



**COMMANDER
RESOURCES LTD.**

FORM 51-102F1

Management Discussion and Analysis
For the Nine Months Ended September 30, 2005

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Description of Business

Commander Resources Ltd. (“the Company”) is an exploration stage company engaged in the acquisition and exploration of prospective gold, nickel and base metal properties primarily in Canada. The Company is currently focusing its exploration activities on Baffin Island, Nunavut and to a lesser extent on properties in Newfoundland, Labrador, Yukon and British Columbia. 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 interim financial statements and the notes thereto for the nine months ended September 30, 2005.

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 23, 2005 (the “Report Date”).

Highlights for the Three Months Ended September 30, 2005

- On July 12, the Company reported results for 111 surface rock chip samples collected from the newly-acquired Blue Hills and White Bear River properties located just north of the port of Burgeo on the south coast of Newfoundland. Results included 18 samples exceeding 0.18% U_3O_8 and 33 samples exceeding 0.09% U_3O_8 . Highest values reported were 0.56% U_3O_8 , 0.53% U_3O_8 , 0.46% U_3O_8 and 0.42% U_3O_8 . A total of 57 samples returned values exceeding 0.045% U_3O_8 .
- On August 18, the Company reported analyses of an additional 17 grab samples collected as part of the initial exploration program on the Blue Hills and White Bear River properties, Newfoundland. Results included high grade uranium values up to 2% U_3O_8 .
- On September 7, the Company reported the discovery of a new gold zone on the Ridge Lake Prospect, Baffin Island Project, Nunavut. Diamond drill hole 05-35 cut 10.63 g/t gold over 8.89

Management Discussion and Analysis
For the Nine Months Ended September 30, 2005

metres including 21.30 g/t gold over 4.24 metres at a depth of 89 metres below surface within a newly recognized lower sulphide iron formation unit. The discovery opens up the potential for a significant, high-grade resource at a shallow depth.

- On September 14, the Company reported results from detailed ground work at the Durette Prospect, located about 50 kilometres east of the Ridge lake Prospect on the Baffin Island property. The work outlined a significant new gold target extending for at least 500 metres along-strike and characterized by a quartz-veined stockwork system in a quartzite unit. The unit occurs stratigraphically above the silicate and sulphide iron formation units hosting gold at Ridge Lake and Malrok (30 kilometres west of Ridge Lake). Bedrock channel sample results from Durette included 28.9 grams per tonne gold over 2.0 metres and 18.0 grams per tonne gold over 2.0 metres.
- On September 22, the Company commenced the second phase of exploration work on the Blue Hills and White Bear River uranium properties including prospecting, mapping, soil sampling and machine trenching and sampling using a back-hoe.

Subsequent Events to September 30, 2005

- On October 4, the Company reported an agreement with prospector Lorne Warren that provided the Company with a 10% Carried Interest in approximately 8400 hectares of mineral claims in the Omineca area of BC and 50% of any royalties granted to Lorne Warren 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) totaling 75 hectares owned 100% by the Company which lie within the boundary area of the property and cover a key portion of the Boundary copper deposit.
- On October 12, the Company reported an agreement with BHP Billiton World Exploration Inc. (“BHP Billiton”) on the Company’s 100% owned Nepisiguit zinc property, located in the Bathurst area of New Brunswick. Under the agreement, which replaced the existing agreement between the parties, the Company provided BHP Billiton with a 2.75% NSR subject to a buy-down provision for the Company of 1.75% NSR for \$1.5 million at any time. In exchange for the royalty, BHP Billiton

Management Discussion and Analysis
For the Nine Months Ended September 30, 2005

agreed to waive its 55% earn-back right foregoing any future rights to earn a participating interest in the property.

- On October 19, the Company reported results for the final seven diamond drill holes of the 2005 exploration program on the Ridge Lake Prospect, Baffin Island. The holes were successful in extending the near-surface gold system more than 600 metres west from the high grade gold zone where hole 05-35 returned 21.30 grams per tonne gold over 4.24 metres in a lower sulphide iron formation. Hole 05-44, the most westerly and southerly of the holes drilled this year intersected 15.13 grams per tonne gold over 1.67 metres in the lower sulphide iron formation, 175 metres west and down-dip from hole 04-02 (17.48 grams per tonne gold over 2.15 metres). The interval appears to be continuous up-dip to exposed surface mineralization and opens the system to the south and west.
- On October 21, the Company completed a non-brokered private placement of 2,283,650 flow-through common shares at \$0.35 per flow-through share and 1,089,575 non flow-through Units at \$0.33 per Unit, for gross proceeds of \$1,158,837.
- On November 1, the Company reported the discovery of a new high grade uranium showing on its White Bear River property in southern Newfoundland. The new showings are hosted in sandstone boulders in an area largely covered by overburden. Values up to 1.32% U₃O₈ were recovered from the showing area. The discovery prompted the Company to acquire an additional 1,600 claims totalling 40,000 hectares covering a major geological belt known as the “Hermitage Flexure”. The estimated cost of the paper staking is \$90,000. The Hermitage Flexure ties together the Blue Hills and White Bear River uranium properties.
- On November 3, the Company reported that it will receive a finder’s fee from Pathfinder Resources Ltd. (“Pathfinder”) in conjunction with the acquisition by Pathfinder of 1,429 claims aggregating 35,725 hectares to the east and west of the Company’s uranium property holdings in southern Newfoundland. The finder’s fee payable to the Company, upon receipt of regulatory approval, will consist of 150,000 common shares of Pathfinder and a 2% Royalty on all commodities produced from the claims staked by Pathfinder. In order to provide the Company with exposure to a larger area without any cost or risk, the Company provided Pathfinder with an overview of the area in confidence. Pathfinder elected to acquire ground and the Company received the finder’s fee.

Management Discussion and Analysis

For the Nine Months Ended September 30, 2005

At September 30, 2005, the Company held mineral properties exclusively in Canada. Exploration activity and expenditures incurred on the Company's properties are tabulated and discussed in more detail below.

	Sarah Lake	Green Bay	Adlatok I	Big Hill (1)	Blue Hill, Couteau, White Bear	Stewart (1)	Sally	Qimmiq	Dewar Lake	Bravo Lake	Other Properties	Total
Balance at												
December 31, 2004	\$ 1,141,926	\$ 435,516	\$ 117,915	\$ 103,797	\$ -	\$ 417,502	\$ 57,519	\$ 3,368,627	\$ 243,772	\$ 504,977	\$ 2,316,950	\$ 8,708,501
Additions during the year:												
Acquisition costs:	-	-	-	13,800	30,420	-	-	-	-	-	1,590	45,810
Exploration costs:												
Administration	-	82	-	347	31	440	-	26,873	2,367	5,965	962	37,067
Drilling	-	1,312	-	137,120	-	75,744	-	976,577	202	7,449	-	1,198,404
Geochemistry	-	-	-	132	10,811	-	-	19,396	5	6,624	3,254	40,222
Geology	7,763	470	6,448	17,288	45,453	6,899	2,554	261,449	9,917	148,535	38,539	545,315
Geophysics -Ground	-	-	200	475	1,259	2,690	200	251,542	360	28,856	539	286,121
Licences and fees	3,431	150	3,800	-	-	-	900	47,230	-	2,957	34,027	92,495
Mobilization/demob.	-	-	-	-	8,491	-	-	306,136	7,450	11,906	-	333,983
Permitting	-	-	-	-	330	-	-	3,203	161	1,520	2,831	8,045
Prospecting	-	-	-	-	31,641	-	-	385	-	11,849	29,407	73,282
Trenching/line cutting	-	-	-	537	3,090	-	-	4,079	-	3,422	-	11,128
	11,194	2,014	10,448	155,899	101,106	85,773	3,654	1,896,870	20,462	229,083	109,559	2,626,062
Less:												
Recoveries	-	(395)	-	-	-	(19,500)	-	(48,330)	(14,673)	-	(31,628)	(114,526)
Write down	-	(21,007)	-	-	-	-	-	-	-	-	-	(21,007)
	-	(21,402)	-	-	-	(19,500)	-	(48,330)	(14,673)	-	(31,628)	(135,533)
Net additions	11,194	(19,388)	10,448	169,699	131,526	66,273	3,654	1,848,540	5,789	229,083	79,521	2,536,339
Balance at												
September 30, 2005	\$ 1,153,120	\$ 416,128	\$ 128,363	\$ 273,496	\$ 131,526	\$ 483,775	\$ 61,173	\$ 5,217,167	\$ 249,561	\$ 734,060	\$ 2,396,471	\$ 11,244,840

(1) Included in "Other Properties" in 2004.

Management Discussion and Analysis

For the Nine months Ended September 30, 2005

BAFFIN ISLAND PROJECT, NUNAVUT

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. The Company preliminary budget for the 2005 Baffin Island exploration program as follows:

Table 1 – Baffin Island Budget

	Preliminary Budget	Cost to Date Actual	Variance
Administration	\$ 50,000	\$ 35,205	\$ 14,795
Drilling	550,000	984,228	(434,228)
Geochemistry	100,000	26,025	73,975
Geology	120,000	419,901	(299,901)
Geophysics -Ground	470,000	280,758	189,242
Licences and fees	40,000	50,187	(10,187)
Permitting	-	4,884	(4,884)
Mobilization/demob.	-	325,492	(325,492)
Prospecting and trenching	670,000	19,735	650,265
	<u>\$ 2,000,000</u>	<u>\$ 2,146,415</u>	<u>\$ (146,415)</u>

Cost to date for Baffin Island reflects the combined expenditures for the Qimmiq, Dewar Lake and Bravo Lake properties at September 30, 2005. The overall program was less than 10% over budget with large variances reflecting Management's decision to focus resources on the drill program and reduction of the ground geophysics, prospecting and channel sampling programs.

Mobilization/demob costs include moving supplies into the field and ongoing camp costs. These costs will be allocated based on a percentage of man days attributed to the three properties.

Exploration by the Company on the Qimmiq, Dewar and Bravo Lake properties on central Baffin Island from 2003 to 2005 resulted in the discovery of 14 gold occurrences over a strike length of 140 kilometres. The principal exploration target on the property is an iron formation-hosted gold deposit similar to the Proterozoic iron formation-hosted Homestake gold deposit in South Dakota, USA. Potential also exists on the property for Broken Hill-type zinc-silver and Raglan-Type nickel-copper deposits.

The area is underlain by a sequence of Lower Proterozoic (1.9 billion years old) sedimentary and volcanic rocks. The Bravo Lake Formation is the principal unit of economic interest on the property and is host to the fourteen known gold occurrences including Malrok, Ridge Lake and Durette. Diamond drilling has only been carried out on the Malrok and Ridge Lake prospects.

Exploration work to date has discovered at least two separate iron formation units within the target Bravo lake Formation, each containing high grade gold values. The upper iron formation is a "silicate" garnet-amphibole-sulphide-bearing unit and the lower is a "sulphide" pyrrhotite-arsenopyrite iron formation within a thick sulphidic sediment package. In each unit, gold has been discovered primarily as free gold,

Management Discussion and Analysis

For the Nine months Ended September 30, 2005

disseminated, within quartz veins and associated with fractures in arsenopyrite. In addition, evidence for strong stockwork quartz-veined high-grade gold mineralization in a quartzite unit has been recognized at the Durette Prospect at a higher level in the sequence providing evidence for localized mineralized centres.

The results to date confirm the potential for thick, high-grade gold zones within 100 metres of surface on the property. The Company is highly encouraged and believes there is excellent potential for an economic gold resource to be found.

Qimmiq Property (Gold Project)

On June 18, 2003, the Company entered into an option agreement with BHP Billiton Diamonds Inc. (“BHP Billiton”) to explore for gold and base metals on Nunavut Tunngavik Incorporated leases on Baffin Island, Nunavut. The two main prospects: Malrok, which was drill-tested in 2004, and; Ridge lake, the focus of the 2005 program are located on the Qimmiq property. The 2005, program was designed to follow-up encouraging results from the 2003 and 2004 programs. The 2005 project included detailed geological mapping, prospecting, ground Electromagnetic (“EM”) and Magnetic (“Mag”) geophysical surveys and diamond drilling.

Qimmiq Exploration Program

The first phase of the 2005 field program commenced in early May consisting of a ground Magnetic (Mag) geophysical survey covering the 3.5 kilometre Ridge Lake prospect and a portion of the Peninsula prospect area. The geophysical program was followed by geological mapping and prospecting commencing on June 18th. The diamond drilling program commenced on July 15th. Additional geological mapping was focused on Ridge lake West and some infill channel sampling was completed. In addition, detailed geological mapping, channel sampling, ground Mag and Electromagnetic (EM) surveying was completed on the Durette Prospect and to a lesser extent on the Qim5 prospect area.

The Ridge Lake prospect is 3.5 kilometres long within a prominent east-west structural corridor defined by strong folding, locally intense shearing and alteration. The Company drilled 2,758 metres in 32 holes in 2005 on the Ridge Lake prospect with an average hole depth of about 75 metres. The drill holes were spotted using surface geology, surface gold mineralization and the results from limited 2004 drilling, airborne and ground geophysical data.

The 2005 program was highlighted by hole 05-35 which cut 10.63 g/t gold over 8.89 metres including 21.30 g/t gold over 4.24 metres at a shallow depth of 89 metres. The intercept is within the lower gold-bearing sulphide iron formation unit that starts at surface and remains open. Hole 05-35 was the deepest of several drilled in a pattern to follow-up hole 04-08 drilled in 2004 that intersected 5.44 g/t gold over 2.48 metres. Holes drilled 50 to 80 metres to the west and north of 05-35 intersected the same thick gold-bearing lower iron formation at shallower depths with gold grades ranging from 2.8 g/t to 5.4 g/t gold. Approximately 500 metres to the west, the same lower sulphide iron formation was intersected following high-grade intercepts in 2004 that included 17.48g/t over 2.15 metres. The most westerly and southerly of the holes drilled this year (05-44), intersected 15.13 grams per tonne gold over 1.67 metres in the lower iron formation, 650 metres west of hole 05-35 and 175 metres west and down-dip from hole 04-02 (17.48 grams per tonne gold over 2.15 metres). The interval appears to be continuous up-dip to exposed surface mineralization and opens the system to the south and west.

Management Discussion and Analysis

For the Nine months Ended September 30, 2005

The upper silicate iron formation on the Ridge Lake Prospect also shows potential with results that included 14.16 g/t gold over 1.62 metres (05-32), 10.24 g/t gold over 1.90 metres (05-19) and 9.34 grams per tonne gold over 1.99 metres (05-38).

Surface gold mineralization is known from several additional areas extending more than 1,000 metres further west from hole 05-44. The gold system is also open for more than 1,000 metres to the east of hole 05-35 where there has either been no drilling or very shallow drilling that did not drill deep enough to intersect the lower iron formation. The potential for additional significant high grade gold mineralization remains open in all directions.

A summary of selected drill results:

Selected Drill hole Results

Hole	From (m)	To (m)	Length (m)	Gold (g/t)	Length (feet)	Gold (oz/t)	Iron formation LIF = Lower UIF = Upper
New Results							
05-38	23.44	25.43	1.99	9.34	6.52	0.28	UIF
05-40	48.73	52.85	4.12	2.31	13.51	0.07	LIF
05-41	33.61	35.32	1.71	7.18	5.60	0.21	LIF
	115.9				2.88	0.29	
05-43	3	116.81	0.88	10.15			LIF
	157.3				5.48	0.44	
05-44	3	159.00	1.67	15.13			LIF
Previously released							
05-19	35.07	36.97	1.90	10.24	6.23	0.30	UIF
05-32	25.25	26.87	1.62	14.16	5.31	0.41	UIF
05-32	80.08	83.77	3.69	3.46	12.10	0.10	LIF
05-33	91.97	96.01	4.04	2.84	13.25	0.08	LIF
05-35	84.45	93.34	8.89	10.63	29.16	0.31	LIF
<i>Including</i>	89.10	93.34	4.24	21.30	13.90	0.62	
05-36	88.22	90.09	1.87	5.39	6.13	0.16	
04-02	67.05	69.20	2.15	17.48	7.05	0.51	LIF
<i>Including</i>	68.05	69.20	1.15	31.34	3.77	0.91	
04-08	35.13	37.61	2.48	5.44	8.13	0.16	LIF
04-09	28.68	30.18	1.50	15.06	4.92	0.44	LIF
04-10	35.08	41.73	6.65	4.08	21.81	0.12	LIF
<i>Including</i>	35.08	36.14	1.06	12.00	3.47	0.35	

NOTE: True width is 90-95% of drilled width.

No work was completed on the Malrok Prospect in 2005. At Malrok, located 30 kilometres to the west of Ridge Lake, gold mineralization has been traced through surface sampling and drilling over a strike length of approximately two kilometres. The gold is hosted in the upper silicate iron formation, but drilling has not penetrated deep enough to intersect the lower iron formation target. Drilling results down to 50 metres depth included 15.12 g/t gold over 3.0 metres and 12.1 g/t gold over 3.3 metres. The shallow gold zone with local high grade sections extends down-dip from surface for at least 130 metres and remains open along strike and down dip.

Management Discussion and Analysis

For the Nine months Ended September 30, 2005

Qimmiq Future Developments

The next phase of drilling at Ridge Lake will be a series of fences to expand the high-grade zone in the vicinity of hole 05-35 and test the lower iron formation on the eastern portion of the Ridge Lake Prospect. Detailed additional drilling will be planned to find the thicker, higher grade gold zones between the area of hole 05-35 and 05-44 and extending to the west and south. Step out drill holes further west along the Ridge Lake prospect and down-dip to the south to follow-up other high-grade surface gold showings are now warranted based on the drill success to date.

Additional drill-testing is warranted at Malrok to follow-up the high-grade results from 2004 and to test at depth for the lower sulphide iron formation discovered at Ridge Lake.

Dewar Lake, Nunavut (Gold Project)

On June 18, 2003, the Company entered into an option agreement with BHP Billiton to explore for gold and base metals on three Nunavut Prospecting Permits located on Baffin Island, totaling 162,947 acres. The Company earned a 100% interest in the property with completion of the 2004 program.

Bravo Lake, Nunavut (Gold Project)

On August 21, 2003, the Company entered into an option agreement with Falconbridge Limited ("Falconbridge") to explore for gold, diamonds and other metals on twelve Nunavut Exploration Permits on Baffin Island, Nunavut.

Bravo Lake Exploration Program

Work on the Bravo Permits in 2005 was focused on the Durette and 2369 prospect areas at the eastern end of the property (approximately 40 kilometres to the east of Ridge Lake). Detailed geological mapping, ground magnetic and electromagnetic surveys and channel sampling were completed. A total of 179 channel samples and 121 grab samples were collected from Durette/2369.

Bravo Lake Exploration Results

An intense plumbing system with high-grade gold in a quartz stockwork system hosted by quartzite was outlined at the Durette Prospect. Extensive chip and channel sampling returned 40 samples exceeding 1 gram per tonne gold, with 10 of these samples ranging from 11 to 47 grams per tonne gold. The best channel samples were 28.9 grams per tonne gold over 2.0 metres and 18.0 grams per tonne gold over 2.0 metres. The samples were scattered along a 500 metre strike length which ran into a lake at the east end and was covered by overburden to the west. 250 metres further west from the main area a single grab sample contained 17 grams per tonne gold. The quartzite unit occurs stratigraphically above the iron formation horizons that host gold at Ridge Lake and Malrok and it is anticipated that the two gold-bearing iron formations will be found at depth at Durette within a very intense mineralized system.

Blue Hills and White Bear, Newfoundland (Uranium Project)

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

Management Discussion and Analysis

For the Nine months Ended September 30, 2005

year term by making cash payments of \$82,200, issuing 201,000 common shares, a warrant to purchase 250,000 common shares exercisable at a price of \$1.00 per share and completing \$1,000,000 in exploration work.

To date, the Company has paid \$7,500 and issued 21,000 common shares. The warrant is exercisable only if a Mineral Reserve (as defined in National Instrument 43-101) of at least \$500 million is defined and will expire on the earlier of the date the Company exercises the option or March 4, 2009. The agreement is subject to a 2% of Net Smelter Returns Royalty for the vendors with a buy-back of 1% of the royalty for \$1.0 million.

On March 29, 2005, the Company entered into a separate option agreement to earn a 100% interest in the Couteau Lake Property from a prospector 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. To date, the Company has paid \$7,000 in cash and issued 20,000 common shares. The first year expenditure commitment is \$40,000. The agreement is subject to a 2% of Net Smelter Returns Royalty for the vendor with a buy-back of 1% of the royalty for \$1 million.

Blue Hills and White Bear Exploration Program

The Company completed the first phase of its field program consisting of prospecting, sampling and mapping on the Blue Hills and White Bear uranium project, located just north of the port of Burgeo on the south coast of Newfoundland. The properties have not been previously drilled, are located close to a paved highway and power line, close to a sea port and are in a sparsely vegetated area.

Field crews equipped with handheld scintillometers successfully located the main mineral showings in outcrop and boulder fields that were reported and documented by Shell Minerals, and worked by the Central Electricity Generating Board (CEGB) in the early 1980's.

More than 100 rock chip and channel samples were collected from boulder and outcrop exposures where radiometric anomalies were recorded. Samples collected averaged 2 to 3 kilograms each consisting of an aggregate of numerous rock chips. A few saw-cut channel samples and a number of single "grab" samples were collected.

Blue Hills and White Bear Exploration Results

Results from 111 samples analyzed included numerous high-grade values with 18 samples exceeding 0.18% U_3O_8 and 33 samples exceeding 0.09% U_3O_8 . Highest values reported were 0.56% U_3O_8 , 0.53% U_3O_8 , 0.46% U_3O_8 and 0.42% U_3O_8 . A total of 57 samples returned values exceeding 0.045% U_3O_8 .

Results for approximately 15 individual grab samples collected from specific sites in the area of the larger samples and from outcrop and boulders verified historical results reported by Shell Canada and CEGB. On Blue Hills, bedrock samples on the Main prospect ran 2.06% U_3O_8 and 0.422 % U_3O_8 . On the White Bear River Property, three angular boulders from the #3 prospect returned values from five samples including 0.564% U_3O_8 , 0.512% U_3O_8 and 0.714% U_3O_8 .

Mineralization on the properties appear to be stratabound. At the "Main" prospect on Blue Hills, 21 samples returned in excess of 0.09% U_3O_8 and 10 samples were in excess of 0.18% U_3O_8 . A composite of three consecutive saw-cut channel samples from a bedrock exposure graded 0.11% U_3O_8 . over 1.5 metres.

Management Discussion and Analysis

For the Nine months Ended September 30, 2005

The best rock chip sample ran 0.56% U_3O_8 from another part of the bedrock exposure. At the #4 Boulder Prospect, located about 600 metres to the east along strike from the Main prospect, 2 samples returned 7.84 pounds per tonne and 4.32 pounds per tonne U_3O_8 . The main host rocks are fine-grained felsic volcanics with strong silica and sericite alteration.

A new discovery, named the “Doucette Prospect” was made by prospector Wayne Doucette using a handheld spectrometer. The new discovery consists of stratiform uranium mineralization in metamorphosed sedimentary rocks. The Doucette Prospect consists of numerous angular boulders scattered over a distance measuring several hundred metres across the strike of the local stratigraphy. Sixteen composite rock chip samples from this new discovery returned values ranging from 0.13% to 1.32% U_3O_8 . Six of these samples contained in excess of 0.67% U_3O_8 .

The discovery is located on the White Bear River Property, about 500 metres southeast of the #3 uranium prospect where rock chip samples in boulders contain up to 0.56% U_3O_8 and up to 0.47% U_3O_8 in outcrop. Two samples collected about 200 metres further south of the Doucette Prospect from similar rocks contained 0.15% U_3O_8 and 0.06% U_3O_8 . High count readings from layered rocks resulted in the collection of some 25 composite rock chip samples averaging 1.5 kilograms each.

Blue Hills and White Bear Future Plans

The current exploration program in southern Newfoundland will continue until the end of November. Trenching of the main prospect at Blue Hills and the new “Doucette Prospect” on White Bear is planned. Additional prospecting and ground geophysical surveys are also planned. Results of this next work will be used to plan the next program which may include a winter trenching and/or drill program.

Results of Operations

-Current Quarter Results

Cash and cash equivalents of \$99,324 decreased \$195,462 from the previous quarter, as cash was used to fund operating and investing activities. Operating activities used \$129,268 of which general and administrative expenses used \$178,150 and non-cash working capital items provided \$48,882. Investing activities used \$66,194 with mineral property acquisitions and exploration costs using \$1,535,399 while cash exploration funds provided \$908,443.

General and administrative expenses of \$426,664 represented a \$244,006 increase from the previous quarter \$182,658. The increase was largely due stock-based compensation expense. Other fluctuations from the previous quarter are noted below:

- Stock-based compensation expense of \$258,342 (Q2 - \$7,855) represented the vesting of 808,000 stock options. On July 20, 2005, the Company granted 783,000 stock options to directors, officers, employees and consultants all of which vested during the quarter.
- Gain on sale of marketable securities of \$111,623 (Q2 - \$38,896) reflects the sale of investments to provide working capital for the Company. During the quarter, the Company sold 387,000 shares of Diamonds North Resources Ltd.



Management Discussion and Analysis

For the Nine months Ended September 30, 2005

- Future income taxes \$323,406 (Q2 - \$222,958) reflects the net expenditure of flow-through exploration funds whereas the previous quarter reflected the net receipt from the June 22, 2005 flow-through financing.

-Nine months ended September 30, 2005 compared with the Nine months Ended September 30, 2004

The Company had no revenues for the nine months ended September 30, 2005 whereas the comparative period included \$19,250 for the final payment of the Company's production interest in the Hammerdown/Rumbullion Gold Deposit and \$62,788 in mineral property transactions. General and administrative expense of \$950,636 (2004 - \$1,368,359) represented a \$417,723 decrease over fiscal 2004. Notable fluctuations in comparison to the comparative period are:

- Investor relations and promotion expense of \$140,761 has decreased from the comparative fiscal period. The current period includes cost associated with full-time employment of a corporate communications person. A breakdown as follows:

	<u>Q3 - 2005</u>	<u>Q3 - 2004</u>
Administration	\$ 28	\$ 12,721
Conferences and trade shows	53,271	71,062
Consulting, wages and benefits	50,172	6,524
Media	8,631	34,290
Promotion and advertising	28,659	35,883
	<u>\$ 140,761</u>	<u>\$ 160,480</u>

- Salaries and benefits expense of \$145,623 (2004 - \$280,532) represented a \$134,909 decrease over 2004. Higher costs in 2004 were due to expenses related to hiring of a new President. The costs included a signing bonus paid to the new President to facilitate vacating his former position early and the transition period when compensation was paid to both the new and former presidents.
- Stock-based compensation expense of \$368,310 (2004 - \$670,250) represented the vesting of 1,058,000 stock options. Stock-based compensation expense is a non-cash item.

For the nine months ended September 30, 2005, the Company's loss before taxes was \$877,322 (2004 - \$1,453,094). The loss after a future income taxes of \$173,906 (2004 - \$553,455) was \$703,416 (2004 - \$899,639). The Company does not anticipate paying cash dividends during fiscal 2005.



Management Discussion and Analysis
For the Nine months Ended September 30, 2005

Summary of Quarterly Results, For the Three Months Ended:

	Dec. 31 2003 Q4	Mar. 31 2004 Q1	Jun. 30 2004 Q2	Sept. 30 2004 Q3	Dec. 31 2004 Q4	Mar. 31 2005 Q1	Jun. 30 2005 Q2	Sept. 30 2005 Q3
Mineral expenditures, net	\$ 73,699	\$ 127,928	\$ 1,553,593	\$ 1,923,323	\$ 149,112	\$ 183,624	\$ 829,253	\$ 1,535,399
Revenues	\$ 81,360	\$ 19,478	\$ 62,788	\$ -	\$ (228)	\$ -	\$ -	\$ -
G&A (incl. stock comp.)	\$ 332,928	\$ 413,530	\$ 620,971	\$ 333,858	\$ 284,807	\$ 341,314	\$ 182,658	\$ 426,664
Stock comp. expense	\$ 163,919	\$ 166,885	\$ 393,358	\$ 110,007	\$ 7,855	\$ 102,113	\$ 7,855	\$ 258,342
G&A (less stock comp.)	\$ 169,009	\$ 246,645	\$ 227,613	\$ 223,851	\$ 276,952	\$ 239,201	\$ 174,803	\$ 168,322
Income (loss)	\$ (2,502,509)	\$ (367,358)	\$ (168,255)	\$ (364,026)	\$ (459,486)	\$ (286,261)	\$ (409,489)	\$ (7,666)
Income (loss) per share								
-basic and diluted	\$ (0.14)	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ -
Weighted avg. common shares								
-basic and diluted	17,677,629	18,004,378	22,890,063	25,967,914	25,314,313	30,764,701	31,452,614	36,208,162

The Company's predominant exploration project is currently on Baffin Island, Nunavut in Canada's far north and is subject to seasonal working conditions. The Company's exploration program on this project typically runs during the spring and summer to early fall periods so most of the expenditures are incurred during the second and third quarters. In 2004, the Company's net mineral expenditures for these two quarters was \$1,553,593 and \$1,923,323. In 2005, the Company's net mineral expenditures for these two quarters was \$829,253 and \$1,519,683. Cost for the 2005 exploration program was less than 2004 as the Company did not fly an airborne geophysical survey and drilled fewer total metres.

Since the adoption of the CICA accounting standard for stock-based compensation in the fourth quarter of fiscal 2003, the Company's general and administrative quarterly expense has increased and has been subject to large fluctuations. 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 included which is more reflective of normal operations.

In 2004, overall general and administrative expenses have increased as the Company increased investor relations activity in promoting the Company's activities and overlap cost for the transition of the new President. In 2005, general and administrative expenses are expected to be lower in comparison to 2004.

Liquidity

At September 30, 2005, the Company had \$519,324 in working capital, which was not sufficient to complete the Company's revised business objectives for 2005. Management decided to expand exploration work on the Newfoundland uranium project. Based on encouraging results, the Company staked additional ground to cover the area between the Blue Hills and White Bear properties. To help furnish the Company's additional cash requirements, management completed a financing on October 21, 2005, noted below, and sold portions of its marketable securities. Management has been cognizant of the dilution to shareholders caused by equity

Management Discussion and Analysis

For the Nine months Ended September 30, 2005

financing and sees the sale of its marketable securities as an alternative cash source to help preserve shareholder value.

On June 22, 2005, the Company completed a private placement of 5,093,667 flow-through common shares at a price of \$0.24 per share were issued for net proceeds of \$1,207,163. The securities were subject to a four month hold period which expired on October 21, 2005. Finders' fees were paid consisting of \$7,980 in cash and 204,166 in common shares. In addition, the Company raised \$13,700 from the exercise of 50,000 stock options.

On October 21, the Company completed a private placement financing announced on September 22, 2005 and amended on October 19, 2005. The non-brokered private placement was comprised of 2,283,650 flow-through common shares at \$0.35 per flow-through share and 1,089,575 non flow-through Units at \$0.33 per Unit, each Unit consisting of one common share and one-half non-transferable share purchase warrant. Each whole warrant is exercisable into one common share to October 20, 2006 at a price of \$0.45 per common share. The securities have a hold period and may not be traded until February 21, 2006. Finder's fees of \$2,082 were paid in cash.

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 was required to meet certain obligations during fiscal 2005 to keep the options in good standing:

- On the Big Hill property in Newfoundland, the Company issued 60,000 common shares to Black Bart Prospecting Inc. and spent a minimum of \$75,000 in exploration expenditures before July 31, 2005.
- On the Blue Hill and White Bear properties in Newfoundland, the Company issued 21,000 common shares and must spend a minimum of \$75,000 on exploration by March 16, 2006.
- On the Couteau lake Property in Newfoundland, the Company issued 20,000 common shares and must spend \$40,000 on exploration by April 22, 2006.
- On Bravo Lake in Nunavut, the Company was required to spend a minimum of \$71,000 on exploration before December 31, 2005. This was accomplished prior to the end of the quarter.

Off-Balance Sheet Arrangements

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

Management Discussion and Analysis

For the Nine months Ended September 30, 2005

Related Party Transactions

Included in marketable securities at September 30, 2005 are 1,162,500 common shares of Diamonds North Resources Ltd. (“Diamonds North”), a company related by a common director, Bernard Kahlert and 167,647 common shares of Fjordland Explorations Inc. a company related by a common director, Victor Tanaka.

The Company shares certain administrative costs with four other companies related by virtue of common directors. Included in accounts receivable is an aggregate of \$2,860 owed by those companies for shared administrative expenses. Included in accounts payable is \$13,166 owed to Diamonds North relating to shared office premises and administrative staff.

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

Proposed Transactions

None.

Critical Accounting Estimates

There have been no significant changes in critical accounting estimates from those disclosed in the annual MD&A for the year ended December 31, 2004.

Changes in Accounting Policies

The CICA issued Accounting Guideline 15, “Consolidation of Variable Interest Entities,” which became effective for fiscal years beginning on or after November 1, 2004. This guideline addresses the application of consolidation principles to entities that are subject to control on a basis other than ownership based on voting equity. The Company adopted the accounting guideline on January 1, 2005. The adoption of this guideline did not have any impact on these financial statements.

Financial Instruments

Marketable securities are carried at the lower of cost or quoted market value. When market value is below cost, any unrealized loss is charged to income. The Company sold 557,500 shares of Diamonds North during the quarter and subsequent to the quarter end, sold another 243,000 shares. The quoted market value of marketable securities at September 30, 2005 was \$941,625.

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 39,599,648 issued common shares outstanding and the following unexercised stock options, warrants and agents’ options:

Management Discussion and Analysis
 For the Nine months Ended September 30, 2005

-Stock Options

Expiry Date	Exercise Price	Number of Shares
September 11, 2006	\$0.23	179,332
January 23, 2008	\$0.20	430,337
August 20, 2008	\$0.26	221,666
September 10, 2008	\$0.45	5,000
December 18, 2008	\$0.50	75,000
January 21, 2009	\$0.53	700,000
February 19, 2009	\$0.64	50,000
May 18, 2009	\$0.56	791,000
September 6, 2009	\$0.40	100,000
September 21, 2009	\$0.40	200,000
January 24, 2010	\$0.34	50,000
July 19, 2010	\$0.25	783,000
		3,585,335

-Warrants

Expiry Date	Exercise Price	Number of Shares
October 20, 2006	\$0.45	544,788
December 8, 2005/2006	\$0.45/\$0.50	2,500,000
		3,044,788

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OFFICERS & DIRECTORS

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*President, Chief Executive Officer
and Director*

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

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

Albert F. Reeve, P.Eng.
Director

Victor A. Tanaka, P.Geo.
Director

Brian Abraham, LLB., P.Geo
Director

Michael Lee
Chief Financial Officer

Janice Davies
Corporate Secretary

Maynard E. Brown, LLB.
Assistant Corporate Secretary

LISTINGS

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

CAPITALIZATION

(as at September 30, 2005)

Shares Authorized: Unlimited
Shares Issued: 36,226,423

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