



**COMMANDER
RESOURCES LTD.**

ANNUAL REPORT

2007



Dear Shareholder,

Commander is a diversified explorer focused in Canada, where the exploration potential is excellent and the political risk is low. We believe that as an early-stage exploration company, the best strategy is to expose shareholders to a broad range of high quality discovery opportunities, while reducing risk, using a combination of aggressive land acquisition, focused projects and good deal-making. This strategy was successfully implemented in 2007. In 2008, the Company will continue to focus on maximizing value from existing assets through focused programs, strategic partnerships and/or other initiatives.

In early 2008, within a weak market, the power of our leverage strategy was demonstrated when almost \$1 million in working capital was added to the treasury without issuing a single share of CMD. This was achieved primarily through the sale of our minority interest in the Despinassy gold project and through the sale of some of our equity holdings in other exploration companies. We will continue to assess all of our assets for possible leverage opportunities and will seek to maximize the value from our portfolio of properties.

Over the past year, your Company achieved all of its planned business objectives.

The Company funded exploration work on its three main projects – Baffin Gold (Nunavut), Hermitage Uranium (Newfoundland), and Labrador Nickel. Three projects, Olympic-Rob IOCG (Yukon), Omineca Cu-Au (BC), and Cochrane Pond Uranium (Newfoundland) were funded by partners through option agreements. In total four drill programs were operating on projects owned by your Company. Our diversified approach and leverage strategy are working well. Positive exploration results and progress was reported from several of the projects and value was added to our main assets.

On the Baffin project, gold mineralization was intersected on the Peninsula Prospect, the opportunity at Durette was increased, and a new prospecting discovery over an extensive alteration corridor was made. The work in 2007 was directed at assessing targets outside of the main Ridge Lake and Malrok zones in order to understand the gold inventory and value of the property. Both the Ridge Lake and Malrok zones are at the stage requiring detailed drilling to fully evaluate the resource opportunity.

We are currently working on several parallel initiatives designed to move the Baffin project forward more aggressively and increase the value to our shareholders while minimizing share dilution. In early January 2008, part of this plan was realized in a deal with BHP Billiton providing us the option to accelerate our exclusive right to earn a 100% interest in the Qimmiq Property by paying the lump sum of \$400,000 by September 30, 2008. This deal eliminates remaining earn-in expenditures, the requirement for a feasibility study and BHP Billiton's back-in rights to non-gold resources, as provided under the existing agreement.

On Hermitage, the first drilling program on the property confirmed the presence of uranium in bedrock at a number of the target areas and trenching identified extensions to areas of known mineralization. Most of the property is covered by a thin veneer of overburden. As a result of the 2007 program, management will now be able to more effectively map uranium-bearing trends to aid in focusing further drilling.

Late in 2007, we re-activated our Labrador Nickel properties located south of the Voisey's Bay nickel mine. The demand for nickel, the strong underlying fundamentals of the nickel market and the lack of drill-ready and high quality sulphide nickel projects provides us with an excellent opportunity for the



right discovery at the right time. We have maintained our property interests in the South Voisey Bay complex since first acquiring them following the discovery of Voisey's Bay. Today's economic environment is now right for a renewed aggressive exploration program.

A detailed geophysical survey was partially completed on known conductors on the Sarah Lake property and continuation of the survey work is planned for the spring with the objective of moving the project to the drill stage this year.

Gold prices topped \$1,000 early in 2008 and are forecast to go higher. In Nunavut, where we are exploring the Baffin Gold Project, two gold deals in 2007 – Newmont buying Miramar and Agnico-Eagle buying out Cumberland Resources – were very significant and positive developments for your Company. The region has gained recognition and now shows that there is an appetite by major gold companies for large gold projects in the north. This not only helps our marketing efforts, but opens up

more opportunities for us to realize significant value from the project.

On the market side, a decline in uranium prices during 2007 had a negative impact on most companies involved in uranium exploration, including Commander. The credit crisis and recession fears in the U.S. added further to market malaise and weakness in 2007 and so far in 2008. In spite of this, commodity prices remain high and demand for metals remains strong. The world's emerging economies are going through their own industrial revolution and there is no sign that this will slow down in the near future. No new significant world supply of metals has been discovered and several projects are suffering from high input costs, permitting constraints and currency fluctuations.

Moving forward, management will continue to assess new business opportunities and strategies that have potential to add significant value to the company.

I look forward to better markets and success in 2008 and above all else, I would like to thank you, our shareholders for your support.

Respectfully,

“Kenneth E. Leigh”

Kenneth E. Leigh
President & CEO
April 2, 2008



For Commander's complete 2007 Annual Report please visit our website at www.commanderresources.com or go to www.sedar.com



**COMMANDER
RESOURCES LTD.**

FINANCIAL STATEMENTS

For the Years Ended
December 31, 2007 and 2006



**COMMANDER
RESOURCES LTD.**

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The financial statements of Commander Resources Ltd. have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

Management maintains systems of internal control designed to provide reasonable assurance that the assets are safeguarded. All transactions are authorized and duly recorded, and financial records are properly maintained to facilitate financial statements in a timely manner. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee of the Board of Directors has reviewed the financial statements with management and the external auditors. Smythe Ratcliffe LLP, an independent firm of chartered accountants, appointed as external auditors by the shareholders, have audited the financial statements and their report is included herein.

"Kenneth E. Leigh"

Kenneth E. Leigh
President and Chief Executive Officer

Vancouver, Canada
April 5, 2008

AUDITORS' REPORT

TO THE SHAREHOLDERS OF COMMANDER RESOURCES LTD.

We have audited the balance sheets of Commander Resources Ltd. as at December 31, 2007 and 2006 and the statements of operations, comprehensive loss, cash flows and shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Smythe Ratcliffe LLP" (signed)

Chartered Accountants

Vancouver, British Columbia
March 26, 2008

COMMANDER RESOURCES LTD.**Balance Sheets**

As at December 31

(expressed in Canadian dollars)

	2007	2006
ASSETS		
Current assets		
Cash and cash equivalents (Note 4)	\$ 2,100,436	\$ 4,753,352
Marketable securities (Note 5)	596,476	370,378
Accounts receivable	167,133	151,982
Government grant receivable	100,000	-
Due from related parties (Note 11(a))	12,165	17,072
Prepaid expenses	55,192	50,530
Field supplies (Note 6)	109,252	112,867
Bid deposits (Note 7)	57,638	46,035
	3,198,292	5,502,216
Mineral properties (Note 8)	19,844,016	15,788,297
Property, plant and equipment (Note 9)	40,995	53,636
	\$ 23,083,303	\$ 21,344,149
LIABILITIES		
Current liability		
Accounts payable and accrued liabilities	\$ 830,883	\$ 418,020
Future income taxes (Note 15)	1,618,973	834,115
	2,449,856	1,252,135
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	34,803,607	33,908,906
Contributed surplus	69,400	17,043
Option compensation	1,672,798	1,126,164
Deficit	(16,030,480)	(14,960,099)
Accumulated other comprehensive income	118,122	-
	20,633,447	20,092,014
	\$ 23,083,303	\$ 21,344,149

Nature of Operations and Going Concern (Note 1)

Commitment (Note 12)

Subsequent Events (Note 16)

Approved by the Directors:

"Kenneth E. Leigh"

Kenneth E. Leigh

"David Watkins"

David Watkins

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.**Statements of Operations**

For the Years Ended December 31

(expressed in Canadian dollars)

	2007	2006
General and administrative expenses		
Accounting and audit	\$ 231,818	\$ 116,310
Amortization	23,558	22,808
Annual report and meeting	7,118	14,845
Consultants	270,248	91,040
Insurance	49,232	46,054
Investor relations and promotion	229,293	185,455
Legal	7,271	26,634
Office and miscellaneous	104,904	58,930
Regulatory and transfer agent fees	48,772	33,181
Rent and storage	84,067	79,959
Salaries and benefits	569,010	348,290
Loss before the undernoted	(1,625,291)	(1,023,506)
Investment income	106,635	79,775
Property investigation	(17,873)	(18,656)
Write down of marketable securities	-	(26,250)
Write down of mineral properties	(217,312)	(485,448)
Mineral property recovery	112,902	-
Royalty expense	-	(18,247)
Gain on sale of marketable securities	12,750	222,947
Loss before taxes	(1,628,189)	(1,269,385)
Future income tax recovery (Note 15)	557,808	449,624
Net Loss for the year	(1,070,381)	(819,761)
Deficit, beginning of year	(14,960,099)	(14,140,338)
Deficit, end of year	\$ (16,030,480)	\$ (14,960,099)
Loss per share - basic and diluted	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	63,490,803	49,944,323

Breakdown of Non-Cash Stock Based Compensation

For the Years Ended December 31

(expressed in Canadian dollars)

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

	2007	2006
Accounting and audit	\$ 99,061	\$ 21,079
Consultants	234,248	\$46,424
Investor relations	22,350	\$5,931
Salaries and benefits	312,513	\$71,388
Total Stock-Based Compensation	\$ 668,172	\$ 144,822

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

Statements of Comprehensive Loss

For the Years Ended December 31

(expressed in Canadian dollars)

	2007	2006
Net loss for the year	\$ (1,070,381)	\$ (819,761)
Unrealized loss of available for sale marketable securities	(17,386)	-
Future income tax recovery	5,932	
Other comprehensive loss	(11,454)	-
Comprehensive loss	\$ (1,081,835)	\$ (819,761)

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.**Statements of Cash Flows**

For the Years Ended December 31

(expressed in Canadian dollars)

	2007	2006
Cash provided from (used for):		
Operating activities		
Loss for the year	\$ (1,070,381)	\$ (819,761)
Items not involving cash:		
Amortization	23,558	22,808
Gain on sale of marketable securities	(12,750)	(222,947)
Stock-based compensation	668,172	144,821
Write down of marketable securities	-	26,250
Write down of mineral properties	217,312	485,448
Marketable securities received for mineral property	(72,441)	-
Future income tax recovery	(557,808)	(449,624)
	(804,338)	(813,005)
Net change in non-cash working capital items:		
Accounts receivable	(15,151)	(51,662)
Government grant receivable	(100,000)	-
Due from related parties	4,907	(11,365)
Prepaid expenses	(4,662)	5,462
Field supplies	3,615	(28,692)
Bid deposits	(11,603)	48,010
Accounts payable and accrued liabilities	412,865	(24,600)
	(514,367)	(875,852)
Investing activities		
Proceeds from sale of marketable securities	16,250	306,923
Mineral property acquisition and exploration costs	(4,303,436)	(4,586,604)
Accounts payable and accrued liabilities related to mineral properties	232,855	224,732
Purchase of equipment	(10,917)	(16,152)
	(4,065,248)	(4,071,101)
Financing activity		
Shares issued for cash, net of issue costs	1,926,699	9,012,938
Increase (decrease) in cash and cash equivalents	(2,652,916)	4,065,985
Cash and cash equivalents, beginning of year	4,753,352	687,367
Cash and cash equivalents, end of year	\$ 2,100,436	\$ 4,753,352

Supplemental Cash Flow Information (Note 14)

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

Statements of Shareholders' Equity

	Share Capital		Deficit	Contributed Surplus	Option Compensation	Accumulative Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount					
Balance, December 31, 2005	39,599,648	\$25,316,856	(\$14,140,338)	\$17,043	\$1,097,149	\$0	\$12,290,710
Net Loss for the Year			(819,761)				(819,761)
Shares issued for cash							
Private Placement	17,023,285	7,747,742					7,747,742
Exercise of options	734,332	196,347					196,347
Exercise of warrants	3,074,787	1,510,154					1,510,154
Share issue costs		(627,807)					(627,807)
Non-cash transactions							
Income tax effect on flow-through share renunciation		(689,824)					(689,824)
Reclassification of option compensation on exercise of options		115,806			(115,806)		-
Property acquisition	409,000	153,130					153,130
Agent's compensation	446,523	186,502					186,502
Stock-based compensation					144,821		144,821
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

See Accompanying Notes to the Financial Statements

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

1. Nature of Operations and Going Concern

The Company or "CMD" 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 December 31, 2007, the Company has an accumulated deficit of \$16,030,480 (2006 – \$14,960,099) and has working capital of \$2,367,409 (2006 – \$5,084,196) 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 are 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) 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. 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

(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. The Company is in the process of assessing the impact of this new section on its financial statements.

(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. The Company is in the process of assessing the impact of this new section on its financial statements.

(iv) 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.

(v) 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, 2007, the Company adopted the following new accounting standards issued by the CICA relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

(i) Financial Instruments – Recognition and Measurement (Section 3855)

This standard sets out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company's balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and comprehensive income.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the item. As such, any of the Company's outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect. Any changes to the fair values of assets and liabilities prior to October 1, 2006 are recognized by adjusting opening deficit or opening accumulated other comprehensive income.

All financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification. As a result of the adoption of these standards, the Company has made the following classifications:

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

(ii) Comprehensive Income (Section 1530)

Effective January 1, 2007, the Company adopted the CICA Handbook Section 1530, "comprehensive income", which establishes standards for presentation and disclosure of comprehensive income. Comprehensive income is the overall change in the net assets of the Company for the period, other than changes attributed to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which GAAP requires to be recognized in a period, but excluded from net income for that period.

Commander Resources Ltd.
Notes to Financial Statements
For the years ended December 31, 2007 and 2006
(expressed in Canadian dollars)

3. Financial Instruments (continued)

(b) Fair value

The fair values of the Company's cash and cash equivalents, cash exploration funds, accounts and government grant receivable, due from related parties, bid 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, cash equivalents, and cash, exploration funds. To minimize this risk, cash, cash equivalents and cash exploration funds 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 \$1,076,570 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 only (note 15).

5. Marketable Securities

	As at December 31, 2007				As at December 31, 2006		
	Number of Shares	Book Value	Market Value	Year-to-Date Unrealized Gain/(Loss) Before Tax	Book Value	Market Value	Cumulative Adjustment of Gain/(Loss) at December 31, 2006 (Before Tax)
Fjordland (FEX.V)	517,647	\$ 101,353	\$ 186,353	\$ 41,412	\$ 101,353	\$ 144,941	\$ 43,588
Diamonds North (DDN.V)	470,000	250,525	352,500	4,700	250,525	347,800	97,275
Uranium North	333	333	167	(299)	-	466	466
Alto Ventures (ATV.V)	-	-	-	-	3,500	5,250	1,751
Bayswater (BAY.V)	29,400	15,000	24,108	(24,108)	15,000	48,216	33,216
GBL Gold Corp	75,000	72,439	33,348	(39,091)	-	-	-
Pamlico Gold	100,000	-	-	-	-	-	-
Total		\$ 439,650	\$ 596,476	\$ (17,386)	\$ 370,378	\$ 546,673	\$ 176,296

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

6. Field Supplies

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

7. Bid Deposits

As at December 31, 2007, the Company posted \$57,638 (2006 - \$46,035) for bonds, mainly in lieu of work on its Newfoundland projects. The bonds are refundable upon approval of assessment reports that are filed with the government.

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

8. Mineral Properties

At December 31, 2007 and 2006, the Company's mineral properties are comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	Baffin, Nunavut		Newfoundland Properties			Other Properties		Total
	Qimmiq	Bravo Lake	Hermitage	Strickland	Other	Active Projects	Inactive Projects	
Balance at								
December 31, 2006	\$ 7,458,164	\$ 1,503,306	\$ 1,472,275	\$ 722,879	\$ 6,431	\$ 2,705,589	\$ 1,919,653	\$ 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	10,783	3,707	2,327,199
Geochemistry	29,170	4,405	129,816	-	-	-	-	163,391
Geology	331,735	116,130	234,896	38,980	41,671	49,096	25,901	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	13,120	17,148	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	64,058	-	70,853
	1,740,397	616,061	1,236,892	121,315	143,418	419,140	46,756	4,323,979
Less:								
Recoveries	(7,312)	(3,134)	(102,524)	(8,900)	-	(197,178)	-	(319,048)
Write down	-	-	-	-	(217,312)	-	-	(217,312)
	(7,312)	(3,134)	(102,524)	(8,900)	(217,312)	(197,178)	-	(536,360)
Net additions	1,733,085	612,927	1,219,608	135,865	85,516	221,962	46,756	4,055,719
Balance at								
December 31, 2007	\$ 9,191,249	\$ 2,116,233	\$ 2,691,883	\$ 858,744	\$ 91,947	\$ 2,927,551	\$ 1,966,409	\$ 19,844,016

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

8. Mineral Properties (continued)

	Baffin, Nunavut		Newfoundland Properties			Other Properties		Total
	Qimmiq	Bravo Lake	Hermitage	Strickland	Other	Active Projects	Inactive Projects	
Balance at December 31, 2005	\$ 5,404,656	\$ 775,795	\$ 517,996	\$ -	\$ -	\$ 1,307,166	\$ 3,697,646	\$ 11,703,259
Additions during the								
Acquisition costs:	-	-	101,550	38,680	-	149,277	490	289,997
Exploration costs:								
Drilling	1,764,975	615,781	1,563	260,985	-	-	19,910	2,663,214
Geochemistry	12,440	39	112,821	23,649	-	-	853	149,802
Geology	48,236	27,248	153,561	94,662	-	41,452	21,053	386,212
Geophysics	15,501	5,004	410,332	104,111	5,271	19,156	1,219	560,594
Mobilization/demob.	48,022	20,581	-	-	-	-	-	68,603
Property	-	10	400	3,000	-	11,076	20,181	34,667
Prospecting	185,271	65,922	305,534	209,422	2,319	-	4,747	773,215
Trenching/line cutting	-	-	450	-	-	-	-	450
	2,074,445	734,585	984,661	695,829	7,590	71,684	67,963	4,636,757
Less:								
Recoveries	(20,937)	(7,074)	(131,932)	(11,630)	(1,159)	(8,950)	(174,586)	(356,268)
Write down	-	-	-	-	-	(174,250)	(311,198)	(485,448)
	(20,937)	(7,074)	(131,932)	(11,630)	(1,159)	(183,200)	(485,784)	(841,716)
Net additions	2,053,508	727,511	954,279	722,879	6,431	37,761	(417,331)	4,085,038
Balance at December 31, 2006	\$ 7,458,164	\$ 1,503,306	\$ 1,472,275	\$ 722,879	\$ 6,431	\$ 1,344,927	\$ 3,280,315	\$ 15,788,297

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

8. 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, Nunavut

(i) Qimmiq, Nunavut

The Company has an option agreement 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. 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.

(ii) Bravo Lake, Nunavut

The Company has an option agreement with Falconbridge Limited (now named Xstrata PLC, "Xstrata") 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 Company may 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.

Under the agreement, if a nickel and/or base metal mineral discovery is made, Xstrata may exercise a back-in option on the mineral discovery 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 the following royalties payable to Xstrata:

- on gold, a sliding scale NSR from 1% to 3% based on gold prices;
- on nickel production, a 2% NSR;
- on diamonds, a 2% gross overriding royalty; and
- on base metal production, a 1.5% NSR.

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

8. Mineral Properties (continued)

(a) Baffin, Nunavut

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

(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 10(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.

(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) Cochrane Pond

On June 19, 2006, the Company entered into a 50:50 joint venture agreement with Bayswater Uranium Corporation successor company to Pathfinder Resources Ltd. ("Bayswater") 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").

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

8. Mineral Properties (continued)

(b) Newfoundland Uranium Properties (continued)

(iv) 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.

(v) Murphy

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. The first year obligations attributable to the Company included a cash payment of \$12,500 (paid) and issuance of 80,000 shares of the Company to Bayswater (issued), and funding \$50,000 in exploration expenditures.

The Company's share of optional obligations following the first year included additional cash payments of \$175,000, issuing to Bayswater shares in the Company equal to 450,000 shares of Bayswater over three years and contributing \$450,000 in exploration expenditures over four years. The underlying owner retained a 10-per-cent property interest carried to commercial production with an option to convert the interest to a 3-per-cent NSR prior to production. The NSR included a buy-down provision to 2 percent for \$2-million.

Bayswater and the Company completed approximately \$34,000 of the required \$50,000 expenditures and elected not to proceed with the option. The shortfall in the required expenditures was paid to the vendor in cash.

(vi) St. George's Bay

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 southwestern 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. Once the Company earned its 80% interest, the parties would jointly fund work on the designated metals. A dilution provision states that once a party's interest falls to 10% or lower, its interest will convert to a 2% royalty, which will be an NSR in the case of base and precious metals and a gross sales royalty in the case of uranium production.

An initial cash payment of \$50,700 was paid to Vulcan to cover refundable staking deposits. Full refund of this deposit was received by the Company by the date of this report.

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.

Commander Resources Ltd.
Notes to Financial Statements
For the years ended December 31, 2007 and 2006
(expressed in Canadian dollars)

8. Mineral Properties (continued)

(c) Other Properties

The Company owns several other properties in Canada in which it holds interests ranging from 25% to 100%. The Company has granted options on some of these properties. The carrying values of those properties included under Other Properties at December 31, 2007 and 2006 are as follows:

	CMD Ownership %	2007	2006
Active Projects			
British Columbia			
Abe and Pal (i)	100	\$ 107,238	\$ 49,112
Aten, Mate and Tut (ii)	100	1,196	87,943
Tam (iii)	10	49,524	54,524
Quebec			
Despinassy (iv)	24.5	94,994	92,886
Newfoundland			
Cochrane Pond	50	(76,876)	66,649
Yukon			
Olympic, Rob (v)	100	1,017,171	993,813
Labrador			
Sarah Lake (vi)	48	1,467,082	1,158,295
Adlatok (vii)	60	164,810	132,062
Sally (viii)	100	63,199	61,509
Sadie	100	39,213	8,796
Total Active Projects		\$ 2,927,551	\$ 2,705,589
Inactive Projects			
British Columbia			
Haw	100	11,900	4,577
Ontario			
Matheson	41.6	14,213	14,213
McVean	100	8,694	8,694
Sabin	100 - 58.5	100,896	92,632
Newfoundland			
Green Bay (ix)	100	457,380	435,566
New Brunswick			
Nepisiguit/Stewart (xi)	100	1,367,019	1,359,359
Yukon			
Rein	25	6,307	4,612
Total Inactive Projects		\$ 1,966,409	\$ 1,919,653
Total Other Properties		\$ 4,893,960	\$ 4,625,242

8. Mineral Properties (continued)

(c) Other Properties (continued)

(i) 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.

(ii) 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. After vesting at 80%, funding on the properties would continue pro-rata. If GXL vests at 60% and fails to propose work programs for three years, the Company will be entitled to propose a budget and program on the Properties, which will be funded pro-rata or GXL's interest will dilute. A 2% NSR is provided to a diluted party whose interest drops below 10%. The NSR varies between 1.75% and 2% depending on the mineral claim. There is a buy-down provision to 1% NSR for \$3 million. An underlying agreement (Note 8c (i)), applies to the ABE and PAL claims only. Under this underlying agreement, fifty-percent of the cash considerations attributable to Abe and Pal less 10% management fees and a royalty consideration will be transferred to the property vendor.

GXL commenced its 2007 work program in July 2007. A final report was not available from GXL at the time of this report, but 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.

(iii) 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.

8. Mineral Properties (continued)

(c) Other Properties (continued)

(iv) 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.

(v) 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 may 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 (received) and 350,000 treasury shares (received) were payable to the Company upon receipt of regulatory approval and Fjordland must incur \$600,000 in exploration expenditures by December 31, 2007, including a minimum of 2,000 meters of drilling.

Once Fjordland has earned a 60% interest, a joint venture will be formed or, within 60 days of vesting, Fjordland may elect to earn an additional 20% interest, for a total of 80%, by issuing to the Company either 1 million shares or paying \$3 million cash, and by carrying all further costs through to completion of a bankable feasibility study. Upon completion of a bankable feasibility study, a final lump sum payment of \$7 million cash is payable to the Company to vest Fjordland’s 80% interest. If Fjordland vests at 80%, then the Company may make an election at any time up to commencement of commercial production, to convert its 20% interest into a 2% NSR subject to a buy-down provision to 1% for \$10 million cash.

Alternatively, if Fjordland elects not to increase its interest to 80%, the Company may then elect to earn back 20% to an aggregate 60% interest by funding 100% of the next \$3.0 million in exploration expenditures on the property. Once a 60:40 Joint Venture is formed, each party shall fund its share of on-going costs pro-rata. Should either party’s interest be reduced below 10%, its interest shall convert to a 10% net profits interest.

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.

(vi) Sarah Lake, Labrador

The Company owns a 48.2% interest in the Sarah Lake property. Donner Metals Ltd. 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 is planned for the spring 2008.

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

8. Mineral Properties (continued)

(c) Other Properties (continued)

(vii) Adlatok 1, Labrador

The Company has a 59.9% interest in the Adlatok 1 property. A program of ground geophysics (UTEM) is planned for spring, 2008 to define drill targets for testing later in the year if warranted.

(viii) Sally, Labrador

The Company owns a 100% interest in the Sally property. A program of ground geophysics (UTEM) is planned for spring, 2008 to define drill targets for testing later in the year if warranted.

(ix) Green Bay, Newfoundland

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

(x) Big Hill, Newfoundland

During 2006, the Company allowed the option to terminate and, accordingly, the carrying value of the property was written down by \$209,618 to \$Nil.

(xi) 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.

(xii) Dewar Lake, Nunavut

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

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

9. Property and Equipment

			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

			2006	
	Cost	Accumulated Depreciation	Net Book Value	
Furniture and fixtures	\$ 57,240	\$ 52,927	\$	4,313
Computer equipment	158,284	125,465		32,819
Leasehold improvements	28,293	11,789		16,504
	\$ 243,817	\$ 190,181	\$	53,636

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

Unlimited common shares without par value

(b) Private placement

On November 1, 2007 the Company closed a non-brokered private placement for total proceeds of \$1,722,500. A total of 5,050,000 flow-through common shares at a purchase price of \$0.25 per flow-through share and 2,300,000 non flow-through ("NFT") units at a purchase price of \$0.20 per non flow-through unit were issued. Each NFT unit consists of one common share and one-half of one 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. Finders' fees paid include \$41,055 in cash and 161,000 common shares at a deemed price of \$0.25 per share. The capital raised will be used to finance exploration on the Company's projects in Canada, and for general working capital. Proceeds of the flow-through shares will be used for eligible exploration expenditures on the Company's Hermitage project, Labrador project and Baffin Island projects.

On December 28, 2006, the Company closed a non-brokered flow-through private placement, by issuing 2,827,633 common shares at a purchase price of \$0.75 per flow-through share for gross proceeds of \$2,120,725. Fees paid include \$67,245 in cash and 56,023 common shares at a deemed price of \$0.75 per share.

A portion of the proceeds from the financing was used to fund exploration on the Hermitage Project, Newfoundland, the Sarah Lake Project, Labrador and the Baffin Island Project, Nunavut in 2007. The balance of the proceeds will be deployed on eligible mineral property exploration and development in 2007.

10. Share Capital (continued)

(b) Private placement (continued)

On May 12, 2006, the Company completed a brokered private consisting of 10,500,000 units at a purchase price of \$0.37 per unit placement for gross proceeds of \$3,885,000. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.50 per share until May 15, 2008. Fees paid include \$229,026 in cash, 390,500 units at a deemed price of \$0.37 per unit in lieu of cash, 1,040,400 Agent's warrants and an administration fee of \$5,000. The Agent's warrants have the same terms as the placement warrants. In addition, the Company completed a non-brokered flow-through private placement of 3,695,652 common shares at a purchase price of \$0.46 per share for gross proceeds of \$1,699,999. Fees paid include \$98,017 in cash and 213,089 Agent's warrants. Each Agent's warrant entitles the holder to purchase one common share at a price at \$0.50 per share until May 11, 2007.

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

(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 December 31, 2007, the Company had stock options outstanding for the purchase of 5,627,169 common shares with an average remaining contractual life of 2.8 years, of which 5,577,169 stock options are exercisable at December 31, 2007.

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2005	3,585,335	\$0.39
Granted	1,112,000	\$0.35
Exercised	(734,332)	\$0.19
Outstanding at December 31, 2006	3,963,003	\$0.39
Granted	2,260,000	\$0.44
Exercised	(366,835)	\$0.27
Expired	(229,000)	\$0.00
Outstanding at December 31, 2007	5,627,168	\$0.42

Commander Resources Ltd.
Notes to Financial Statements
For the years ended December 31, 2007 and 2006
(expressed in Canadian dollars)

10. Share Capital (continued)

(c) Stock options (continued)

The following summarizes information about stock options outstanding at December 31, 2007:

Number of Shares	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
202,002	\$0.20	January 23, 2008	0.00	
161,666	\$0.26	August 20, 2008	0.02	
700,000	\$0.53	January 21, 2009	0.13	
50,000	\$0.64	February 19, 2009	0.01	
692,000	\$0.56	May 18, 2009	0.17	
40,000	\$0.40	September 6, 2009	0.01	
200,000	\$0.40	September 21, 2009	0.06	
383,000	\$0.25	July 19, 2010	0.17	
282,000	\$0.39	May 7, 2011	0.17	
656,500	\$0.30	June 19, 2011	0.40	
100,000	\$0.56	October 22, 2011	0.07	
415,000	\$0.87	January 2, 2012	0.30	
200,000	\$0.41	May 8, 2012	0.15	
1,300,000	\$0.36	June 7, 2012	1.03	
125,000	\$0.23	October 12, 2009	0.04	
120,000	\$0.19	December 21, 2012	0.11	
5,627,168			2.84	\$0.42

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	2.65%
Expected dividend yield	0.00%
Expected stock price volatility	108.87%
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 Financial Statements
For the years ended December 31, 2007 and 2006
(expressed in Canadian dollars)

10. Share Capital (continued)

(d) Warrants and agent's warrants

At December 31, 2007, the Company had outstanding warrants for the purchase of an aggregate 5,054,750 common shares as follows:

Exercise Price	Expiry Date	Outstanding at Dec. 31, 2006			Outstanding at Dec. 31, 2007		
		Issued	Exercised	Expired	Issued	Exercised	Expired
\$0.50	May 15, 2008*	5,220,000	-	165,250	-	-	5,054,750

At December 31, 2007, the Company had outstanding agent's warrants for the purchase of an aggregate 2,385,650 common shares as follows:

Exercise Price	Expiry Date	Outstanding at Dec. 31, 2006			Outstanding at Dec. 31, 2007		
		Issued	Exercised	Expired	Issued	Exercised	Expired
\$0.50	May 11, 2007*	213,089	-	154,000	59,089	-	-
\$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
		1,448,739	1,150,000	154,000	59,089	59,089	2,385,650

*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.

11. 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 \$12,165 owed by those companies.
- (b) During the year ended December 31, 2007, the Company paid or accrued \$25,169 (2006 - \$15,025) 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 \$5,222 included in accounts payable and accrued liabilities (2006 - \$222).

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

11. Related Party Transactions (continued)

- (c) Included in marketable securities are 29,400 common shares of Bayswater and 517,647 common shares of Fjordland, a company related by virtue of a director in common, and 312,000 common shares of Diamonds North Resources Ltd., a company related by virtue of another director in common.
- (d) Accounts payable includes \$25,057 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.

12. 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.

13. Segmented Information

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

14. Supplemental Cash Flow Information

	For the Year Ended	
	Dec. 31, 2007	Dec. 31, 2006
Significant non-cash operating, investing and financing activities:		
Investing activities:		
Marketable securities received for mineral property	\$ 72,441	\$ 45,000
Shares issued for mineral property	202,450	153,130
Accounts payable included in the mineral property	605,568	372,713
	\$ 880,459	\$ 570,843
Financing activities:		
Income tax effect on flow-through share renouncement	\$ (1,303,631)	\$ (1,269,864)
Shares issued for mineral property	(202,450)	136,380
Fair value of options exercised	69,182	71,156
	\$ (1,436,899)	\$ (1,062,328)
Other cash flow information:		
Interest received	\$ 58,579	\$ 32,394
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

15. Income Taxes

As at December 31, 2007, the Company has non-capital losses of approximately \$3,896,850, which may be applied against future income for Canadian income tax purposes. The potential income tax benefits of these losses have not been recorded in these financial statements. The losses expire as follows:

2008	\$	376,700
2014		891,400
2015		705,800
2026		921,400
2027		1,001,550
	\$	<u>3,896,850</u>

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2007	2006
	34.12%	34.12%
Income tax benefit computed at Canadian statutory rates	\$ 519,914	\$ 433,114
Permanent differences not recognized in year	125,544	(47,523)
Temporary differences not recognized in year	88,283	179,441
Tax losses not recognized	(1,479,564)	(805,232)
	(745,823)	(240,200)
Future income tax arising from flow-through share renouncements	1,303,631	689,824
Future income tax recovery	\$ 557,808	\$ 449,624

Future income tax assets and liabilities are recognized for temporary differences between the carrying amounts of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized. Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates are as follows:

	2007	2006
Future income tax assets (liabilities)		
Non-capital losses carried forward	\$ 1,329,603	\$ 1,008,206
Capital losses carried forward	-	23,439
Temporary differences on mineral properties	(3,139,886)	(2,093,431)
Temporary differences on other assets	191,310	227,671
Future income tax liabilities, net	\$ (1,618,973)	\$ (834,115)

Commander Resources Ltd.

Notes to Financial Statements

For the years ended December 31, 2007 and 2006

(expressed in Canadian dollars)

15. Income Taxes (continued)

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 December 31, 2007 and which are allotted for such expenditures. As at December 31, 2007, the amount of flow-through proceed remaining to be expended was \$1,076,570 (2006 - \$2,120,725).

16. Subsequent Events

- (a) In January 2008, the Company reported that it entered into a Letter of Intent to sell its 24.5% participating interest in the Despinassy Project, Quebec to Alto Ventures. Under the terms of the Letter of Intent ("LOI"), the Company will receive a lump sum cash payment of \$375,000 and 1,875,000 treasury shares of Alto Ventures. The Company will retain a 1% NSR royalty on 83 claims and 0.25% on the other 30 claims. Alto Ventures will have the right to buy-down the NSR on the 83 claims to 0.5% for \$500,000. This offer is subject to approval by the Board of Directors of the Company and of Alto Ventures. Completion of the purchase is also subject to acceptance by the TSX Venture Exchange. On March 4, 2008, the Company reported that it completed the sale and has received the cash payment of \$375,000 and 1,875,000 treasury shares of Alto Ventures.
- (b) On February 7, 2008 the Company announced the grant of 865,000 incentive stock options to officers, directors, employees and consultants under its stock option plan, and in accordance with the Company's compensation policy. The options are exercisable for five years at a price of \$0.18 per share, and are subject to the policies of the TSX Venture Exchange.
- (c) On February 14, 2008, the Company reported that it had 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 entered into a four year option agreement with a private consortium dated March 16, 2005. The Company has completed the required expenditure commitments of the earn-in. The vendors agreed to allow the Company to pay the balance of the cash and shares remaining to complete the earn-in ahead of the anniversary date. A cash payment of \$40,000 and issuance of 81,000 shares of the Company was made to vendors. The Company now owns 100% of the core Hermitage Property. The vendors will retain a 2% royalty with a buy-back of 50% of the royalty for \$1 million.
- (d) On March 25, 2008, the Company received a notice from its U.S. legal counsel stating that the Company's Form 15 was filed with, and accepted by, the U.S. Securities and Exchange Commission on December 6, 2007. Pursuant to the terms of SEC Rule 12g-4, the Exchange Act registration of the Company's common shares was terminated by operation of law, effective March 5, 2008.



**COMMANDER
RESOURCES LTD.**

**Management Discussion and
Analysis**

For the Year Ended
December 31, 2007

Description of Business

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

Forward-Looking Information and Report Date

This Management Discussion and Analysis (“MD&A”) may contain forward-looking statements that involve risks and uncertainties. When used in this MD&A, the words “anticipate”, “believe”, “estimates”, “expects” and similar expressions are intended to identify such forward-looking statements. Readers are cautioned that these statements, which describe the Company’s proposed plans, objectives, and budgets, may differ materially from actual results. Such forward-looking statements in this MD&A are only made as of April 5, 2008 (the “Report Date”).

Summary for the Year Ended December 31, 2007

During the year ended December 31, 2007, the Company reports the following exploration activities and results:

Baffin Gold Project, Nunavut

- At the Peninsula prospect, located east of the Ridge Lake Zone, drilling intersected 3.59 g/t over 1.27 metres including 8.16 g/t over 0.50 metres.
- A new, significant mineralized trend called “Hebert” was discovered covering a seven kilometre by two kilometre corridor containing swarms of quartz veins carrying arsenopyrite, pyrrhotite, and minor galena. Channel sample results from a small area ranged from 0.99 g/t gold to 5.14 g/t gold over one metre with two running 2.18 g/t gold over 3 metres and 1.12 g/t gold over 4 metres. Grab samples from the individual veins carried 13.65 g/t gold, 14.81 g/t gold, 15.16 g/t gold and 6.55 g/t gold.
- At Durette, a 500 metre long EM conductor was tested to follow-up gold mineralization intersected in DUR-06-03 (2006). 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 drill hole DUR-07-09. The gold-bearing intersections (DUR-07-07, 08, 09 and 10) occur over a strike length of 225 meters and within 40 meters 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 extends for a further 1,500 meters to the west where it has not been evaluated by drilling. A separate discrete 900 meter long conductor, located one kilometer to the southwest of Durette is associated with surface gold values grading up to 9.5 g/t gold (2369) from prospecting samples.
- In early 2008, the Company entered into an agreement with BHP Billiton Diamonds Inc. to accelerate the Company’s vesting rights on the Qimmiq Property (see Subsequent Events).

Hermitage Uranium Project, Newfoundland

- On the White Bear area, two drill holes at Doucette and one hole at He2 returned assay values up to 0.11% U₃O₈. At He2, a radon gas anomaly extends for more than one kilometre northeast along-strike from the current drilling. At Doucette, magnetic data indicates that permissive rock units extend for several kilometres to the east from the drilled area.

In the fall, the Company completed a follow-up program designed to expand and better define uranium zones intersected in the first stage drill program and to develop targets for wider intervals of better uranium grades on Troy's Pond, ST-129, Quinlan, He2 area and Doucette areas. Tools employed included trenching, soil sampling, track-edge surveying (for detection of radon gas) and geophysics.

Subsequent to December 31, 2007:

The Company reported results from an Induced Polarization (I.P.) survey completed late in 2007 on the Troy's Pond, ST-129 and Quinlan uranium prospects on the wholly owned Strickland Property and results from the trenching and track edge survey on the White Bear area of the Hermitage Property. The results will be compiled to develop a follow-up drill program if warranted.

- A geophysical crew completed six I.P. lines at Troy's Pond to follow-up significant uranium mineralization intersected in drill holes completed in early 2007. A weak I.P. chargeability response, detected close to this uranium-bearing drill intersection, strengthens 100 metres to the west, then continues for a further 200 metres along strike of the host rock sequence to the end of the survey grid, beyond which the anomaly is open. The survey detected a new target in an overburden-covered area where there are currently no known uranium prospects. The new target is 300 metres long and is open beyond the survey limit.
- At the Quinlan Uranium Prospect, located 10 kilometres to the east of Troy's Pond, three short lines of I.P. surveying were completed. An anomaly on the westernmost line corresponds to an area with uranium in bedrock and continues for several 100 metres. The structural trends hosting the uranium in this area extend for more than 800 metres.
- At the He1A target in the White Bear area, composite chip samples from four trenches returned three assays ranging from 0.12% to 0.18% U_3O_8 and four with values from 0.02% to 0.07% U_3O_8 adjacent to a 150-metre long pond, located about 30 metres east of the trace of drill hole WBR-07-14. A trench located a further 35 metres to the east did not encounter a radiometric response, but a fault may have offset the zone southward under the pond.
- At the Doucette Prospect in the White Bear area, a radon gas anomaly extends for 300-400 metres east of the area drilled in early 2007 and is open to the southeast. Another radon gas anomaly extends for 200 metres east of the WB3 uranium prospect and remains open. Approximately five kilometres east of the Doucette prospect, a significant radon gas anomaly extends 200 metres eastward from the WB1 and WB2 uranium prospects and westward for a further 150 metres on the opposite side of a 100-metre wide river. A second, northwest trending radon gas anomaly, found approximately 150 metres to the north of the WB1 and WB2 prospects, extends 200 metres northwest from the river and is open at the end of the survey area. A radon gas anomaly, detected at the southern margin of the main five square kilometre survey grid, is 500 metres long and is open to the south.
- On March 26, 2008 the Company reported the remainder of results from the trenching and prospecting program completed late in 2007. Highlights included discovery of bedrock uranium mineralization grading 0.17% U_3O_8 over 1.15 meters at the White Bear No. 3 (WB3 prospect), discovery of additional radiometric boulders grading up to 0.48% U_3O_8 within 50 meters of the WB3 bedrock mineralization, discovery of bedrock uranium mineralization grading up to 0.13% U_3O_8 in a 175 meter long trenched area at He2, and discovery of a new radiometric boulder field east of the Doucette prospect with high grade values of 0.28% and 0.36 % U_3O_8 .

Labrador Nickel properties

- Commander owns 100% of the Sally and Sadie claims and 59.85% of the Adlatok 1 property, all of which form a contiguous block adjoining the Sarah Lake property in which Commander owns a 48% interest. The properties are located about 90 kilometres south of the Voisey's Bay Nickel Mine and situated on one of the best developments of anomalous Ni-Cu sulphide mineralization hosted by mafic plutonic rocks in the region outside of Voisey's Bay. The Company has maintained its interest in the properties since it was first acquired during the staking rush that immediately followed the Voisey's Bay discovery in the mid 1990's.

Sarah Lake

- In late 2007, the Company and its partner, Donner Metals Ltd. ("Donner") re-activated the Sarah Lake project.
- Previous geophysical surveys located discrete conductors at a depth coincident with the interpreted base of the North Gabbro. High-grade nickel sulphide deposits are usually highly conductive. Therefore, the Company and Donner approved the use of an extensive low frequency electromagnetic (EM) survey to better define the existing anomalies and identify new prospective targets.
- Donner, as operator of the Sarah Lake joint venture completed a portion of the planned EM survey in the fall 2007 but the data processing and interpretation is not yet complete.

Sally, Sadie, Adlatok1

- About three kilometres to the north of the Sarah Lake Property, the Company owns 100% of the Sally and Sadie claims and 59.9% of the Adlatok 1 property, all of which form a contiguous block adjoining the Sarah Lake property.
- Historical work by the Company in the western portion of this block identified a highly contaminated gabbro that 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.

Subsequent to December 31, 2007:

- The Company announced plans to commence a 50 line kilometre UTEM-EM survey on its Adlatok1, Sally and Sadie properties. The objective of the geophysics is to focus and define nickel-copper sulphide targets for drill testing later in the year. The plan is to start the survey in early April depending on weather conditions and crew availability.
- Drill target prioritization using integration of the new survey data with existing geological, geochemical, and geophysical data may lead to an aggressive drill program later in 2008.

Other Properties

Cochrane Pond (uranium), Newfoundland

- On June 28, 2006 the Company and Bayswater Uranium Corp. (collectively, the "Companies") announced the acquisition by staking of the Cochrane Pond Property under a 50:50 joint venture (the Company is Operator), covering approximately 151,000 acres (61,000 hectares) of favourable geology to the north of the Company's Hermitage Property.
- On April 13, 2007, the Company, as operator of the joint venture, reported that the Companies had 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").

- Between July 6, 2007 and September 7, 2007, Global Gold Uranium completed a 6,396 kilometre airborne radiometric and magnetic survey over the property. The survey identified approximately 150 radiometric anomalies. Detailed interpretation of the radiometric data is being done to resolve the anomalous responses and property geology.

Olympic-Rob (copper-gold), Yukon

- Fjordland Exploration Inc. ("Fjordland") completed a diamond drilling program on the Company's wholly owned Olympic-Rob property as part of the first term work commitment on the property.
- On Rob, two drill holes (403.56 metres) tested distinct magnetometer anomalies coincident with copper and uranium soil anomalies. Both holes encountered significant copper mineralization associated with highly altered and brecciated zones within a sequence of near-massive hematitic siltstone and shale. The first hole cut 5.6 metres grading 1.12% copper within a wider, 19 metre envelope grading 0.44% Cu between 6 and 25 metres depth. A lower interval of 35.9 metres ran 0.21% Cu between 54 and 90 metres depth. The second hole cut two intervals of 10 and 18 metres width between 91 and 144 metres depth. These zones ran 0.21 % Cu and 0.19% Cu, respectively.
- On Olympic, the first hole (Oly-07-01) collared in chlorite-altered breccia, drilled through a sequence of hematite-altered siltstone with minor amounts of copper. Unfortunately, the hole failed to reach the target depth of 500 metres due to very bad ground conditions; the hole was lost at a depth of 307 metres. Fjordland cancelled plans to drill a second deep (greater than 500 metre) hole due to the constraints of the drill contractor.
- 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.

St. George's Bay Option (uranium), Newfoundland

- On March 1, 2007, the Company reported that it had 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 southwestern 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. Once the Company earned its 80% interest, the parties would jointly fund work on the designated metals. Once a party's interest falls to 10% or lower, its interest will convert to a 2% royalty, which will be an NSR in the case of base and precious metals and a gross sales royalty in the case of uranium production.
- An initial cash payment of \$50,700 was paid to Vulcan to cover refundable staking deposits. Partial refunds of this deposit were received by the Company by the date of this report.
- 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.

Omineca Properties (Copper-gold), B.C.

- On February 7, 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) located in the Omineca Mining District, British Columbia. The option allowed GXL the right to earn an initial 60% interest by completing \$4.5 million 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. After vesting at 80%, funding on the properties would continue pro-rata. A 2% NSR is provided to a

diluted party whose interest drops below 10%. The NSR varies between 1.75% and 2% depending on the mineral claim and there is a buy-down provision to 1% NSR for \$3 million. An underlying agreement between the Company and John Robins applied to the Abe and Pal claims only. Under this underlying agreement, John Robins was entitled to receive fifty-percent of the cash considerations and a royalty consideration attributable to Abe and Pal less 10% management fees.

- GXL commenced its 2007 work program in July 2007. A final report was not available from GXL at the time of this report, but 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 of 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.

Subsequent Events to December 31, 2007

- (a) On January 10, 2008, the Company reported that it entered into a Letter of Intent to sell its 24.5% participating interest in the Despinassy Project, Quebec to majority partner, Alto Ventures Ltd. ("Alto Ventures"). The parties executed the final Interest Purchase Agreement on March 4, 2008 and the Company received a cash payment of \$375,000 and 1,875,000 treasury shares of Alto Ventures. The Company will retain a 1% NSR on 83 claims and 0.25% NSR on the other 30 claims. Alto Ventures will have the right to buy-down the NSR on the 83 claims to 0.5% for \$500,000.
- (b) On January 10, 2008, the Company reported the resignation of Albert Reeve as a Director for the Company effective December 31, 2007. Mr. Reeve will remain as a technical advisor to the Company. The Company thanks Mr. Reeve for all of his time and effort as a Director and looks forward to his continued input in the advisory capacity.
- (c) 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. Qimmiq is the core property holding in the Baffin Island Gold project, Nunavut.

The amendment enables the Company to eliminate remaining earn-in expenditures, the requirement for a feasibility study and BHP Billiton's back-in rights to non-gold resources, as provided under the existing Option Agreement.

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.

The parties executed the definitive Option Acceleration Agreement incorporating the terms of the LOI on February 22, 2008.

- (d) On February 7, 2008 the Company announced the grant of 865,000 incentive stock options to officers, Directors, employees and consultants under its stock option plan, and in accordance with the Company's compensation policy. The options are exercisable for five years at a price of \$0.18 per share, and are subject to the policies of the TSX Venture Exchange.
- (e) 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. This part of the belt hosts most of the known uranium occurrences.

The Company completed the required expenditure commitments of the earn-in under the four-year option agreement dated March 16, 2005. The vendors agreed to allow the Company to pay the balance of the cash and shares remaining to complete the earn-in ahead of the anniversary date. The Company paid \$40,000 and issued 81,000 shares of the Company to the vendors. The Company now owns 100% of the core Hermitage Property subject to a 2% royalty with a buy-back of 50% of the royalty for \$1 million.

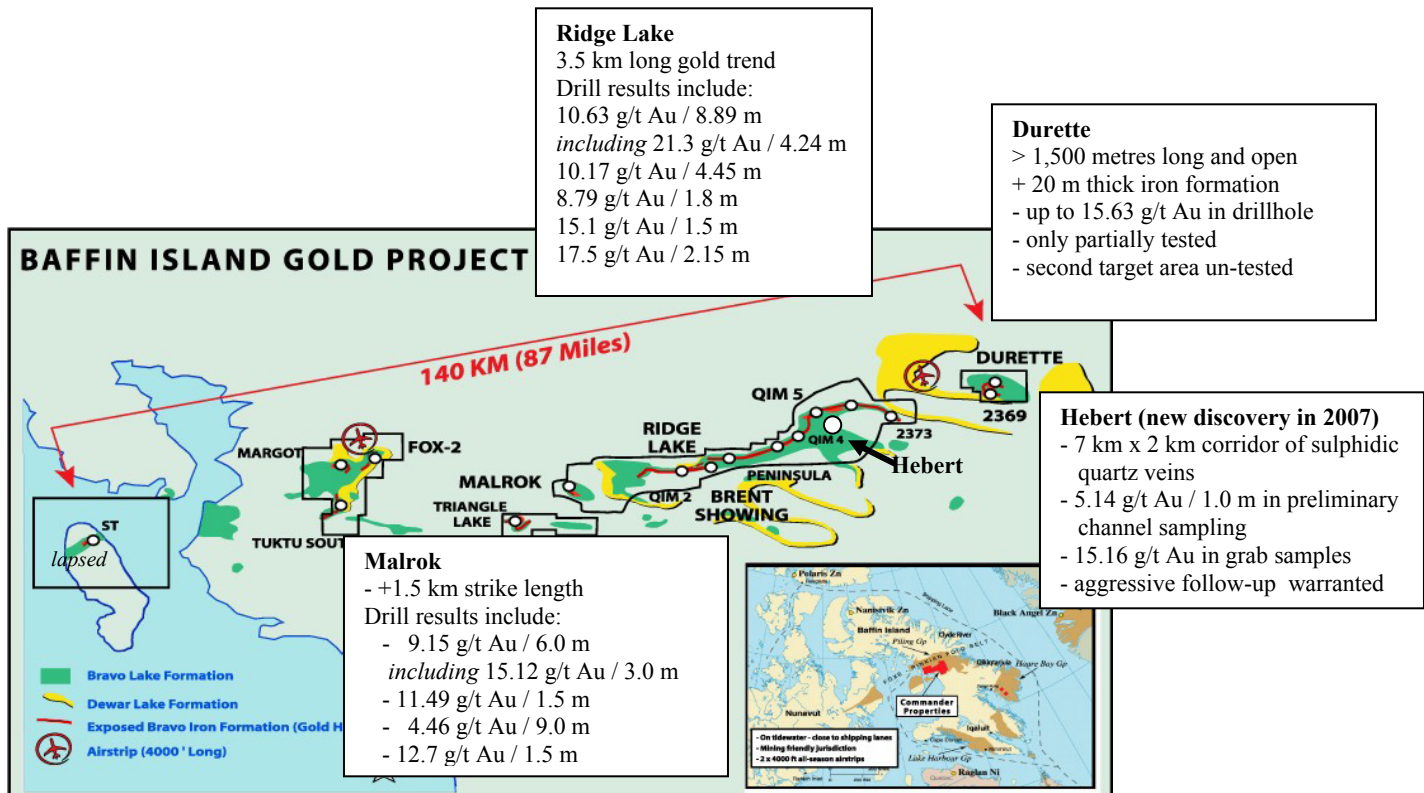
Baffin Island Gold Project, Nunavut

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 (see Qimmiq), Ridge Lake (see Qimmiq), and Durette (see Bravo Lake).

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 and 2007.


Qimmiq Property, Nunavut

On June 18, 2003, the Company entered into an option agreement with BHP Billiton Diamonds Inc. (“BHP Billiton Diamonds”) on Nunavut Tunngavik Incorporated (“NTI”) leases on Baffin Island, Nunavut. Malrok, Ridge Lake, 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).

The Company did not drill the main zones, Ridge Lake and Malrok, in 2007 because of budget limitations and the fact that both are at the stage requiring aggressive, high cost drilling to outline potential resources. Previous drilling on Ridge Lake included higher grade intercepts of 21.24 g/t gold over 4.24 metres and 10.17 g/t gold over 4.45 metres within a 100 metre depth from surface. These holes define a high-grade shoot of unknown width that extends over a plunge length of at least 100 metres within a southwest-plunging structural trend. This high-grade shoot trends across a south-dipping sheet of lower grade mineralization that extends to surface and outcrops (15.4 g/t gold over 1.9 metres in a surface channel sample). A similar southwest-plunging structure is seen in the western portion of the central zone where intercepts included 17.5 g/t gold over 2.15 metres and 15.10 g/t gold over 1.67 metres. At Malrok, drilling in 2004 discovered significant gold mineralization hosted in a silicate iron formation. The target is open to the southeast and east with better intersections within 60 metres of surface including 9.15 g/t gold over 6.0 metres (including 15.12 g/t gold over 3.0 metres), 12.10 g/t gold over 3.3 metres and 4.46 g/t gold over 9.41 metres.

The Company's program in 2007, designed to focus on testing new targets and adding to the inventory of gold zones, included three (3) holes for 460 metres on Ridge Lake East, four (4) holes for 497 metres on the Brent Zone, and two (2) 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.

The Company discovered a new mineralized trend called "Hebert" by prospecting in 2007. The Hebert trend covers a seven kilometre by two kilometre corridor where variable quartz veins carry arsenopyrite, pyrrhotite, and minor galena. Results from fifty three one metre long surface channel samples collected from a small portion of the corridor ranged from 0.99 g/t gold to 5.14 g/t gold over one metre. Two 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 individual veins carried 13.65 g/t gold, 14.81 g/t gold, 15.16 g/t gold and 6.55 g/t gold. Results are awaited from 156 till samples collected over a 63 sq. km area.

2007 Drill Results (Ridge Lake, Peninsula, Brent)

Hole	From (m)	To (m)	Width (m)	Grade (g/t) gold
<i>Ridge Lake East</i>				
RLD-07-63	35.93	36.5	0.57	7.37
RLD-07-64				no significant results
RLD-07-65				no significant results
<i>Peninsula</i>				
PEN-07-01	112.23	113.5	1.27	3.59
includes	112.23	112.73	0.5	8.16
PEN-07-02	64.75	65.64	0.89	0.18% Zn / 0.075% Cu
<i>Brent</i>				
Q2-07-05				no significant results
Q2-07-06				no significant results
Q2-07-07	23.80	24.60	0.80	1.65
Q2-07-07	37.50	38.00	0.50	4.22
Q2-07-07	39.00	39.50	0.50	2.54
Q2-07-08				no significant results

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 (19) mineral claims to cover the favourable portions of the prospecting permits. The revised area of the Bravo Lake property is 14,668 acres (5,900 hectares).

The Company drilled five (5) holes (550.5 metres) in 2007 to test a 500 metre long EM conductor on the Durette Prospect to follow-up gold mineralization intersected in DUR-06-03 (2006). The 2007 holes 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.

2007 Drill Results – Durette Prospect

Hole	From (m)	To (m)	Width (m)	Grade (g/t) gold
DUR-07-07	31.00	39.00	8.00	1.22
includes	34.00	36.00	2.00	2.28
DUR-07-08	34.50	38.25	3.75	1.14
includes	34.50	35.00	0.50	3.05
includes	37.90	38.25	0.35	4.15
DUR-07-09	35.87	42.89	7.02	2.08
includes	38.35	39.18	0.83	15.23
DUR-07-10	28.00	29.50	1.50	1.71
and	34.50	35.29	0.79	1.71
DUR-07-11	93.50	94.00	0.50	0.6% Cu

Dewar Lake, Nunavut

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

The Hermitage Uranium Project, Newfoundland

The Hermitage Uranium Project is located north of the port town of Burgeo in southern Newfoundland and is intersected by Highway 480 and a major power-line. In 2005, the Company assembled approximately 99,200 acres (40,000 hectares) of land in southern Newfoundland covering a strike length of more than 100 kilometres through two separate option agreements and 1,600 claims staked on-line. The property is now 447,300 acres (180,400 hectares) in size covering a strike length of 144 kilometres. The Project includes the contiguous Hermitage Property, Strickland Property 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.

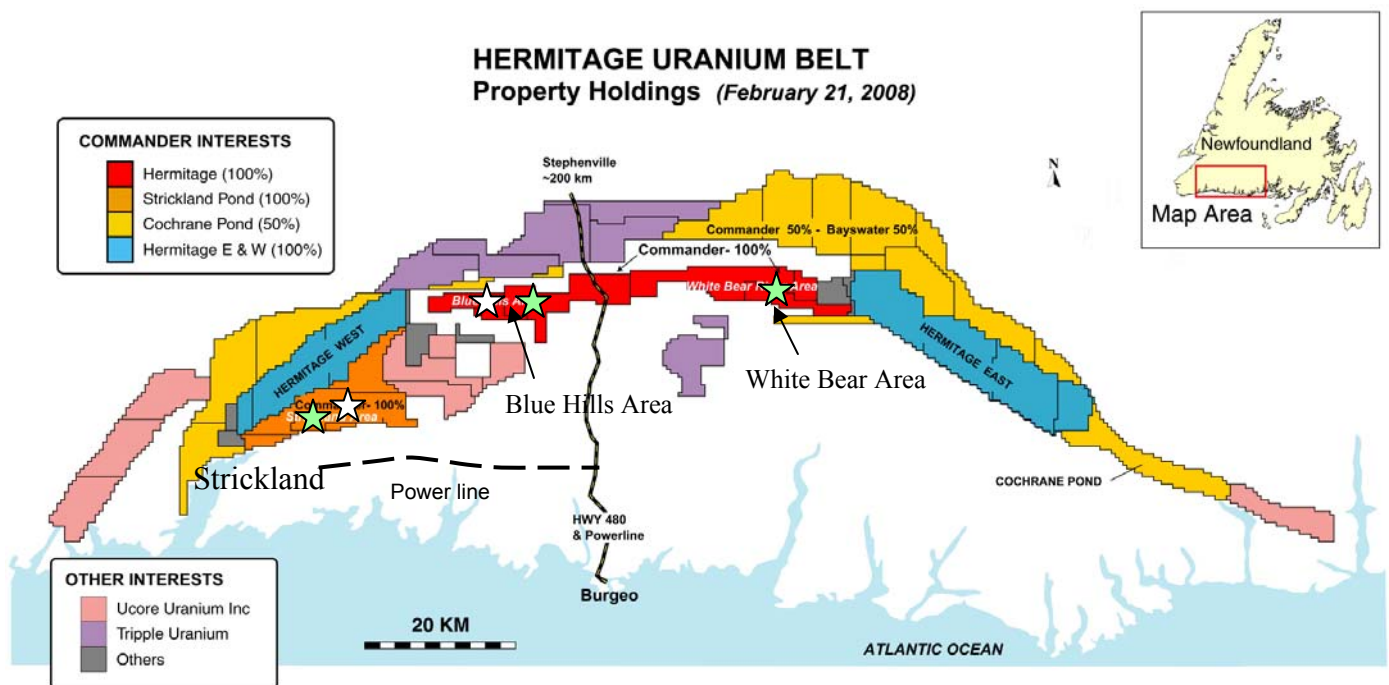
The property area is 90-95% covered by thin overburden, on the order of a few metres to ten metres, with limited outcrop exposure. Detailed ground follow-up of airborne survey data included prospecting, mapping, magnetic surveying, alpha track surveying, soil sampling, and channel sampling on specific 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.

Work to date on the property has confirmed that:

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

Several techniques that may help to define mineralized trends include radon gas (track edge) surveys, ground spectrometer surveys and soil sampling in conjunction with ground magnetics. Trends identified with these techniques are several hundred metres in length and are open due to lack of coverage.



Hermitage and Strickland Properties

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

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

In the fall of 2005, the Company acquired an additional 1,600 claims (99,200 acres, 40,000 hectares) covering the Hermitage Flexure and tying together the Blue Hills and White Bear River properties within the Blue Hills and White Bear option agreement.

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

A diamond drill program completed between late 2006 and May 2007 included thirty one (31) holes on six widely spaced target areas.

Hermitage Property

White Bear

At least six uranium showings (HE-2, Doucette, HE-1, #3, HE-9, HE-18A, and HE-1A) are located within a four kilometre x seven kilometre overburden-covered area. The He2 target area consists of a 500 metre diameter airborne radiometric anomaly within which clusters of angular sedimentary boulders carried uranium values up to 3.1 per cent U₃O₈ in composite chip samples. At Doucette, located three kilometres east of He2, the target is highlighted by uranium values in angular magnetite-bearing boulders ranging up to 1.3 per cent U₃O₈ (in composite chip samples). The He1A target consists of numerous uranium-bearing boulders, nine of which assayed between 0.10 and 0.28% U₃O₈ in composite chip samples. At the site of airborne radiometric anomaly He-18A, two small angular boulders assayed 0.35% U₃O₈ and 0.07% U₃O₈. These boulders, considered to be close to source, are geologically similar to the He-2 prospect. All of these targets have coincident radon gas anomalies.

The Company drilled six (6) holes (898 metres) in 2007 in the He2 target area and seven (7) holes (1,232 metres) in the Doucette target area. Two holes at Doucette and one hole at He2 returned values up to 0.11% U₃O₈. At He2, a radon gas anomaly extends for more than one kilometre northeast along strike from the current drilling. The magnetic pattern indicates that permissive rock units at Doucette extend for several kilometres to the east from the drilled area. Anomalous values up to 0.02% U₃O₈ at He1A prospect came from two holes drilled 50 to 150 metres up-ice from uranium bearing boulders. In several other drill holes, intervals ranging from one to four metres thick carried anomalous uranium values.

The Company completed a follow-up program of trenching, soil sampling, track-edge surveying and geophysics in the fall designed to expand and better define uranium zones intersected in the first stage drill program and to develop targets for wider intervals of better uranium grades.

Blue Hills

On the Blue Hills area seven (7) holes (993 metres) drilled on the Main Showing intersected low levels of uranium mineralization hosted in a thick sequence of brecciated felsic volcanics associated with strong silica and sericite alteration. A fault may have offset the more significant portion of the mineralized zone tested at surface.

Strickland Property

Drilling in late 2006 intersected anomalous radiometric zones on the ST-129 and Troy's Pond prospects. At Troy's Pond, the best hole intersected, 0.045% U₃O₈ or 1.0 pound per tonne U₃O₈ over 4.3 metres within a broader zone 15.5 metres wide grading 0.021% U₃O₈ within 40 metres of surface. The other two holes at Troy's Pond intersected anomalous uranium values (65 ppm to 275 ppm U₃O₈) over 0.5 to 1.5 metres. At the ST-129 prospect, narrow intervals of anomalous uranium included 0.084% U₃O₈ over 0.5 metres, 0.053% over 0.3 metres, 0.03% U₃O₈ over 0.5 metres and 0.023% U₃O₈ over 0.8 metres. These intervals occurred within wider zones of anomalous uranium mineralization.

Quinlan Option

On August 16, 2006, the Company announced that it had entered into an option agreement with prospectors E. and R. Quinlan to purchase claims surrounded by the Strickland Property. The Company may earn a 100% interest in the claims through cash payments totalling \$43,000 and by issuing 160,000 common shares of the Company over a four-year period. The vendors will retain a 2% NSR, half of which the Company may buy back at any time for \$1 million. Payments and share issuances are current through August 2008.

In 2006, the Company's prospecting crew located a strong radiometric occurrence in a brecciated and highly altered and sheared host rock in the approximate area where Shell Minerals reported 0.19% U₃O₈ in the 1980's. A new area of mineralized sub-crop found about 500 metres west of this showing contain at least four separate uranium-bearing stratigraphic units within a 12-15 metre wide zone that extends over an 800 metre long structure/contact zone. Twenty grab samples were collected from first pass prospecting, all anomalous in uranium, including three samples greater than 0.10% U₃O₈ and eight greater than 0.02% U₃O₈.

Murphy Option

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

The Company's share of optional obligations following the first year included additional cash payments of \$175,000, issuing to Bayswater shares in the Company equal to 450,000 shares of Bayswater over three years and contributing \$450,000 in exploration expenditures over four years. The underlying owner retained a 10 percent property interest carried to commercial production with an option to convert the interest to a 3 percent net smelter return royalty (NSR) prior to production. The NSR included a buy-down provision to 2 percent for \$2 million.

Bayswater and Commander completed approximately \$34,000 of the required \$50,000 expenditures and elected not to proceed with the option. The shortfall in the required expenditures was paid to the vendor in cash.

Hermitage East and West

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

In 2007, Bayswater elected to discontinue its project work on the property and in accordance with the agreement, assigned all of the claims to the Company with a minimum of one years assessment work filed and approved by the government.

Selected Annual Information

Selected annual information from the audited financial statements for the years ended December 31, 2007, 2006, and 2005.

	2007		2006		2005	
Total Revenues	\$	Nil	\$	Nil	\$	Nil
Loss before adjustments		(1,625,291)		(1,023,506)		(1,222,249)
Loss for the year		(1,070,381)		(819,761)		(819,761)
Basic and Diluted loss per share		(0.02)		(0.02)		(0.02)
Total Assets	\$	23,083,303	\$	21,344,149	\$	13,102,513
Total Long-term liabilities		Nil		Nil		Nil
Cash dividends per share	\$	Nil	\$	Nil	\$	Nil

Results of Operations
- Fourth Quarter Results

During the quarter ended December 31, 2007, the majority of the Company's activities related primarily to drilling operations on the Baffin Island gold project in Nunavut. The mineral property expenditures increased by a total of \$561,247. The Company also incurred total general and administrative expenses of \$477,957 of which \$255,013 was non-cash stock based compensation.

- Year Ended December 31, 2007 compared with the Year Ended December 31, 2006

The Company had no revenues for the periods ended December 31, 2007 and 2006. General and administrative expense of \$1,625,291 (2006 - \$1,023,506) represented a \$601,785 increase over the comparative fiscal period. The increase was mostly attributable to the \$523,350 increase in non-cash stock-based compensation. The Company granted more stock options during the year ended December 31, 2007. The grant has a four quarter vesting period, so the stock based compensation will remain high for the next three quarters. Other notable changes include:

- Consulting expense of \$270,248 (2006 - \$91,040) increased in the year ended December 31, 2007. Excluding the increase in stock-based compensation of \$187,824, the consulting expense actually remained flat compared to the same fiscal period of 2006.
- Investor relations and promotion expense of \$229,293, increased by \$43,838 from the comparative fiscal period of 2006. The increase was mainly due to the additional costs for a two month overlapping period of having two investor relations managers to ensure a smooth transition for a maternity leave of absence commencing July 1, 2007, and more conferences and trade shows in the first half. A breakdown is as follows:



Management Discussion and Analysis
For the Period Ended December 31, 2007

FORM 51-102F1

	For the Three Months Ended		For the Years Ended	
	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
Conferences and trade shows	\$ 6,240	\$ 10,164	\$ 80,429	\$ 59,338
Consulting, wages and benefits	36,499	40,156	91,789	83,697
Media	5,057	3,152	22,934	11,654
Promotion and advertising	6,343	6,400	34,141	30,766
Total Investor Relation Expenses	\$ 54,139	\$ 59,872	\$ 229,293	\$ 185,455

Included in wages and benefits was \$22,350 for stock-based compensation (2006 - \$5,931)

- Salaries and benefits expense of \$569,010 (2006 - \$348,290), included \$312,513 (2006 - \$71,388) in stock-based compensation expense.
- Accounting and audit expense increased to \$231,818 in the year ended December 31, 2007, compared to \$116,310 in the same period of 2006. Excluding the stock-based compensation expense of \$99,061 (2006 - \$21,079), the accrual of \$30,000 audit fee for fiscal 2007 and a payment of \$7,516 to a consultant related to 2006 accounting services, the amount was about the same as last year.
- Office and miscellaneous expenses were \$104,904 in the year ended December 31, 2007, compared to \$58,930 in 2006. The increase was mainly due to the increase of \$14,991 in purchases of new software upgrades and computer assistance expenses as well as the hiring of a full-time Administrative Assistant.

For the year ended December 31, 2007, the Company's loss after tax was \$1,070,381 (2006 - \$819,761) resulting largely from the increase of general and administrative expenses. The Company did not pay cash dividends during the period.

Summary of Quarterly Results

	<u>Mar. 31</u> <u>2006</u> <u>Q1</u>	<u>Jun. 30</u> <u>2006</u> <u>Q2</u>	<u>Sept. 30</u> <u>2006</u> <u>Q3</u>	<u>Dec. 31</u> <u>2006</u> <u>Q4</u>	<u>Mar. 31</u> <u>2007</u> <u>Q1</u>	<u>Jun. 30</u> <u>2007</u> <u>Q2</u>	<u>Sep. 30</u> <u>2007</u> <u>Q3</u>	<u>Dec. 31</u> <u>2007</u> <u>Q4</u>
Mineral expenditures, net	\$ 89,876	\$ 1,304,625	\$ 2,364,244	\$ 427,780	\$ 649,722	\$ 929,021	\$ 1,916,730	\$ 560,247
G&A (incl. stock comp.)	\$ 268,332	\$ 270,891	\$ 221,310	\$ 262,973	\$ 385,645	\$ 326,123	\$ 435,566	\$ 477,957
Stock comp. expense	\$ -	\$ 48,274	\$ 48,274	\$ (96,548)	\$ 106,899	\$ 58,626	\$ 247,634	\$ 255,013
Adjusted G&A (less stock comp.)	\$ 268,332	\$ 222,617	\$ 173,036	\$ 359,521	\$ 278,746	\$ 267,497	\$ 187,932	\$ 222,944
Income (loss)	\$ 475,537	\$ 310,561	\$ (396,405)	\$ (1,209,454)	\$ 931,963	\$ (292,977)	\$ (391,285)	\$ (1,318,082)
Income (loss) per share								
-basic	\$ 0.01	\$ 0.01	\$ -	\$ (0.02)	\$ 0.02	\$ (0.00)	\$ (0.01)	\$ (0.02)
-diluted	\$ 0.01	\$ 0.01	\$ -	\$ (0.02)	\$ 0.01	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted avg. common shares								
-basic	39,668,585	47,699,912	55,106,372	57,034,643	61,682,789	62,199,648	62,326,737	67,768,616
-diluted	46,235,375	61,802,491	55,106,372	57,034,643	72,115,281	62,199,648	62,326,737	67,768,616

The Company's main exploration projects are on Baffin Island, Nunavut in Canada's far north and in southern Newfoundland. The Baffin project is subject to seasonal working conditions 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.

Earnings per share in Q1 and Q2 of 2006 resulted from the record of future tax recovery for the exploration expenditures of \$2,021,757 and \$1,699,999 under its flow-through share program in accordance with accounting pronouncement EIC-146. The Q2 future tax recovery of \$580,040 was reversed in Q4 2006, as the expenditure of \$1,699,999 was not renounced until February 2007.

Liquidity

At December 31, 2007, the Company had \$2,367,409 in working capital, which is sufficient to complete the Company's planned business objectives for 2008. The Company is currently active exploring on its Hermitage uranium, Baffin Island gold project and Labrador nickel properties.

On November 1, 2007, the Company closed a non-brokered private placement for total proceeds of \$1,722,500. This brought the company's total working capital close to \$2.5 million and will allow the Company to continue exploration activities on the Hermitage uranium, Labrador Nickel and Baffin Island gold projects in 2008.

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 \$850,000 are required by the end of fiscal 2008.
- On the newly acquired St. George's Bay property in Newfoundland, the Company was required to expend a minimum of \$100,000 before March 1, 2008. As at the date of this report, this minimum expenditure had been met and the option was dropped.
- On the Murphy option in Newfoundland, the Company was required to complete \$50,000 in exploration expenditures by December 6, 2007. As at the date of this report, approximately \$34,000 of this obligation had been spent. The option was dropped and the shortfall in the required expenditures was paid to the vendor in cash.
- 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.

Off-Balance Sheet Arrangements

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

Related Party Transactions

At December 31, 2007, marketable securities included 312,000 common shares of Diamonds North Resources Ltd., a company related by a director in common, Bernard Kahlert; 517,647 common shares of Fjordland Exploration Inc. ("Fjordland") and 29,400 common shares of Bayswater, companies related by a director in common, Victor Tanaka.

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 \$12,165 owed by those companies.

During the year ended December 31, 2007, the Company paid or accrued \$25,169 in legal fees, share issuances and mineral properties costs to a law firm in which a director of the Company, Brian Abraham, is a partner. During the three months ended December 31, 2007, the Company paid or accrued \$4,945 in legal fees and disbursements to the law firm.

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

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

Accounts payable includes \$25,057 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, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Sections 1530, "Comprehensive Income"; 3855, "Financial Instruments – Recognition and Measurement"; 3861, "Financial Instruments – Disclosure and Presentation" and 3865, "Hedges" on January 1, 2007. The adoption of these new standards resulted in changes in accounting and has been recorded in opening accumulated comprehensive income as described below.

(a) Comprehensive Income

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

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

(b) Financial Instrument – recognition and measurement

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

- Cash and cash equivalents, and cash of exploration funds are classified as financial assets held for trading and are measured at fair value. Gains and losses related to periodical revaluation are recorded in net income.
- Marketable securities are classified as available-for-sale securities. Such securities are measured at fair market value in the consolidated financial statements with the unrealized gains or losses recorded in other comprehensive income. At the time securities are sold or otherwise disposed of, gains or losses are included in net income (loss).

- Accounts receivable are classified as loans and receivables and are initially measured at fair value; subsequent periodical revaluations are recorded at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost.
- Accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value; subsequent periodical revaluations are recorded at amortized cost using the effective interest rate method. For the Company, the measured amount generally corresponds to cost.

(c) Hedges

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

(d) Future accounting changes

(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. The Company is in the process of assessing the impact of this new section on its financial statements.

(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 instrument, 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. The Company is in the process of assessing the impact of this new section on its financial statements.

(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. The Company is in the process of assessing the impact of this new section on its financial statements.

(iv) Good Will 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.

(v) 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 December 31, 2007 was \$596,476.

Other MD&A Requirements

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

As at the Report Date, the Company had 69,930,660 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
692,000	\$0.56	May 18, 2009
40,000	\$0.40	September 6, 2009
200,000	\$0.40	September 21, 2009
383,000	\$0.25	July 19, 2010
282,000	\$0.39	May 7, 2011
656,500	\$0.30	June 19, 2011
415,000	\$0.87	January 2, 2012
200,000	\$0.41	May 8, 2012
1,280,000	\$0.36	June 7, 2012
125,000	\$0.23	October 12, 2009
120,000	\$0.19	December 21, 2012
865,000	\$0.18	February 7, 2013
6,170,166		

- Warrants

Number of Shares	Exercise Price	Expiry Date
5,054,750	\$0.50	May 15, 2008
1,150,000	\$0.40	Oct 26, 2008
6,204,750		

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.

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.

- Agent's Warrants

Number of Shares	Exercise Price	Expiry Date
-	\$0.50	May 11, 2007
1,040,400	\$0.50	May 15, 2008
195,250	\$0.50	May 15, 2008
1,235,650		

* The warrants and the Agent's warrants granted in 2006 are subject to an early expiry provision once resale restrictions have ended. Upon the Company's shares trading at or above a weighted average trading price of \$0.80 for 20 consecutive trading days, the Company may give notice to the warrant holders and issue a news release advising that the warrants will expire 30 days from the date of the news release.

At December 31, 2007, the Company held mineral properties exclusively in Canada. Exploration activity and expenditures incurred on the Company's properties are detailed in the Mineral Property Expenditure Table on the following page. The Company's principal project is located in Canada's far north which poses an inherent risk associated with exploring due to the remoteness from populated areas, lack of surface infrastructure, and availability of skilled labour, fuel and supplies. Exploration is dependent on air transportation, fixed wing, and helicopter, which are susceptible to bad weather. The unpredictability of the weather can cause unavoidable delays in carrying out a planned exploration program resulting in cost overruns.

Management Discussion and Analysis
For the Period Ended December 31, 2007
Mineral Property Expenditure Table

	Baffin, Nunavut		Newfoundland Properties			Other Properties		Total
	Qimmiq	Bravo Lake	Hermitage	Strickland	Other	Active Projects	Inactive Projects	
Balance at December 31, 2006	\$ 7,458,164	\$ 1,503,306	\$ 1,472,275	\$ 722,879	\$ 6,431	\$ 2,705,589	\$ 1,919,653	\$ 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	10,783	3,707	2,327,199
Geochemistry	29,170	4,405	129,816	-	-	-	-	163,391
Geology	331,735	116,130	234,896	38,980	41,671	49,096	25,901	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	13,120	17,148	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	64,058	-	70,853
	1,740,397	616,061	1,236,892	121,315	143,418	419,140	46,756	4,323,979
Less:								
Recoveries	(7,312)	(3,134)	(102,524)	(8,900)	-	(197,178)	-	(319,048)
Write down	-	-	-	-	(217,312)	-	-	(217,312)
	(7,312)	(3,134)	(102,524)	(8,900)	(217,312)	(197,178)	-	(536,360)
Net additions	1,733,085	612,927	1,219,608	135,865	85,516	221,962	46,756	4,055,719
Balance at December 31, 2007	\$ 9,191,249	\$ 2,116,233	\$ 2,691,883	\$ 858,744	\$ 91,947	\$ 2,927,551	\$ 1,966,409	\$ 19,844,016



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Vice President, Exploration and Director

Victor A. Tanaka, P.Geo.
Director

Brian Abraham, LLB., P.Geo.
Director

David Watkins, M.Sc.
Director

Michael Chen, CPA, MBA
Chief Financial Officer

Janice Davies
Corporate Secretary

LISTINGS

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

CAPITALIZATION

(as at December 31, 2007)

Shares Authorized: Unlimited
Shares Issued: 69,849,660

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