the periods ended June 30, 2008 and 2007. General and administrative expense of $595,305 (2007 - $711,768) represented a $116,463 decrease over the comparative fiscal period. The decrease was mostly attributable to the $42,952 decrease in salaries and benefits. Other notable changes include:

- Consulting expense of $57,826 (2007 - $49,961) increased in the six months ended June 30, 2008.

- Investor relations and promotion expense of $117,984 decreased from last year. A breakdown is as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2008	**June 30, 2007**	**June 30, 2008**	**June 30, 2007**
Conferences and trade shows	$ 15,805	22,278	$ 57,602	53,623
Consulting, wages and benefits	18,683	31,053	37,707	53,438
Media	4,090	7,149	8,458	13,992
Promotion and advertising	4,650	9,252	14,217	23,901
Total Investor Relation Expenses	**$ 43,228**	**$ 69,732**	**$ 117,984**	**$ 144,954**

- Salaries and benefits expense of $173,230 (2007 - $216,182).

- Accounting and audit expense decreased to $79,101 in the six months ended June 30, 2008, compared to $109,014 in the same period of 2007.

- Office and miscellaneous expenses were $56,754 in the six months ended June 30, 2008, compared to $61,478 in 2007.

For the six months ended June 30, 2008, the Company's profit after tax was $561,546 (2007 - $638,986) resulting largely from the future income tax recovery of $410,312 (2007 - $1,303,631), mineral property recovery of $561,257 (2007 – $Nil), and gain on sale of marketable securities of $213,645 (2007 – $Nil). The Company did not pay cash dividends during the period.

Summary of Quarterly Results

	Sept. 30 2006 Q3	Dec. 31 2006 Q4	Mar. 31 2007 Q1	Jun. 30 2007 Q2	Sep. 30 2007 Q3	Dec. 31 2007 Q4	Mar. 31 2008 Q1	June 30 2008 Q2
Mineral expenditures, net	$ 2,364,244	$ 427,780	$ 649,722	$ 929,021	$ 1,916,730	$ 560,247	$ 195,753	$ 808,594
G&A (incl. stock comp.)	$ 221,310	$ 262,973	$ 385,645	$ 326,123	$ 435,566	$ 477,957	$ 287,433	$ 307,872
Stock comp. expense	$ 48,274	$ (96,548)	$ 106,899	$ 58,626	$ 247,634	$ 255,013	$ 3,390	$ 57,535
Adjusted G&A (less stock comp.)	$ 173,036	$ 359,521	$ 278,746	$ 267,497	$ 187,932	$ 222,944	$ 284,043	$ 250,337
Income (loss)	$ (396,405)	$ (1,209,454)	$ 931,963	$ (292,977)	$ (391,285)	$ (1,318,082)	$ 855,880	$ (294,334)
Income (loss) per share								
-basic	$ -	$ (0.02)	$ 0.02	$ (0.00)	$ (0.01)	$ (0.02)	$ 0.01	$ (0.00)
-diluted	$ -	$ (0.02)	$ 0.01	$ (0.00)	$ (0.01)	$ (0.02)	$ 0.01	$ (0.00)
Weighted avg. common shares								
-basic	55,106,372	57,034,643	61,682,789	62,199,648	62,326,737	67,768,616	69,917,308	69,969,122
-diluted	55,106,372	57,034,643	72,115,281	62,199,648	62,326,737	67,768,616	83,477,092	69,969,122

The Company's main exploration projects in 2008 are on Baffin Island, Nunavut in Canada's far north and the South Voisey's Bay project in Labrador. The projects are subject to seasonal working conditions with the main exploration occurring during the spring and summer to early fall periods; therefore, a larger proportion of the expenditures are usually 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.

Liquidity

At June 30, 2008, the Company had $1,737,028 in working capital. In addition, the private placement completed subsequent to the quarter end raised approximately $2.2 million, and the Company believes it has sufficient funds to complete the planned business objectives for 2008. The Company is currently actively exploring on its Labrador nickel properties and Baffin Island gold project. Of the $1,737,028 in working capital, $62,400 relates to subscription of shares for the private placement completed subsequently.

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 2008 to keep the options in good standing:

- On the Bravo Lake property in Nunavut, as at December 31, 2007, the Company's cumulative exploration expenditures were $2,116,233, which was sufficient to meet the minimum of $2,000,000 in aggregate exploration expenditures requirements before December 31, 2007. Expenditures of approximately $400,000 are required under the original option agreement by the end of fiscal 2008. If, however, the terms of the agreement between the Company and Xstrata, reported May 12, 2008 are met, no expenditures will be required in 2008 and the Company's interest in the property will fully vest at 100%.
- On the Couteau Lake option agreement, which covers a small portion of the western portion of the Hermitage property, aggregate expenditures required on the property covered by this agreement are $180,000 by April 22, 2008. Expenditures to December 31, 2007 total $133,000. The Company was granted a deferral of the 2008 expenditures to April 22, 2009 by the underlying property owner.

Off-Balance Sheet Arrangements

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

Related Party Transactions

At June 30, 2008, marketable securities included 258,000 common shares of Diamonds North Resources Ltd., a company related by a director in common.

The Company shares certain administrative and other costs with four other companies related by virtue of directors in common. Included in accounts receivable is an aggregate of $8,287 owed by those companies.

During the six months ended June 30, 2008, the Company paid or accrued $10,717 in legal fees, share issuances and mineral properties costs to a law firm in which a director of the Company is a partner.

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

Accounts payable includes $6,320 due to companies related by directors in common. Related party transactions are recorded at the carrying amount and have no interest or stated terms of repayment.

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 Policies

Effective January 1, 2008, the Company adopted the following new CICA Handbook Standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation.

(a) Financial Instrument – Disclosure and Presentation

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

(b) Capital Disclosures

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv)if it has not complied, the consequences of such non-compliance.

(c) 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.

(d) 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.

(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.

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, 2008 was $621,824.

Other MD&A Requirements

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

As at the Report Date, the Company had 79,532,516 issued common shares outstanding and the following unexercised stock options and warrants:

- Stock Options

Number of Shares	Exercise Price	Expiry Date
161,666	$0.26	August 20, 2008
700,000	$0.53	January 21, 2009
50,000	$0.64	February 19, 2009
679,000	$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
410,000	$0.87	January 2, 2012
200,000	$0.41	May 8, 2012
1,266,500	$0.36	June 7, 2012
125,000	$0.23	October 12, 2009
110,000	$0.19	December 21, 2012
865,000	$0.18	February 7, 2013
200,000	$0.21	June 24, 2013
6,328,666		

- Warrants

Number of Shares	Exercise Price	Expiry Date
1,150,000	$0.40	Oct 26, 2008
80,250	$0.40	July 10, 2009
545,678	$0.40	July 22, 2009
1,775,928		

As part of the private placement that occurred in late October 2007, for the 2,300,000 non flow-through units, the Company also granted a half warrant for each non flow-through common unit to purchase 1,150,000 shares at a price of $0.40 per share prior to October 26, 2008.

Mineral Property Expenditure Table

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**

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Chief Financial Officer

Janice Davies
Corporate Secretary

LISTINGS

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

CAPITALIZATION
(as at June 30, 2008)

Shares Authorized: Unlimited
Shares Issued: 69,980,660

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