



**COMMANDER
RESOURCES LTD.**

**Interim Report
Management Discussion and Analysis**

For the Nine Months Ended
September 30, 2008

Management Discussion and Analysis

For the Period Ended September 30, 2008

Description of Business

Commander Resources Ltd. (“the Company”) is a company engaged in the acquisition and exploration of prospective gold, uranium, and base metal properties primarily in Canada. The Company is currently focusing its activities on a nickel property in Labrador, a gold project on Baffin Island, Nunavut and a newly acquired copper project on Somerset Island, Nunavut. The Company is a reporting issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol CMD. The following discussion and analysis of the financial position and results of operations for the Company should be read in conjunction with the financial statements and the notes thereto for the period ended September 30, 2008.

Forward-Looking Information and Report Date

This Management Discussion and Analysis (“MD&A”) may contain forward-looking statements that involve risks and uncertainties. When used in this MD&A, the words “anticipate”, “believe”, “estimates”, “expects” and similar expressions are intended to identify such forward-looking statements. Readers are cautioned that these statements, which describe the Company’s proposed plans, objectives, and budgets, may differ materially from actual results. Such forward-looking statements in this MD&A are only made as of November 24, 2008 (the “Report Date”).

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

Exploration work performed by the Company in the third quarter involved diamond drilling on three targets on the South Voisey’s Bay Nickel Project, Labrador, a detailed mapping and sampling program on a portion of the large Baffin Island gold project, and implementation of a 43-101 report on the newly acquired Storm copper project in Nunavut. The Company scaled back project funding in 2008 due to weak market conditions. No drilling was completed on the Baffin Project in 2008.

South Voisey’s Bay Nickel properties, Labrador

- On September 5, 2008, the Company reported the completion of a 1,173 metre diamond drilling program that commenced on August 14, 2008. The program tested two discrete geophysical anomalies on the Adlatok 1 and Sally properties with a single hole each. A third hole was drilled on a strong geophysical target located on the adjacent Sarah Lake property (owned 48.2 per cent by Commander and 51.8 per cent by Donner Metals Ltd.).
 - The hole drilled on the Sarah Lake Property encountered disseminated sulphides averaging 5 to 10% pyrrhotite with minor chalcopyrite from 194 metres to 196.95 metres at the base of a 180 metre thick gabbro complex. This interval included three narrow semi-massive pyrrhotite zones with minor chalcopyrite, each about seven centimetres wide. This gabbro complex, which includes the key basal-contaminated gabbro and gabbro breccias, is the main nickel-sulphide host in the South Voisey’s Bay area. The hole was drilled on a strong, discrete conductor in an area where four peripheral and widely spaced historical drill holes supported the presence of the gabbro and sulphides but with weak electromagnetic signatures. No significant base metal values were recorded from the hole.
 - The two holes drilled on the 72.7% owned Adlatok1 and 100% owned Sally properties intersected neither massive sulphide nor gabbro, both of which were interpreted to be present by the company’s geophysical consultants.

Based on the results from the drilling program, the Company has concluded that the target gabbro and geology required for a Voisey’s Bay type nickel sulphide deposit does not extend under the Company’s Adlatok1, Sally and Sadie properties as originally thought. The cause of the geophysical anomalies has not been fully determined. It is possible that the target gabbro may be at a depth that is not considered economic, but there is no evidence for this. No further work is warranted at this time.

Potential remains on other areas of the Sarah Lake Property based on the presence of the favourable gabbro, known nickel intersections and areas of un-tested geophysical anomalies. Future programs for Sarah Lake will be decided upon by the Sarah Lake Joint Venture.

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Baffin Gold Project, Nunavut

- Subsequent to the quarter end, on November 3, 2008, the Company provided an update on the Baffin Island gold project. Results are awaited from the limited field program completed in August, 2008, which focused on the Hebert Zone, a new discovery made in 2007 during completion of a till sampling program.
 - The 2008 field program discovered significant mineralized quartz-arsenopyrite veins in outcrop extending over a 1,500 metre trend hosted by interbedded greywacke and micro-conglomerate sedimentary units. Quartz veins are generally metre-spaced, 0.1 metre to 0.8 metre wide, five to 100 metres in length, containing 5% to 75% arsenopyrite and in several locations, coarse free gold. Locally arsenopyrite also occurs as semi-massive gossans within the quartz veins and as stratigraphic units within the hosting sediments between quartz veins.
 - A total of 105 channel samples were cut from 29 different outcrops of quartz-arsenopyrite veins. In addition to the channel samples, 175 grab and chip samples were collected from outcrop and felsenmeer (frost-heaved blocks from outcrop that is close to being in place).
 - Alteration was observed in the host rock to the veins consisting of albite, up to 10% coarse-grained arsenopyrite, and trace to minor amounts of disseminated galena and pyrite. The presence of well-developed, quartz-arsenopyrite-galena vein systems carrying gold hosted in greywacke, quartzite and microconglomerates suggests that there is good potential for a new gold target type to be developed on the large property.

Main Properties

Baffin Island Gold Project, Nunavut

The primary exploration target on the Property is iron formation-hosted gold similar to the Proterozoic iron formation-hosted Homestake gold deposit in South Dakota, USA. Seventeen (17) gold prospect areas over a strike length in excess of 100 kilometres include high-grade gold values in at least three separate iron formation units and within shear zones and quartz veins in younger granodiorite, gabbro, and sedimentary units. In each of the different settings, gold occurs primarily as free gold, disseminated, within quartz veins and associated with arsenopyrite. The most advanced prospects are Malrok, Ridge Lake, and Durette. The Brent Shear Zone, discovered in 2006, and the Hebert trend discovered in 2007, represent new and potentially significant target types on the property. The Hebert Zone was expanded and enhanced by work completed in 2008, but was not drill-tested.

The project area has access to tidewater and is dotted with deep lakes providing access to water throughout the year. There are two "Distant Early Warning" (DEW line) radar stations located on the Property, each with an operational 4,000 foot airstrip. The Company engaged GeoVector Management Inc. of Ottawa to manage the field program in 2006, 2007 and 2008.

Qimmiq Property

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

Malrok

Diamond drilling at Malrok in 2004 (3,617 metres in 39 holes) confirmed the continuity of the iron formation with potential for high-grade gold zones. The Malrok zone is composed of iron formation traced through surface sampling and drilling over a strike length of approximately two kilometres. The horizon varies in thickness from approximately 0.5 to greater than nine metres. Surface samples returned high-grade gold assays of up to 212 g/t gold and drilling results down to 50 metres depth included 15.12 g/t gold over 3.0 metres and 12.1 g/t Au over 3.3 metres. The iron formation and gold mineralization extends down-dip from surface for at least 130 metres and remains open along strike and down-dip. Further drilling is required to evaluate the potential of this target area.

Ridge Lake

The Ridge Lake Prospect, located 30 kilometres east of Malrok, contains a 3.5 kilometre strike length of gold-bearing iron formation as determined by geological mapping, sampling and geophysics. A total of 6,720.24 metres in 65 diamond drill holes between 2004 and 2007 covered a 1.3 kilometre length of the trend targeting the upper 100 metres or so of the succession. The drilling to date has defined a gold-rich iron formation that is structurally thickened and is host to locally high-grade southwesterly plunging higher grade shoots. Better drill intercepts from these shoots included 10.63 g/t gold over 8.89 metres (including 21.30 g/t gold over 4.24 metres) at a depth of 89 metres down-dip from a high-grade surface outcrop containing 15.4 g/t gold over 1.9 metres. Other notable intercepts included 10.17 g/t gold over 4.45 metres (including 15.96 g/t gold over 2.85 metres) at a depth of 105 metres, 8.79 g/t gold over 1.80 metres, and 17.48 g/t gold over 2.15 metres. The mineralized system remains open and is at the stage where detailed close-spaced drilling is necessary to define the main gold shoots and identify the larger tonnage potential.

Hebert Trend

Prospecting in 2007 discovered a new, potentially significant mineralized trend called "Hebert" that covers a seven kilometre by two-kilometre area consisting of quartz veins carrying arsenopyrite, pyrrhotite, and minor galena. Fifty-three one-metre long surface channel samples were collected from a small portion of the trend. Results ranged from 0.99 g/t gold to 5.14 g/t gold over one metre. In 2007, two sections of channel samples outlined continuous gold mineralization with 2.18 g/t gold over 3 metres and 1.12 g/t gold over 4 metres. Grab samples from the veins carried 13.65 g/t gold, 14.81 g/t gold, 15.16 g/t gold and 6.55 g/t gold. The 2008 field program focused on detailed mapping and channel sampling of the Hebert trend to follow-up and expand the initial results and to advance the target area to the drill stage.

Other Zones

Two new gold mineralized zones were discovered in 2006, the Brent Shear Zone and the Gabbro Shear Zone. The Brent Shear zone, located five kilometres southwest of Ridge Lake consists of a 1,400 metres long shear zone with well developed quartz veining that contains arsenopyrite and pyrrhotite. Surface grab samples returned up to 113.95 g/t gold with 21 of 66 samples assaying greater than 5 g/t gold. Eight holes totalling 994.79 metres were drilled in 2006 and 2007. Two holes in 2006, drilled 100 metres apart, confirmed the gold potential of the shear zone. The best result was 6.41 g/t gold over 1.0 metre. An additional shear zone with modest gold values was discovered at Brent.

At Ridge Lake, a second, similar shear zone, located 1.8 kilometres west of 2005 drill hole RLD-05-35 contained 3-5 %, disseminated, medium to coarse grained arsenopyrite over a strike length of 250 metres. 6 grab samples from this zone contained 1.34 to 9.23 g/t gold. This target was not drill tested.

At the Peninsula prospect, located about six kilometres east of the Ridge Lake zone, two holes were drilled in 2007 two kilometres apart along a previously untested six kilometre portion of the property. Both holes 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.

Bravo Lake Property, Nunavut

The main gold potential on the Bravo property exists on the far eastern group of claims that were originally covered by the 2369 prospecting permit. The main showing area is referred to as Durette. The gold potential on the balance of the Bravo property is considered to be low. Base metal (Zn, Pb) and silver potential exists on the Tuktu claim group on the far western portion of the property. A limited ground geophysical survey was completed in 2008 over the Tuktu claims.

Durette – 2369 Area

At the Durette Showing rock chip and channel sampling in 2004 and 2005 delineated a 500 metre strike length of variable gold mineralization. Forty samples collected in 2005 exceeded 1 g/t gold, with ten of these samples ranging from 11 to 47 g/t gold. The best channel sample results were 29.8 g/t gold over 2.0 metres and 18.0 g/t gold over 2 metres. The target iron formation was traced for approximately one kilometre. At the 2369 prospect, results of up to 7.5 g/t gold were received from the iron formation near the axis of a large syncline and up to 9.5 g/t gold from samples along the southern limb of the

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syncline. The iron formation was traced intermittently for several kilometres and may be continuous with the Durette Showing sequence. Significant arsenopyrite and intense silicification were associated with gold values in the samples collected. Presence of a large synclinal fold, secondary folds and varied bedding attitudes are evidence for structural complexity and potential thickening of the iron formation.

Diamond drilling on the Durette prospect in 2006 and 2007 produced modest results, the best being 9.61 g/t gold over 1.56 metres at a depth of 14.30 metres within a 19 metre thick highly silicified iron formation (hole DUR-06-03). This trend is open and continues to the west under cover for 300 metres and into the area where a surface sample collected in 2005 assayed 17 g/t gold. In 2007, five holes totalling 550.5 metres drilled along a 500-metre long EM conductor tested the area of mineralization intersected in DUR-06-03. The 2007 drilling intersected thick intervals of silicate iron formation (SIF) ranging from 5 to 30 metres thick and carrying variable amounts of arsenopyrite and pyrrhotite. A high grade assay of 15.23 g/t gold was intersected over 0.83 metres within a 7.02 metre interval grading 2.08 g/t gold in hole Dur-07-09, the easternmost hole drilled at Durette. The gold-bearing intersections (DUR-07-07, 08, 09 and 10) occur over a strike length of 225 metres and within 40 metres of surface and are open at depth and along strike. This zone is completely open to the east, where the Durette gold zone trends into a large, shallow lake and the conductor is continuous to the last line at lakeshore.

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

Storm Project (copper, zinc), Nunavut

In the Spring of 2008, the Company acquired a significant new copper and zinc property located on northwest Somerset Island, Nunavut, approximately 150 kilometres south of the commercial airport and service centre of Resolute Bay on neighbouring Cornwallis Island. The property consists of the *Storm Copper Zone* that includes four near-surface, high-grade centres of copper mineralization, within a seven kilometre-long mineralized structural corridor, and the *Seal Zinc Zone*, which is adjacent to tidewater.

The Company was awarded three prospecting permits valid for a term of five years. The total cost of the acquisition was approximately \$15,000, which will be refunded upon completion of an equivalent amount of exploration work within the first two years. The entire property covers about 154,000 acres (62,320 hectares) extending from tidewater inland for about 40 kilometres.

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

All of the geological information currently in hand, including assay intervals and descriptions of mineralization was taken from publicly available assessment reports and assay data filed with the Nunavut government by Teck Cominco. The Company retained Scott Wilson Roscoe Postle Associates Inc. to complete a National Instrument 43-101 technical report to qualify the historical work and assay data. This report should be available during the fourth Quarter 2008.

Storm Copper Zone

Four zones of copper mineralization, named 2200N, 2750N, 3500N and 4100N hosted by Paleozoic carbonates, outcrop at surface and extend to depths of at least 100 metres. These are located within 16 to 20 kilometres of tidewater. Chalcocite and bornite are the dominant copper sulphides.

- The 4100N zone, the largest discovered, contains a consistent interval of copper mineralization starting at a depth of about 50 metres from surface based on 17 widely spaced diamond drill holes. The zone extends over an area of at least 1,000 metres by 400 metres and remains open. Examples of drill intersections from this large zone include; 3.5% Cu over 17.2 metres, 2% Cu over 10.2 metres, 2.33% Cu over 4.9 metres, 1.14% Cu over 52.2 metres, including 2.41% Cu over 7.3 metres, and 1.16% Cu over 52.2 metres, including 3.27% Cu over 10.2 metres.

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- The 2750N zone, exposed at surface over at least 200 metres of strike, includes historical drill intersections of 2.92% Cu over 105 metres starting at surface (including 5.09% Cu over 53.9 metres), 3.1% Cu over 58.4 metres (including 4.54 % Cu/35.5 metres and 9.56% Cu over 13.3 metres).
- The 2200N zone, exposed at surface over 500 metres of strike, includes drill intercepts of 2.46 % Cu over 26 metres starting at surface (including 3.76 % Cu over 15 metres), 1.56 % Cu over 50.9 metres starting at surface (including 9.29 % Cu over 6.4 metres from surface) and 1.93 % Cu over 10.6 metres at a depth of 38 metres.
- The 3500N zone, exposed at surface over a 300-metre strike length, includes 0.96% Cu over 95.6 metres (including 2.2% Cu over 12.6 metres starting at 7.6 metres) and 3.09% Cu over 8.2 metres at a depth of 33.4 metres.

Seal Zinc Zone

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

South Voisey's Bay Nickel, Labrador

The Sarah Lake property covers a portion of the extensive Pants Lake gabbro complex, which is similar in age and chemical composition to the intrusions that host the 150 Mt. Voisey's Bay nickel deposit. Large areas of the key basal contact of the gabbro lie within a few hundred metres of the surface and significant areas have not been sufficiently explored for nickel-bearing massive sulphide accumulation.

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

Previous geophysical surveys located discrete conductors at a depth coincident with the interpreted base of the North gabbro. Since high-grade nickel-sulphide deposits are usually highly conductive, the companies undertook an extensive low-frequency electromagnetic (EM) survey on the Sarah Lake property, using the well-known UTEM system to better define the existing anomalies and identify new prospective targets.

The company owns 48.2% of the Sarah Lake property. Donner is the operator of the Sarah Lake joint venture.

Cochrane Pond, Newfoundland

On November 13, 2008, the Company and Bayswater Uranium Corp. (Bayswater), collectively, the "Companies" reported that Global Gold Uranium LLC ("Global Gold Uranium"), a wholly owned subsidiary of Global Gold Corporation ("Global Gold") has terminated the option to earn a participating interest in the Cochrane Pond Uranium Property, Newfoundland (the "Property"). The Companies retain a 100% interest in the Property. Global Gold Uranium filed sufficient deposits/work to maintain the Property in good standing for a period of one year from the termination date as required under the option agreement.

The Companies also reported that they have entered into a new agreement with Global Gold Uranium in which the Companies have agreed to sell and Global Gold Uranium has agreed to purchase a royalty in the Property. Under the agreement, the Companies will provide Global Gold Uranium a 1% royalty on sales of uranium products extracted from the

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Property until the aggregate royalty payments to the Global Gold Uranium reach CDN \$1,000,000 after which the royalty will be 0.5% of the sales of uranium products extracted from the Property.

In consideration for this royalty, Global Gold Uranium has agreed to pay US\$50,000 in cash to the Companies and pay all legal costs of the agreement preparation.

The Company's share of the proceeds will be US\$25,000, a management fee of US\$2,500 recovered from Bayswater and the retained operatorship of the Joint Venture.

The Cochrane Pond Property is 50% owned each by the Company and Bayswater. The Property is located adjacent to the Company's wholly owned Hermitage Uranium Property in southern Newfoundland. The royalty agreement only applies to the Cochrane Pond Property and does not include any of the Company's Hermitage Property holdings in the area.

Results of Operations

- Current Quarter Results

During the quarter ended September 30, 2008, the majority of the Company's activities related primarily to drilling at the South Voisey's Bay nickel property and completion of a mapping, sampling, geophysics and prospecting program on the Baffin Island gold project in Nunavut. The mineral property expenditures increased by a total of \$1,651,255. The Company also incurred total general and administrative expenses of \$257,028 of which \$72,115 was non-cash stock based compensation.

- Nine Months Ended September 30, 2008 compared with the Nine Months Ended September 30, 2007

The Company had no revenues for the periods ended September 30, 2008 and 2007. General and administrative expense of \$852,333 (2007 - \$1,147,334) represented a \$295,001 decrease over the comparative fiscal period last year. The decrease was mostly attributable to the \$280,119 decrease in stock-based compensation. Other notable changes include:

- Consulting expense of \$33,704 (2007 - \$27,000) decreased in the nine months ended September 30, 2008.
- Investor relations and promotion expense of \$146,846 decreased from last year. A breakdown is as follows:

	For the Three Months Ended		For the Nine Months Ended	
	<u>Sept. 30, 2008</u>	<u>Sept. 30, 2007</u>	<u>Sept. 30, 2008</u>	<u>Sept. 30, 2007</u>
Conferences and trade shows	\$ -	11,791	\$ 57,602	74,189
Consulting, wages and benefits	24,334	10,627	62,042	55,290
Media	2,840	3,885	11,298	17,877
Promotion and advertising	1,688	3,897	15,904	27,798
Total Investor Relation Expenses	\$ 28,862	\$ 30,200	\$ 146,846	\$ 175,154

- Salaries and benefits expense of \$215,638 (2007 - \$185,021) increased from last year.
- Accounting and audit expense decreased to \$104,094 in the nine months ended September 30, 2008, compared to \$107,437 in the same period of 2007.
- Office and miscellaneous expenses were \$67,152 in the nine months ended September 30, 2008, compared to \$78,231 in 2007.
- Regulatory and transfer agent fees decreased from \$41,439 last year to \$26,667 for the nine months ended September 30, 2008.

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For the nine months ended September 30, 2008, the Company's profit after tax was \$312,599 (2007 - \$247,701) resulting largely from the future income tax recovery of \$410,312 (2007 - \$1,303,631), mineral property recovery of \$561,257 (2007 - \$Nil), and gain on sale of marketable securities of \$213,645 (2007 - \$Nil). The Company did not pay cash dividends during the period.

Summary of Quarterly Results

	Dec. 31 2006 Q4	Mar. 31 2007 Q1	Jun. 30 2007 Q2	Sep. 30 2007 Q3	Dec. 31 2007 Q4	Mar. 31 2008 Q1	Jun. 30 2008 Q2	Sep. 30 2008 Q3
Mineral expenditures, net	\$ 427,780	\$ 649,722	\$ 929,021	\$ 1,916,730	\$ 560,247	\$ 195,753	\$ 612,841	\$ 1,651,255
G&A (incl. stock comp.)	\$ 262,973	\$ 385,645	\$ 326,123	\$ 435,566	\$ 477,957	\$ 287,433	\$ 307,872	\$ 257,028
Stock comp. expense	\$ (96,548)	\$ 106,899	\$ 58,626	\$ 247,634	\$ 255,013	\$ 3,390	\$ 57,535	\$ 72,115
Adjusted G&A (less stock comp.)	\$ 359,521	\$ 278,746	\$ 267,497	\$ 187,932	\$ 222,944	\$ 284,043	\$ 250,337	\$ 184,913
Income (loss)	\$ (1,209,454)	\$ 931,963	\$ (292,977)	\$ (391,285)	\$ (1,318,082)	\$ 855,880	\$ (294,334)	\$ (248,947)
Income (loss) per share								
-basic	\$ (0.02)	\$ 0.02	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ 0.01	\$ (0.00)	\$ (0.00)
-diluted	\$ (0.02)	\$ 0.01	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ 0.01	\$ (0.00)	\$ (0.00)
Weighted avg. common shares								
-basic	57,034,643	61,682,789	62,199,648	62,326,737	67,768,616	69,917,308	69,969,122	77,809,926
-diluted	57,034,643	72,115,281	62,199,648	62,326,737	67,768,616	83,477,092	69,969,122	77,809,926

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

Since the adoption of the CICA accounting standard for stock-based compensation, the Company's general and administrative quarterly expense has fluctuated significantly. The granting and vesting of stock options is at the discretion of the Board of Directors and the resulting expense does not reflect the normal operations of the Company. The Company has included "adjusted general and administrative expense" without the stock-based compensation expense to be more reflective of normal operations.

Liquidity

At September 30, 2008, the Company had \$1,700,611 in working capital. Included in the cash and cash equivalents balance, is an amount of \$772,389 for exploration funds which were raised through the issuance of flow-through shares. The exploration funds are required to be spent on mineral exploration related activities in Canada only. The Company believes it has sufficient funds to complete the planned business objectives for 2008. The Company is currently actively exploring on its Labrador nickel properties and Baffin Island gold project.

The Company does not have operating cash flow and has relied on equity financings to meet its cash requirements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financings will be favourable.

Capital Resources

The Company has active option agreements under which the Company is required to meet certain obligations during fiscal 2008 to keep the options in good standing:

- On the Bravo Lake property in Nunavut, as at December 31, 2007, the Company's cumulative exploration expenditures were \$2,116,233, which was sufficient to meet the minimum of \$2,000,000 in aggregate exploration expenditures requirements before December 31, 2007. Expenditures of approximately \$400,000 are required under the original option agreement by the end of fiscal 2008. If, however, the terms of the agreement between the Company and Xstrata, reported May 12, 2008 are met, no expenditures will be required in 2008 and the Company's interest in the property will fully vest at 100%.

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- On the Couteau Lake option agreement, which covers a small portion of the western portion of the Hermitage property, aggregate expenditures required on the property covered by this agreement are \$180,000 by April 22, 2008. Expenditures to December 31, 2007 total \$133,000. The Company was granted a deferral of the 2008 expenditures to April 22, 2009 by the underlying property owner.

Off-Balance Sheet Arrangements

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

Related Party Transactions

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

The Company shares certain administrative and other costs with four other companies related by virtue of directors in common. Included in accounts receivable is an aggregate of \$14,575 owed by those companies.

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

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

There was no accounts payable to companies related by directors in common on September 30, 2008. Related party transactions are recorded at the carrying amount and have no interest or stated terms of repayment.

Proposed Transactions

None.

Critical Accounting Estimates

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

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

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

Changes in Accounting Policies

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

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(a) Financial Instrument – Disclosure and Presentation

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

(b) Capital Disclosures

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

(c) Inventories

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

(d) Future accounting changes

(i) Goodwill and Intangible Assets

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

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

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

Financial Instruments

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

Marketable securities are carried at fair market value. The market value of marketable securities at September 30, 2008 was \$334,089.

Management Discussion and Analysis
For the Period Ended September 30, 2008

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 79,532,516 issued common shares outstanding and the following unexercised stock options and warrants:

- Stock Options

Number of Shares	Exercise Price	Expiry Date
700,000	\$0.53	January 21, 2009
50,000	\$0.64	February 19, 2009
679,000	\$0.56	May 18, 2009
40,000	\$0.40	September 6, 2009
200,000	\$0.40	September 21, 2009
383,000	\$0.25	July 19, 2010
282,000	\$0.39	May 7, 2011
656,500	\$0.30	June 19, 2011
410,000	\$0.87	January 2, 2012
200,000	\$0.41	May 8, 2012
1,266,500	\$0.36	June 7, 2012
125,000	\$0.23	October 12, 2009
110,000	\$0.19	December 21, 2012
865,000	\$0.18	February 7, 2013
200,000	\$0.21	June 24, 2013
955,000	\$0.10	October 17, 2013
7,122,000		

- Warrants

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

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

Management Discussion and Analysis
For the Period Ended September 30, 2008

Mineral Property Expenditure Table

	CMD Major Properties								
	Baffin, Nunavut		Newfoundland Properties			Labrador	Other Properties	Total	
	Qimmiq	Bravo Lake	Hermitage	Strickland	Other				
Balance at									
December 31, 2007	\$ 9,191,249	\$ 2,116,233	\$ 2,615,007	\$ 858,744	\$ 91,947	\$ 1,734,302	\$ 3,236,534	\$ 19,844,016	
Additions during the period:									
Acquisition costs:	-	125,000	97,950	-	40,140	-	(5,421)	257,669	
Exploration costs:									
Drilling	142,509	65,134	10,111	-	-	717,124	2,364	937,242	
Geochemistry	7,554	-	1,456	-	-	-	-	9,010	
Geology	459,088	84,392	37,894	6,440	1,344	62,742	100,089	751,989	
Geophysics	60	100,229	1,711	40,559	-	456,976	6,351	605,886	
Mobilization/demob.	-	-	1,371	5,746	-	6,288	-	13,405	
Property	80,151	539	1,288	-	-	42,049	14,831	138,858	
Prospecting	7,407	-	-	-	-	-	-	7,407	
Trenching/line cutting	-	-	10,446	-	-	-	-	10,446	
Administration and Other	-	-	-	-	-	41,715	-	41,715	
	696,769	250,294	64,277	52,745	1,344	1,326,894	123,635	2,515,958	
Less:									
Recoveries	(13,851)	(58,009)	(200)	-	-	(103,911)	(39,442)	(215,413)	
Write down	-	-	-	-	-	-	(98,365)	(98,365)	
	(13,851)	(58,009)	(200)	-	-	(103,911)	(137,807)	(313,778)	
Net additions	682,918	317,285	162,027	52,745	41,484	1,222,983	(19,593)	2,459,849	
Balance at									
September 30, 2008	\$ 9,874,167	\$ 2,433,518	\$ 2,777,034	\$ 911,489	\$ 133,431	\$ 2,957,285	\$ 3,216,941	\$ 22,303,865	



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Vice President, Exploration and Director

Brian Abraham, LL.B., P.Geo.
Director

David Watkins, M.Sc.
Director

Michael W. Byrne, C.A.
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 September 30, 2008)

Shares Authorized: Unlimited
Shares Issued: 79,532,516

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