



COMMANDER RESOURCES LTD.

INTERIM REPORT

For the Nine-Month Period Ended
September 30, 2009

(Unaudited)

Notice

Notice of No Auditor Review of the Interim Financial Statements

The accompanying unaudited interim financial statements of Commander Resources Ltd. ("Commander"), for the nine months ended September 30, 2009, have been prepared by management and have not been the subject of a review by Commander's independent auditor.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Interim Balance Sheets

As at September 30, 2009 and December 31, 2008

(Unaudited)

(expressed in Canadian dollars)

	September 30, 2009 (Unaudited)	December 31, 2008 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	\$ 213,556	\$ 960,486
Marketable securities (Note 4)	257,087	172,513
Accounts receivable (Note 5)	854,948	70,390
Due from related parties (Note 12(a))	1,364	11,819
Prepaid expenses	43,382	41,217
Field supplies (Note 6)	320,550	131,193
	1,690,887	1,387,618
Investment in warrants (Note 7)	77,995	-
Mineral properties (Note 8)	21,821,465	22,206,949
Property and equipment (Note 9)	13,710	22,272
	\$ 23,604,057	\$ 23,616,839
LIABILITIES		
Current liability		
Accounts payable and accrued liabilities (Note 10)	\$ 1,105,075	\$ 180,867
Future income taxes	1,440,365	1,440,365
	2,545,440	1,621,232
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	35,967,895	36,573,769
Contributed surplus	965,352	230,695
Option compensation	1,034,777	1,662,513
Deficit	(16,517,776)	(16,090,369)
Accumulated other comprehensive income/(loss)	(391,631)	(381,001)
	21,058,617	21,995,607
	\$ 23,604,057	\$ 23,616,839

Nature of Operations and Going Concern (Note 1)

Commitment (Note 13)

Subsequent Events (Note 16)

Approved by the Directors:

"Kenneth E. Leigh"

Kenneth E. Leigh

"Michael W. Byrne"

Michael W. Byrne

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Interim Statements of Operations

(Unaudited)

(expressed in Canadian dollars)

	For Three Months Ended September 30,		For Nine Months Ended September 30,	
	2009	2008	2009	2008
General and administrative expenses				
Accounting and audit	\$ 22,400	\$ 28,123	\$ 67,200	\$ 104,094
Administration and other fees	-	(1,880)	(583)	(9,514)
Amortization	3,155	4,681	9,313	14,043
Annual report and meeting	(502)	-	5,284	3,416
Consultants	9,000	12,704	27,388	33,704
Insurance	9,056	11,368	31,380	34,106
Investor relations and promotion	29,452	28,862	84,125	146,846
Legal	6,884	192	8,940	7,115
Office and miscellaneous	7,371	10,398	25,556	67,152
Regulatory and transfer agent fees	4,133	4,685	23,636	26,667
Rent and storage	16,581	20,523	55,757	66,512
Salaries and benefits	54,242	63,377	126,727	215,638
Stock-based compensation	74,273	72,115	110,636	133,040
Loss before the undernoted	(236,045)	(255,148)	(575,359)	(842,819)
Investment income	487	7,916	1,592	24,974
Property investigation	-	(1,715)	(2,593)	(2,473)
Write-down of mineral properties	-	-	(430,621)	(8,792)
Mineral property recovery	-	-	-	561,257
Flow-through charges	-	-	-	(43,505)
Gain/(loss) on sale of marketable securities	(11,606)	-	(11,606)	213,645
Unrealized loss on derivative instruments	13,118	-	(26,409)	-
Loss before taxes	(234,046)	(248,947)	(1,044,996)	(97,713)
Future income tax recovery	-	-	617,589	410,312
Net profit/(loss) for the period	(234,046)	(248,947)	(427,407)	312,599
Deficit, beginning of period	(16,283,730)	(15,468,934)	(16,090,369)	(16,030,480)
Deficit, end of period	\$ (16,517,776)	\$ (15,717,881)	\$ (16,517,776)	\$ (15,717,881)
Loss per share - basic	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ 0.00
Earnings/(loss) per share - diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ 0.00
Weighted average number of common shares outstanding	79,591,538	77,809,926	79,578,926	72,524,292
Weighted average number of shares outstanding - Diluted	79,591,538	77,809,926	79,578,926	80,467,220

Breakdown of Non-Cash Stock-Based Compensation

For the Nine Months Ended September 30

(expressed in Canadian dollars)

	For Three Months Ended September 30,		For Nine Months Ended September 30,	
	2009	2008	2009	2008
Accounting	\$ 1,492	\$ 3,130	\$ 2,828	\$ 6,260
Consultants	29,556	48,016	37,576	84,841
Investor relations	1,388	-	2,501	-
Salaries and benefits	41,837	20,969	67,731	41,939
Total Stock-Based Compensation	\$ 74,273	\$ 72,115	\$ 110,636	\$ 133,040

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Interim Statements of Comprehensive Loss

(Unaudited)

(expressed in Canadian dollars)

	For Three Months ended September 30,		For Nine Months ended September 30,	
	2009	2008	2009	2008
Net profit/(loss) for the period	\$ (234,046)	\$ (248,947)	\$ (427,407)	\$ 312,599
Unrealized profit/(loss) of available for sale investments	56,453	(287,735)	(20,786)	(384,637)
Transfer to income/loss of realized gains/loss on sale of investments	10,156	-	10,156	(49,755)
Comprehensive loss for the period	\$ (167,437)	\$ (536,682)	\$ (438,037)	\$ (121,793)

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Interim Statements of Cash Flows

(Unaudited)

(expressed in Canadian dollars)

	For Three Months ended September 30,		For Nine Months ended September 30,	
	2009	2008	2009	2008
Cash provided from (used for):				
Operating activities				
Net income/(loss) for the period	\$ (234,046)	\$ (294,334)	\$ (427,407)	\$ 561,546
Items not involving cash:				
Amortization	3,155	4,681	9,313	9,362
Gain/loss on sale of marketable securities	11,606	-	11,606	(213,645)
Stock-based compensation	74,273	57,535	110,636	60,925
Unrealized gain/loss on derivative instruments	(13,118)	-	26,409	-
Write-down of mineral properties	-	-	430,621	8,792
Future income tax recovery	-	-	(617,589)	(410,312)
	(158,130)	(232,118)	(456,411)	16,668
Changes in non-cash working capital items:				
Accounts receivable	(805,183)	(92,888)	(784,558)	(45,161)
Government grant receivable	-	-	-	100,000
Due from related parties	2,659	3,476	10,455	3,878
Prepaid expenses	(38,817)	1,368	(2,165)	32,290
Field supplies	(189,357)	-	(189,357)	-
Recoverable deposits	-	50,438	-	57,638
Accounts payable and accrued liabilities	220,108	(138,778)	218,811	(62,855)
Cash provided by/used in operating activities	(968,720)	(408,502)	(1,203,225)	102,458
Investing activities				
Proceeds from sale of marketable securities	3,190	-	3,190	322,890
Mineral property acquisition and exploration costs	32,219	(588,091)	(259,540)	(1,057,686)
Accounts payable and accrued liabilities related to mineral properties	721,324	97,367	705,397	(382,202)
Purchase of equipment	(751)	-	(751)	-
Cash provided by/used in investing activities	755,982	(490,724)	448,296	(1,116,998)
Financing activity				
Shares issued for cash, net of issue costs	7,999	62,400	7,999	62,400
Cash provided by financing activities	7,999	62,400	7,999	62,400
Decrease in cash and cash equivalents	(204,739)	(836,826)	(746,930)	(952,140)
Cash and cash equivalents, beginning of period	418,295	1,985,122	960,486	2,100,436
Cash and cash equivalents, end of period	\$ 213,556	\$ 1,148,296	\$ 213,556	\$ 1,148,296

Supplemental Cash Flow Information (Note 15)

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Interim Statements of Shareholders' Equity

(expressed in Canadian dollars)

	Share Capital		Contributed	Option		Accumulated	Total
	Shares	Amount	Surplus	Compensation	Deficit	Other Comprehensive Income (loss)	Shareholders' Equity
Balance, December 31, 2007	69,849,660	\$ 34,803,607	\$ 69,400	\$ 1,672,798	\$ (16,030,480)	\$ 118,122	\$ 20,633,447
Net loss for the year					(59,889)		(59,889)
Other Comprehensive income (loss)							
Unrealized loss on available-for-sale investments, net of taxes						(449,368)	(449,368)
Transfer to income of realized gain on sale of investments						(49,755)	(49,755)
Shares issued for cash							
Private placement	9,300,000	2,202,000					2,202,000
Agent's compensation	251,856	52,890					52,890
Share issue costs		(117,766)					(117,766)
Non-cash transactions							
Income tax effect on flow-through share renunciation		(410,312)					(410,312)
Reclassification of option compensation on expiry of options			161,295	(161,295)			-
Property acquisition	171,000	43,350					43,350
Stock-based compensation				151,010			151,010
Balance, December 31, 2008	79,572,516	\$ 36,573,769	\$ 230,695	\$ 1,662,513	\$ (16,090,369)	\$ (381,001)	\$ 21,995,607
Net loss for the period					(427,407)		(427,407)
Other Comprehensive income (loss)							
Unrealized loss on available-for-sale investments, net of taxes						(20,786)	(20,786)
Transfer to loss of realized loss on sale of investments						10,156	10,156
Shares issued for cash							
Exercise of options	87,500	8,750					8,750
Share issue costs		(750)					(750)
Non-cash transactions							
Income tax effect on flow-through share renunciation		(617,589)					(617,589)
Reclassification of option compensation on exercise of options		3,715		(3,715)			-
Reclassification of option compensation on expiry of options			734,657	(734,657)			-
Stock-based compensation				110,636			110,636
Balance, September 30, 2009	79,660,016	\$ 35,967,895	\$ 965,352	\$ 1,034,777	\$ (16,517,776)	\$ (391,631)	\$ 21,058,617

See Accompanying Notes to the Financial Statements

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

1. Nature of Operations and Going Concern

Commander Resources Ltd. (“Commander”) 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”). Commander is an exploration stage company.

At September 30, 2009, Commander has an accumulated deficit of \$16,517,776 (2008 – \$16,090,369) and had working capital of \$585,812 (2008 – \$1,206,751). This does not include proceeds of \$1.2 million from a private placement that forms part of a newly formed partnership with AngloGold Ashanti. Management believes it has sufficient working capital to achieve Commander’s currently planned business objectives for fiscal 2009. Commander may need to complete further financings for additional drilling and exploration activities as required, and for future operations.

Commander’s financial statements have been prepared on a going concern basis, which assumes that Commander will continue to realize its assets and discharge its liabilities in the normal course of operations. Commander’s ability to continue as a going concern is dependent on continued financial support from its shareholders and other related parties, the ability of Commander to raise equity financing, and the attainment of profitable operations, external financings and further share issuances to meet Commander’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 Commander be unable to continue as a going concern.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Commander has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for mineral property interests is dependent on several factors:

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

2. Significant Accounting Policies

(a) Basis of presentation

These unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The unaudited interim financial statements should be read in conjunction with Commander’s audited financial statements including the notes thereto for the year ended December 31, 2008.

The accounting policies followed by Commander are set out in Note 2 to the audited financial statements for the year ended December 31, 2008 and have been consistently followed in the preparation of these financial statements.

(b) Changes in accounting policies

Commander has adopted CICA Handbook Section 3064, *Goodwill and Intangible Assets*, which establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. Adoption of this standard has no impact on Commander’s financial statements.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(c) Future accounting changes

The following are new CICA accounting standards that have been issued but not yet adopted by Commander:

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 generally accepted accounting principles 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 generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning January 1, 2011. The transition date will require the restatement for comparative purposes of amounts reported by Commander for the year ended December 31, 2010 and earlier where applicable. While Commander 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. Cash and Cash Equivalents

As at September 30, 2009, included in the cash and cash equivalents balance, was an amount of \$112,212 classified as restricted funds for future contingencies to be reviewed by the board on a quarterly basis. There was also an amount of \$Nil (2008 - \$43,134) 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.

4. Marketable Securities

	As at September 30, 2009						As at December 31, 2008					
	Number of Shares	Cost	Close Price	Market Value	Quarterly Unrealized Gain/(Loss)	Year-to-Date Unrealized Gain/(Loss) Before Tax	Number of Shares	Cost	Close Price	Market Value	Quarterly Unrealized Gain/(Loss)	Year-to-Date Unrealized Gain/(Loss) Before Tax
Fjordland (FEX.V)	1,517,647	\$ 211,353	0.085	\$ 129,000	\$ 22,765	\$ 882	517,647	\$ 101,353	\$ 0.035	\$ 18,118	\$ (31,058)	\$ (168,235)
Diamonds North (DDN.V)	258,000	141,280	0.165	42,570	3,870	(34,830)	258,000	141,280	0.300	77,400	(85,140)	(116,100)
Uranium North (UNR)	333	333	0.085	28	(9)	(2)	333	333	0.090	30	2	(137)
Alto Ventures (ATV.V)	1,875,000	281,250	0.040	75,000	28,125	9,375	1,875,000	281,250	0.035	65,625	(37,500)	(215,625)
Bayswater (BAY.V)	400	204	0.125	50	(14)	2,485	29,400	15,000	0.075	2,205	(1,911)	(21,903)
GBL Gold Corp (GBGD.OB)	75,000	72,439	0.139	10,439	1,716	1,304	75,000	72,439	0.122	9,135	(5,969)	(24,213)
Pamlico Resources Ltd. (PGP)	100,000	-	-	-	-	-	100,000	-	-	-	-	-
Total		\$ 706,859		\$ 257,087	\$ 56,453	\$ (20,786)		\$ 611,655		\$ 172,513	\$(161,576)	\$ (546,213)

On September 10, 2009, the Company sold 29,000 shares of Bayswater at a price of \$0.11 per share for cash proceeds of \$3,190. The cost of the shares was \$14,796 and the loss on the sale of \$11,606 was charged to the Statement of Operations.

5. Accounts Receivable

The Accounts receivable balance consists of \$61,967 in GST; a \$20,000 rent deposit and \$772,964 general accounts receivables which are mainly related to the partnership with AngloGold on the costs we incurred on the Baffin Island property.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(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 and Resolute Bay, Nunavut, and stated at the lower of cost and net realizable value.

7. Investment in Warrants

On June 4, 2009 Commander and Fjordland Exploration Inc. reached a settlement in respect to a shortfall on drilling by Fjordland on the Olympic and Rob properties. Under the terms of the settlement Fjordland issued one million units of Fjordland to Commander, comprising of one million shares and one million warrants, each warrant being exercisable at 16 cents for a period of two years. These warrants are classified as held-for-trading with changes in fair value recognized in net earnings. The unrealized loss on the warrants of \$26,409 has been included in unrealized loss on derivative investments during the nine months ended September 30, 2009.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

8. Mineral Properties

At September 30, 2009, Commander's mineral properties are comprised of properties located in Canada. Expenditures incurred on mineral properties are as follows:

	Baffin, Nunavut		Other Properties	Total
	Qimmiq	Bravo Lake		
Balance at				
December 31, 2008	\$ 9,924,937	\$ 2,443,415	\$ 9,838,597	\$ 22,206,949
Additions during the period:				
Acquisition costs:	-	50,000	-	50,000
Exploration costs:				
Drilling	16,561	-	3,417	19,978
Geochemistry	24,631	-	-	24,631
Geology	739,788	21,118	83,940	844,846
Geophysics	188,464	-	-	188,464
Mobilization/demobilization	204,351	-	-	204,351
Environment	348	-	1,082	1,430
Property	93,667	429	11,760	105,856
Prospecting	44,572	-	-	44,572
Trenching/line cutting	71,100	-	124	71,224
Administration and other, net	9,120	1,680	150	10,950
	1,392,602	23,227	100,473	1,516,302
Less:				
Recoveries	(1,222,754)	-	(219,995)	(1,442,749)
Management fees	(78,358)	-	(58)	(78,416)
Write down	-	-	(430,621)	(430,621)
	(1,301,112)	-	(650,674)	(1,951,786)
Net additions	91,490	73,227	(550,201)	(385,484)
Balance at				
September 30, 2009	\$ 10,016,427	\$ 2,516,642	\$ 9,288,396	\$ 21,821,465

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

8. Mineral Properties (continued)

Acquisitions

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

Environmental expenditures

The operations of Commander 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 Commander vary greatly and are not predictable. Commander'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 ongoing environmental and reclamation programs are charged against operations as incurred or capitalized and amortized depending on their future economic benefits. Estimated future removal and site restoration costs, when the ultimate liability is reasonably determinable, will be charged against operations over the estimated remaining life of the related business operation, net of expected recoveries.

(a) Baffin Island Properties, Nunavut

The Baffin Island Properties consists of two separate properties named Qimmiq and Bravo. Commander owns 100% of the Qimmiq Property, subject to an underlying agreement with Nunavut Tunngavik Incorporated (NTI) and certain future consideration to BHP Billiton ("BHP Billiton"). Commander is exploring the Bravo Property under an option agreement with Xstrata Nickel ("Xstrata"), a business unit of Xstrata Canada Corporation as further described under the property headings below. Commander may earn a 100% interest in the Bravo Property either by completing the terms of the existing option agreement or by exercising its right under a Purchase Letter between the parties dated May 1, 2008.

An Agreement dated May 6, 2008 between Commander and Global Resources Corporation Pty Ltd. ("GRC"), pertaining to the Baffin properties, was terminated on April 21, 2009.

On September 3, 2009, the Company reported that it had entered into a Farm-in and Joint Venture Agreement with AngloGold Ashanti Limited's subsidiary AngloGold Ashanti Holdings Plc ("AngloGold"), an agreement covering both the Qimmiq and Bravo Properties. The key terms of the Farm-in Agreement are as follows:

AngloGold may earn a 51% participating interest in the Property by spending \$20 million over a six year period, including a firm commitment to fund \$5.5 million in exploration expenditures within the first two years. The commitment includes completion of a minimum of 3,000 metres of diamond drilling;

Commander will manage the exploration for the initial two year committed program. AngloGold will pay a 10% management fee to Commander on all project expenditures incurred on the project during that period;

Once AngloGold has vested a 51% interest in the Property, a 51:49 Joint Venture will be formed. AngloGold may then elect within 60 days of vesting to increase its interest in the Property to 70% by sole-funding all on-going expenditures to complete a feasibility study within four years on at least one of the prospects on the Property.

COMMANDER RESOURCES LTD.

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For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

8. Mineral Properties (continued)

(a) Baffin Island Properties, Nunavut (continued)

Private Placement:

As part of the agreement announced on September 3, AngloGold agreed to subscribe to units of Commander totalling \$1.2 million, such units to consist of one share plus one-half share purchase warrant. The shares will be priced at \$0.12. One whole warrant will be exercisable to purchase one share of Commander for two years at a price of \$0.24. AngloGold will have the right, subject to TSX Venture Exchange approval, to participate in future private placements in order to maintain its initial equity interest level in Commander under this Agreement.

As part of the initial two-year commitment, AngloGold may provide the funds that will allow Commander to exercise its right to accelerate acquisition of ownership of 100% of the Bravo Property, which is part of the Baffin Gold Project.

Up to September 30, 2009, total recoveries on the Qimmiq project from Anglo Gold amounted to \$1,211,761.

(i) Qimmiq

On February 22, 2008, Commander and BHP Billiton signed an Option Acceleration Agreement ("Revised Agreement"), providing Commander the option to accelerate its rights to earn a 100% interest in the Qimmiq Property by paying the lump sum of \$400,000 in cash to BHP Billiton on or before September 30, 2008. The deadline for this cash payment was subsequently extended to January 31, 2009, again to February 28, 2009 and again to April 30, 2009 through amending letters dated September 21, 2008, January 30, 2009 and February 25, 2009. On April 30, 2009, Commander exercised its right to accelerate its interest to 100% in the Property after BHP Billiton agreed to waive the \$400,000 cash payment required under the Option Acceleration Agreement. The Revised Agreement is now the only agreement between Commander and BHP Billiton pertaining to the Qimmiq Property.

Under the Revised Agreement, 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 would apply to 50% of the non-gold concentrates; the other 50% of the non-gold concentrates available for Commander to support or facilitate mine financing terms and other project capitalization and BHP Billiton shall retain a ROFR to match such financing terms. Commander will retain 100% control over the sale and marketing of all gold concentrates or gold products produced from the Property. The Revised 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 the terms and conditions of the underlying NTI agreements, which include a 12% royalty to NTI on net profits payable on production.

(ii) Bravo Lake

Commander has an option agreement with Xstrata Nickel to explore the Bravo Lake Property. Commander has the right to earn a 100% interest in the property by incurring \$8 million of exploration expenditures on the property by 2011. Commander has incurred approximately \$2.5 million in exploration expenditures up to September 30, 2009. Under the agreement, Xstrata holds certain back-in rights to nickel, base metal or diamond deposits. There are no back-in rights to a gold discovery. The property is subject to certain royalties payable to Xstrata Nickel including a sliding scale NSR from 1% to 3% on gold production, a 2% NSR on nickel production, a 1.5% NSR on (non-nickel) base metal production, and a 2% gross overriding royalty on diamond production. The property was expanded by staking in September 2009 with the addition of 42 Mineral Claims totalling 34,964 Hectares (86,400 acres).

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

8. Mineral Properties (continued)

(a) Baffin Island Properties, Nunavut (continued)

(ii) Bravo Lake (continued)

On May 1, 2008, Commander entered into a Purchase Letter with Xstrata providing Commander the option to accelerate its ownership in the Bravo Property to 100% for total cash payments to Xstrata of \$750,000 by December 31, 2008. In an amending letter dated November 13, 2008, the deadline for the unpaid balance of \$575,000 was extended to \$575,000 by June 30, 2009 (further extended to December 31, 2009). If Commander elects not to accelerate the option, the existing Letter Agreement will remain in effect and the work commitments in 2008 as required under the original option agreement will be carried forward to 2009.

If Commander proceeds with this option, the only rights retained by Xstrata would be a ROFR to purchase all or any portion of the concentrates or other such mineral products produced from any non-gold resource on the property. For the first four years of commercial production, Xstrata's right would apply to 50% of the concentrates; the other 50% of the concentrates available for Commander to support or facilitate mine financing terms and other project capitalization and Xstrata shall retain a ROFR to match such financing terms. Xstrata will also retain the royalties provided under the original Letter Agreement but under the Purchase Letter, 50% of the royalties may be purchased by Commander for \$1 million at any time up to commencement of commercial production.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

8. Mineral Properties (continued)**(b) Other properties**

Commander owns several other properties in Canada in which it holds interests ranging from 10% to 100%. Commander has granted options on some of these properties. The carrying values of those properties included under Other Properties at September 30, 2009 and December 31, 2008 are as follows:

	Ownership %	September 30, 2009	December 31, 2008
Labrador Properties			
Adlatok I (i)	72.696	\$ 746,151	\$ 745,387
Sadie (ii)	100.000	127,856	127,856
Sally (iii)	100.000	391,986	391,232
Sango River	100.000	8,345	8,345
Sarah Lake (iv)	48.200	1,729,874	1,727,835
Nunavut			
Storm (v)	100.00	112,762	88,745
Dewar Lake	-	516	-
Newfoundland			
Hermitage (vii)	100.00	2,728,777	2,716,668
Strickland (vii)	100.00	922,411	921,880
Cochrane Pond (vii)	50.00	48,950	48,723
Green Bay (xi)	100.00	527,021	492,882
Others	100.00	133,571	133,571
Yukon			
Olympic, Rob (viii)	100.00	809,985	1,010,143
British Columbia			
Abe and Pal (ix)	100.00	110,593	109,633
Aten, Mate and Tut (ix)	100.00	1,250	1,210
Haw	100.00	13,034	13,034
Tam (x)	10.00	44,524	49,524
New Brunswick			
Nepisiguit/Stewart (xii)	100.00	695,312	1,121,669
Ontario			
Matheson	41.36	14,213	14,213
McVean	100.00	-	-
Sabin	100 - 58.50	121,265	116,047
Yukon			
Rein	100.00	-	-
Total Other Properties		\$ 9,288,396	\$ 9,838,597

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

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For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

8. Mineral Properties (continued)

(b) Other properties (continued)

(i) Adlatok 1, Labrador

Commander has a 72.7% interest in the Adlatok 1 property.

(ii) Sadie, Labrador

Commander owns a 100% interest in the Sadie property.

(iii) Sally, Labrador

Commander owns a 100% interest in the Sally property.

(iv) Sarah Lake, Labrador

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

(v) Storm Property, Nunavut

Commander acquired three prospecting permits on February 1, 2008 for a \$15,000 cash deposit. The permits are good for a five-year term and the \$15,000 deposit is refundable on completion of an equivalent amount of exploration work in the first two years.

(vi) Despinassy, Quebec

Commander sold 100% of its interest in the project to Alto Ventures in March 2008 for \$375,000 in cash and 1,875,000 common shares of Alto Ventures. Commander also retains a 1% NSR royalty on 83 claims and 0.25% on the other 30 claims. Alto Ventures retains the right to buy down the NSR on the 83 claims to 0.5% for \$500,000.

(vii) Hermitage Uranium Properties, Newfoundland

(a) Hermitage

Commander owns 100% of the Blue Hills and White Bear properties subject to a 2% NSR for the original property owners. One-half of the NSR may be purchased for \$1 million.

On the adjacent Couteau Lake Property, the option agreement allowing Commander to earn a 100% interest has been extended by amending agreements such that the expiry date of the option is changed to April 2, 2010. The agreement is subject to a 2% NSR for the vendor with a buy-back of one-half of the NSR for \$1 million.

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For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

8. Mineral Properties (continued)

(b) Other properties (continued)

(vii) Hermitage Uranium Properties, Newfoundland (continued)

(b) Strickland

The Strickland Property consists of 147 claims southwest of the Hermitage property.

The Quinlan Option agreement, originally executed on August 16, 2006 to cover a small claim block surrounded by the Strickland Property, was terminated by Commander on June 24, 2009.

(c) Hermitage East and West

Commander currently owns 100% of the properties.

(d) Cochrane Pond, Newfoundland

The Property is owned 50% by Commander and 50% by Bayswater Uranium Corporation under a Joint Venture Agreement dated June 19, 2006 ("CPJV").

On November 13, 2008, CPJV entered into a Royalty Agreement ("Agreement") with Global Gold Uranium LLC ("Global Gold Uranium"), a wholly owned subsidiary of Global Gold Corporation ("Global Gold") following termination of a previous option agreement between the parties. Under the Agreement, CPJV provided Global Gold Uranium a 1% royalty on sales of uranium products extracted from the property in consideration for a cash payment of US\$50,000 to CPJV. The royalty is capped such that it will be reduced to 0.5% after the total royalty payments from production to Global Gold Uranium reach \$1 million.

(viii) Olympic & Rob, Yukon

Commander owns 100% of the Olympic and Rob properties subject to a 1% NSR registered to Blackstone Ventures Inc. on the Rob property. The NSR may be reduced to 0.5 % at any time for \$1 million.

On August 2, 2006, Commander signed a LOI with Fjordland Exploration Inc. ("Fjordland") providing Fjordland the right to earn an initial 60% interest in the property. Fjordland was obligated to incur \$600,000 in exploration expenditures by December 31, 2007, including a minimum of 2,000 metres of drilling. Fjordland elected to terminate the option prior to meeting the minimum drill footage required as part of the committed expenditures in agreement. On June 4, 2009 Commander and Fjordland Exploration Inc. reported that a settlement had been reached in respect to a shortfall on drilling by Fjordland. Under the terms of the settlement Fjordland has issued one million units of Fjordland to Commander, comprising one million shares and one million warrants, each warrant being exercisable at \$0.16 for a period of two years. The shares are subject to a four-month hold period.

An option agreement dated May 1, 2008 between Commander and Global Resources Corporation Pty Ltd. ("GRC"), a privately held Australian company that provided GRC the option to earn an initial 50% interest in the property, was terminated by the parties October 31, 2008 because GRC was unable to complete a planned Initial Public Offering as required under the agreement.

(ix) Abe, Pal, Aten, Mate and Tut, British Columbia

Commander 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 Abe and Pal properties and will participate in certain cash or share considerations received from the future sale or option of the properties to a third party.

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For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

8. Mineral Properties (continued)**(b) Other properties** (continued)**(x) Tam/Misty, British Columbia**

Commander owns a 10% carried interest in the property. Commander will receive 50% of any royalties granted to the underlying owner under any subsequent third party agreement on the property.

Under an agreement dated February 13, 2006 between the underlying owners and Teck Cominco Limited (“Teck Cominco”), Commander received a cash payment of \$2,500. In addition, Commander is entitled to 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 million to Commander.

(xi) Green Bay, Newfoundland

Commander holds a 100% interest in the Green Bay property, which includes the Orion gold deposit.

(xii) Nepisiguit/Stewart, New Brunswick

Commander owns 100% of the property subject to a 2.75% NSR retained by BHP Billiton. The NSR is subject to a buy-down to 1% NSR for \$1.5 million at any time.

9. Property and Equipment

	September 30, 2009		
	Cost	Accumulated Depreciation	Net Book Value
Furniture and fixtures	\$ 57,240	\$ 57,160	\$ 80
Computer equipment	169,951	159,858	10,093
Leasehold improvements	28,293	24,756	3,537
	\$ 255,484	\$ 241,774	\$ 13,710
	December 31, 2008		
	Cost	Accumulated Depreciation	Net Book Value
Furniture and fixtures	\$ 57,240	\$ 56,919	\$ 321
Computer equipment	169,200	154,323	14,877
Leasehold improvements	28,293	21,219	7,074
	\$ 254,733	\$ 232,461	\$ 22,272

COMMANDER RESOURCES LTD.

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Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

10. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist largely of \$861,773 in trade payables which are mostly related to the costs incurred on the Baffin Island projects in partnership with AngloGold. These accounts payable are offset by the accounts receivable from AngloGold.

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

Unlimited common shares without par value

(b) Shares issued

On September 10, 2009, 87,500 common shares were issued on the exercise of options by an officer at the price of \$0.10 per share.

(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 Commander's Stock Option Plan, Commander may grant stock options for the purchase of up to 15,900,000 common shares. Vesting of stock options is made at the discretion of the board of directors at the time the options are granted. At September 30, 2009, Commander had stock options outstanding for the purchase of 7,411,500 common shares with an average remaining contractual life of 3.31 years, of which 6,577,250 stock options are exercisable at September 30, 2009.

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2007	5,627,169	\$0.42
Granted	2,020,000	\$0.15
Exercised	-	-
Expired or cancelled	(885,169)	\$0.29
Outstanding at December 31, 2008	6,762,000	\$0.36
Granted	2,406,000	\$0.10
Exercised	(87,500)	0.10
Expired or cancelled	(1,669,000)	\$0.53
Outstanding at September 30, 2009	7,411,500	\$0.22

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

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

The following summarizes information about stock options outstanding at September 30, 2009:

Number of Shares	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price
363,000	\$0.25	July 19, 2010	0.04	
282,000	\$0.39	May 7, 2011	0.06	
646,500	\$0.30	June 19, 2011	0.15	
400,000	\$0.87	January 2, 2012	0.12	
200,000	\$0.41	May 8, 2012	0.07	
1,196,500	\$0.36	June 7, 2012	0.43	
80,000	\$0.19	December 21, 2012	0.03	
770,000	\$0.18	February 7, 2013	0.35	
200,000	\$0.21	June 24, 2013	0.10	
905,000	\$0.10	October 17, 2013	0.49	
700,000	\$0.10	February 20, 2014	0.42	
1,668,500 *	\$0.10	May 12, 2014	1.04	
7,411,500			3.31	\$0.24

* These options are not fully exercisable at September 30, 2009.

There were 6,577,250 options exercisable at September 30, 2009 with a weighted average exercise price of \$0.31 and a weighted average remaining contractual life in years of 3.14.

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:

	Nine Months Ended September 2009	Year Ended December 31, 2008
Risk-free interest rate	1.87%	3.15%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	107.71%	88.41%
Expected option life in years	5.00	5.00
Weighted average grant date fair value	\$ 0.061	\$ 0.078

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

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

At September 30, 2009, Commander had no outstanding warrants and agent's warrants for the purchase of the common shares as follows:

Exercise Price	Expiry Date	Outstanding Dec. 31, 2008	Issued	Exercised	Expired	Outstanding at September 30, 2009
\$0.40	July 10, 2009	80,250	-	-	80,250	-
\$0.40	July 22, 2009	545,678	-	-	545,678	-
		625,928	-	-	625,928	-

12. Related Party Transactions

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

- (a) Commander shares certain administrative and other costs with four other companies related by virtue of directors in common. Included in due from related parties as at September 30, 2009 is an aggregate of \$884 (2008 - \$11,819) owed by those companies. The amounts due is without interest at stated terms of repayment. Included in due from related parties as at September 30, 2009 is also an amount of \$480 owed by an officer for expenses.
- (b) During the nine months ended September 30, 2009, Commander paid or accrued \$7,998 (2008 - \$10,717) in legal fees, share issuance costs and mineral properties costs to a law firm in which a director of Commander is a partner. Of this amount, \$Nil (2008 - \$Nil) is included in accounts payable and accrued liabilities. During the nine months ended September 30, 2009, Commander paid or accrued \$60,075 (2008 - \$74,715) in consulting fees to two companies controlled by two officers of Commander. Of this amount, \$1,051 (2008 - \$Nil) is included in accounts payable and accrued liabilities.
- (c) Included in marketable securities as at September 30, 2009 are 258,000 (2008 - 258,000) common shares of Diamonds North Resources Ltd., a company related by virtue of a director in common.
- (d) Accounts payable includes \$28,086 due to companies related by common directors and \$20,603 due to two officers for expenses incurred on behalf of Commander.

Related party transactions are recorded at the exchange amount and have no interest or stated terms of repayment.

COMMANDER RESOURCES LTD.

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Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

13. Commitment

Commander shares the cost of the office premises with several companies based on the proportion of 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. Commander's proportionate share of minimum annual basic rental payments under this arrangement is approximately \$66,000.

14. Segmented Information

Commander has one operating segment, mineral property exploration, and all assets of Commander are located in Canada.

15. Supplemental Cash Flow Information

	For Three Months Ended September 30		For Nine Months Ended September 30	
	2009	2008	2009	2008
Significant non-cash operating, investing and financing activities:				
Investing activities:				
Marketable securities received for mineral property	\$ -	\$ -	\$ 110,000	\$ 281,250
Warrants received for mineral property	-	-	104,403	-
Shares issued for mineral property	-	-	-	40,950
Accounts payable included in the mineral property	-	257,040	-	480,406
	\$ -	\$ 257,040	\$ 214,403	\$ 802,606
Financing activities:				
Income tax effect on flow-through share renouncement	\$ -	\$ -	\$ (617,589)	\$ (410,312)
Shares issued for mineral property	-	-	-	(40,950)
Fair value of options exercised	3,716	-	3,716	-
	\$ 3,716	\$ -	\$ (613,873)	\$ (451,262)
Other cash flow information:				
Interest received	\$ 487	\$ 7,916	\$ 1,592	\$ 24,974

16. Subsequent Events

On November 19, 2009, Commander reported that AngloGold Ashanti had received the necessary approvals from the South African Reserve Bank to complete the \$1.2 million private placement that announced on September 3, 2009 as part of the Baffin Island Farm-in and JV agreement. With the approval, the private placement was filed with the TSX Venture Exchange for closing. The money was received by Commander on November 19, 2009.

Also on November 19, 2009, Commander reported that the Baffin Island Farm-in and JV agreement with AngloGold was amended such that the initial term of the agreement was reduced from 24 months to 12 months from the Commencement Date of the agreement.

COMMANDER RESOURCES LTD.

(An Exploration Stage Company)

Notes to Interim Financial Statements

For the periods ended September 30, 2009 and 2008

(Unaudited)

(expressed in Canadian dollars)

16. Subsequent Events (continued)

Commander also reported on November 19, 2009 that the private placement with AngloGold announced as part of the September 3rd Agreement has closed. A total of 10,000,000 Units at \$0.12 each have been issued to Ashanti Goldfields Services Limited, a wholly owned subsidiary of AngloGold, for gross proceeds of \$1.2 million. Units consist of one common share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.24 until November 17, 2011. The securities have a hold period and may not be traded until March 18, 2010. Under the rules of SARB, AngloGold is required to hold at least a 10% equity stake in Commander as part of the Agreement.

On November 13, 2009, 70,000 common stock options were exercised at \$0.10 per share for total proceeds of \$7,000. 100,000 common stock options were exercised on November 17, 2009 at \$0.10 per share for total proceeds of \$10,000. On November 25, 2009, 277,500 common stock options were exercised at \$0.10 per share for total proceeds of \$27,750.



**COMMANDER
RESOURCES LTD.**

**Interim Report
Management Discussion and Analysis**

For the Nine Months Ended
September 30, 2009

Commander Resources Ltd.
Management Discussion and Analysis
For the Nine Months Ended September 30, 2009

Description of Business

Commander Resources Ltd. (“Commander”) is a company engaged in the acquisition and exploration of prospective gold, base metal, and uranium properties primarily in Canada. Commander is a reporting issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol CMD.

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 Commander’s proposed plans, objectives, and budgets, may differ materially from actual results.

The following discussion and analysis of the financial position and results of operations for Commander is dated November 25, 2009 (the “Report Date”) and should be read in conjunction with the financial statements and the notes thereto for the nine months ended September 30, 2009 prepared in accordance with Canadian generally accepted accounting principles.

Summary for the Quarter Ended September 30, 2009

The quarter was highlighted by a farm-in exploration agreement (the “Agreement”), announced September 3, 2009, with AngloGold Ashanti Limited’s subsidiary, AngloGold Ashanti Holdings PLC. (“AngloGold”) regarding Commander’s district-scale Baffin Island Gold Project. The deal with AngloGold is significant for Commander in that it independently validates the project and its potential, provides an aggressive funding commitment to advance the project and, through the private placement and management fee, re-capitalizes Commander in a tough market environment. The relationship with AngloGold will also expose Commander and its shareholders to a large global audience. Commander’s management is pleased with the deal and our new partner.

At the end of the quarter, AngloGold was awaiting final approval from the South African Reserve Bank (SARB) to close the private placement. SARB has to approve all foreign currency transactions and the process can take some time. As such, the \$1.2 million that Commander will receive from AngloGold as part of the deal does not show up in the Q3 balance sheet. However, as at the date of this report, SARB approval had been received and the private placement had closed.

Commander launched a four week exploration program on the Baffin Island property in early August. The main objectives were to follow-up the 2008 results from the newly discovered Hebert Zone and to advance the target area to the drill stage. The summer program included detailed geological mapping, prospecting, channel sampling and geophysics. Diamond drilling is planned on the Baffin Project starting in Q1/Q2 2010. The 2009 program was funded entirely by AngloGold as part of the Agreement.

Key terms of the AngloGold deal:

- AngloGold may earn a 51-per-cent participating interest by funding \$20-million in exploration over a six-year period, including a firm commitment for \$5.5-million before December 31, 2010. The initial commitment includes completion of a minimum of 3,000 metres of diamond drilling;
- Commander will act as project manager for the initial term; AngloGold will pay a 10-per-cent management fee to Commander on all project expenditures incurred on the project during that period;
- Once AngloGold has vested a 51-per-cent interest in the property, a 51:49 joint venture will be formed. AngloGold may then elect within 60 days of vesting to increase its interest in the property to 70 per cent by sole financing all continuing expenditures to complete a feasibility study within four years on at least one of the prospects on the property;
- As part of the initial commitment, AngloGold may provide the funds that will allow Commander to exercise its right to accelerate acquisition of ownership of 100 per cent of the Bravo property, which would become part of the Baffin gold project;

Commander Resources Ltd.
Management Discussion and Analysis
For the Nine Months Ended September 30, 2009

- AngloGold will take an initial stake in Commander of a minimum 10% through completion of a private placement to subscribe to units of Commander totaling \$1.2-million. Such units will consist of one share plus one-half share purchase warrant. The shares are priced at \$0.12. One whole warrant will be exercisable to purchase one share of Commander for two years at a price of \$0.24. AngloGold will have the right, subject to TSX Venture Exchange approval, to participate in future private placements in order to maintain its initial equity interest level in Commander under this agreement.

On September 24 and November 9, Commander reported initial results from the summer Baffin program which was highlighted by the discovery of two new areas of high-grade gold mineralization. The new "Traciane" and "Hebert South" discoveries expand the main Hebert mineralized system, which was originally discovered in 2008 (previously reported channel sample results included 91.06 grams per tonne (g/t) gold over 1.6 metres and grab samples ran up to 1,388 grams per tonne (g/t) gold). The Hebert Zone has now increased in size to more than 3.5 kilometres in strike length within a well-defined and potentially productive structural corridor that is at least 10 kilometres long. Gold was also discovered in the "Frankie showing" and "Southeast showing" that occur in structures parallel and subparallel, respectively to the main Hebert trend and provide excellent opportunity for structural repetition of this gold system.

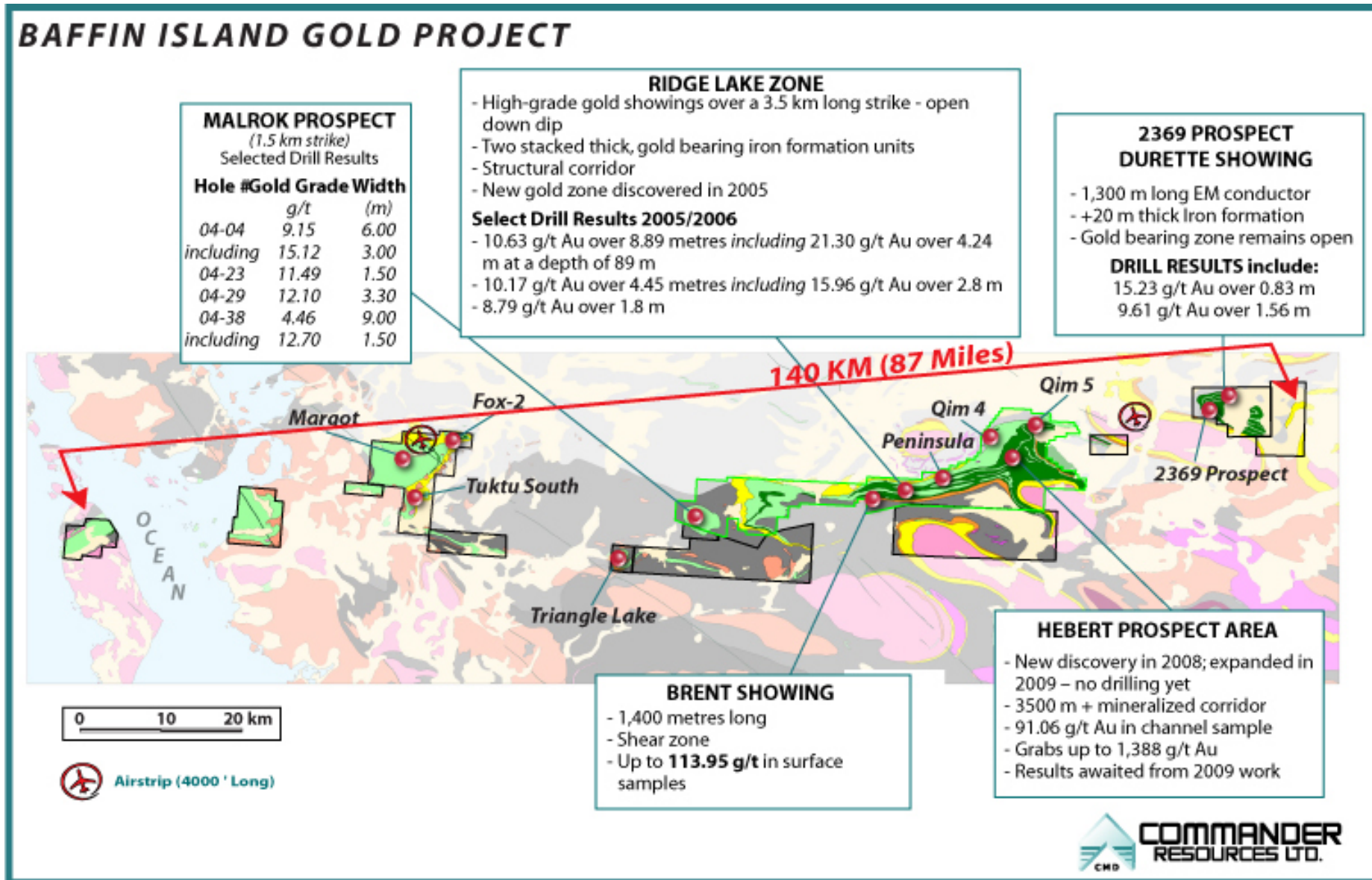
Highlights from Hebert South, located close to one kilometre south of the central Hebert zone, include channel samples from quartz veins carrying 373.9 g/t gold over 0.25 metre, 241.30 g/t gold over 0.25 metre, 104.50 g/t gold over 0.3 metre, 98.71 g/t gold over 0.25 metre and 48.64 g/t gold over 0.44 metre; rock chip and grab samples include 442 g/t gold, 252.90 g/t gold, 134.80 g/t gold and 103.60 g/t gold. At Traciane, located 1.5 kilometres north of the main Hebert zone, first-pass channel samples in quartz veins over a 100-metre outcrop exposure, include 66.84 g/t gold over 0.38 metre, 31.49 g/t gold over 0.85 metre; at Traciane North, a further 100 metres to the north of Traciane, across a small pond, the veins continue with values that include 96.51 g/t gold over 0.2 metre.

The existing Bravo Property was expanded by staking an additional 42 Mineral Claims covering 34,964 Hectares (86,400 Acres).

Baffin Island Gold Project, Nunavut

The Baffin Gold Project represents a district-scale gold belt that shows similar geological and genetic origins as the large Homestake area in South Dakota. To date the Baffin Project has yielded numerous gold prospect areas occurring over a strike length in excess of 100 kilometres. The property includes high-grade gold values in at least 3 separate iron formation units, within shear zones and quartz veins in younger granodiorite, gabbro, and metasedimentary 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 and Ridge Lake, where multiple significant drill intercepts require follow-up. The Brent Shear Zone, and the Hébert Prospect Area represent gold targets outside of the iron formation units. The Hébert Prospect Area was first found in 2007, expanded and enhanced by work completed in 2008, and further expanded with new discoveries in 2009. The Hebert area has not been 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, one with an operational 4,000 foot airstrip. Commander engaged GeoVector Management Inc. of Ottawa to manage the field program in 2006, 2007 and 2008 and 2009.



Commander Resources Ltd.
Management Discussion and Analysis
For the Nine Months Ended September 30, 2009

The major prospects that constitute the Baffin project and recent work by Commander are described in the following:

Qimmiq Property

Malrok, Ridge Lake, Brent, and the Hébert zones are located on the Qimmiq property along with several of the other gold prospect areas. In 2008, work was only completed on the Hébert prospect area.

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 2 kilometres. The horizon varies in thickness from approximately 0.5 to greater than 9 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 planned in 2010 to evaluate the potential of this target area. No work was completed on Malrok in 2008 or 2009.

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.

Hébert Prospect Area

The Hébert Prospect Area was first discovered by prospecting in 2007. A follow-up program in 2008 focused on channel sampling and prospecting to assess the significance of the discovery. A 1.5 kilometre long, 300-400 metre wide structural corridor was identified. Channel sample results from quartz-arsenopyrite vein sets and intervening stratabound semi-massive gold-bearing arsenopyrite gossans over a 200 metre portion of this corridor included several high values, the best of which contained 91.06 g/t gold over 1.6 metres (including 446.6 g/t gold over 0.3 metres). Rock chip/grab sampling returned some high values including 1,388 g/t gold, 861 g/t gold, 720 g/t gold, 213.5 g/t gold and 660.3 g/t gold. Considerable size potential is demonstrated by the density of mineralized quartz veins over a large area, the large number of gold showings discovered, the presence of gold within the metasedimentary rocks and the percentage of samples that contain significant gold values. The 1.5 kilometre corridor contains steeply-dipping quartz-arsenopyrite veins and minor stratabound semi-massive gold-bearing arsenopyrite gossans hosted by an inter-bedded sequence of greywacke and micro-conglomerate that dips 15 to 25 degrees to the east.

Where observed, coarse gold occurs most commonly along partings or boundaries of coarse arsenopyrite contained within quartz veins and to a lesser extent within the quartz veins themselves and within arsenopyrite in the hosting sedimentary rocks. There is an apparent silver-bismuth-lead association with the gold mineralization. The mineralized corridor is parallel to an interpreted series of thrust faults, an ideal structural setting to allow emplacement of this type of quartz vein system.

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Highlights from the 2008 channel sampling include:

Channel ID	Vein Set	Composite Sample Length across vein (m)	Gold Grade (g/t)
C-3	V10	1.50	6.63
C-4	V7	1.50	11.95
C-5	V7	1.00	22.83
C-10	V5	1.60	91.06
Including		0.30	446.4
C-12	V5	7.00	2.18
Including		3.00	4.94
C-25	V6	1.50	19.81
C-27	V11	0.70	15.67
C-28	V3	0.50	30.21
C-29	V4	0.55	51.07

Work in 2009 expanded the Hebert Zone to more than 3.5 kilometres with two new and potentially significant discoveries, “Hebert South” and “Traciane”. Initial results received from the 2009 sampling program were only from channel samples cut across gold-bearing quartz veins from the newly discovered Traciane and Hebert South prospects. Results from detailed sampling in the main Hebert Zone are awaited at the date of this report.

Two additional showings, the “Frankie” and “Southeast” showings are located 2 kilometres east and 3.5 kilometres southeast, respectively, from the Main Hebert gold zone. Both prospects host quartz-arsenopyrite-scorodite vein systems. Prospecting samples returned anomalous gold values.

The new Hebert South extension contains a number of significant arsenopyrite-bearing quartz veins. A total of 86 channel samples and 25 rock chip/grab samples at several locations returned very high gold values (Table 1 and Table 3). Results for 106 channel samples collected from wallrock to the veins and arsenopyrite-bearing metasediments are awaited.

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Channel Samples (Qtz veins only)

Rock Chip / Grab Samples

Showing	Quartz Vein width (metres)	Gold Grade (g/t)	Showing	Gold Grade (g/t)
Traciane Main	0.30	4.34	Traciane Main	17.01
Traciane Main	0.44	1.14	Hebert South	252.90
Traciane Main	0.25	3.60	Hebert South	103.60
Traciane Main	0.38	66.84	Hebert South	442.00
Traciane Main	0.30	4.69	Hebert South	134.80
Traciane Main	0.80	5.59	Hebert South	19.58
Traciane Main	0.39	21.47	Hebert South	53.64
Traciane Main	0.42	4.87	Hebert South	3.40
Traciane Main	0.85	31.49	Hebert South	17.76
Traciane North	0.20	96.51	Hebert South-East	1.34
			Frankie	2.15
			Frankie	2.41
Hebert South	0.25	8.50*		
Hebert South	0.25	10.19*		
Hebert South	0.20	28.00*		
Hebert South	0.25	4.82*		
Hebert South	0.25	373.90**		
Hebert South	0.25	11.42**		
Hebert South	0.25	98.71**		
Hebert South	0.25	241.30 [#]		
Hebert South	0.25	34.01 [#]		
Hebert South	0.44	48.64		
Hebert South	0.20	26.64		
Hebert South	0.30	104.50		

* four samples are spaced 2 to 3 metres apart on the same quartz vein and occur over a vein strike length of 12 metres. There are no lower grade channel samples over this interval of the quartz vein.

** three are spaced 5 metres apart on the same quartz vein over a vein strike length of 20 metres. There are two additional channel samples in this area of the quartz vein that assayed 1.15 g/t over 0.25 m and 1.58 g/t over 0.20 m.

[#] two samples are 10 metres apart on the same quartz vein and occur on the southern end of the best exposed Hebert South outcrop that is 100 metres x 50 metres in surface dimension.

The Traciane gold prospect is located 1.5 kilometre NNE along strike from the main Hebert showing. The Traciane gold prospect consists of eight vertical to bedding parallel, gold-bearing quartz-arsenopyrite veins hosted by inter-bedded greywacke and micro-conglomerate. The veins are exposed in an outcrop area 50 metres wide and 100 metres long. A total of 25 channel samples were cut across the veins in several locations with selected results reported in Table 2. A small pond to the north and overburden to the east and south limits this outcrop exposure. The vein system reappears 100 metres to the north across the pond (Traciane North), where four veins can be seen over a 40 metre width. The indicated strike extent is close to 300 metres and is open. Forty-five channel samples cut from wallrock to the veins and from arsenopyrite-bearing metasediments are awaited.

A strong 300 metres x 350 metre chargeability anomaly is coincident with outcropping gold mineralization in the main Hebert Zone. A single test line of induced polarization over the southern end of the new Traciane showing area revealed a 200 metre wide chargeability anomaly, commencing at the edge of the vein system and extending eastward under overburden. As gold occurs with both disseminated arsenopyrite in metasedimentary units and in arsenopyrite-bearing quartz veins, a wide mineralized system is inferred to be present by these IP anomalies.

Other Prospects

The Brent Shear zone, located 5 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. 8 holes totalling 994.79 metres were drilled in 2006 and 2007. 2 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 the Peninsula prospect, located about 6 kilometres east of the Ridge Lake zone, 2 holes were drilled in 2007 2 kilometres apart along a previously untested 6 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 for assessment purposes.

Durette – 2369 Area

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, 5 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 1 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.

Other Active Properties

Storm Project (copper, zinc), Nunavut

In the Spring of 2008, the Commander 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 4 near-surface, high-grade centres of copper mineralization, within a 7 kilometre-long mineralized structural corridor, and the *Seal Zinc Zone*, which is adjacent to tidewater.

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 6 years as the credits ran out. Commander's acquisition of the property was confirmed on April 1, 2008.

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Commander 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 was completed and filed in early 2009.

Storm Copper Zone

4 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.

- 4100N zone - copper mineralization starts at a depth of about 50 metres below surface, extends over an area of at least 1,000 metres by 400 metres and remains open. The best intercepts from 17 drill holes 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.
- 2750N zone - surface exposure over 200 metres of strike, historical drill intersections include 2.92% Cu over 105 metres starting at surface (including 5.09% Cu over 53.9 metres), 3.1% Cu over 58.4 metres (including 4.54 % Cu/35.5 metres and 9.56% Cu over 13.3 metres).
- 2200N zone, surface exposure 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.

Results of Operations

- Current Quarter Results

During the quarter ended September 30, 2009, the majority of Commander's activities related primarily to the Baffin Island Gold Project, Nunavut and cost-cutting measures and marketing the Company's portfolio projects to prospective partners or buyers. The mineral property expenditures decreased by a net of \$32,219 mainly due to recoveries from Anglo Gold on the Baffin Island Gold Project. Commander incurred total general and administrative expenses of \$236,045 of which \$74,273 was non-cash stock-based compensation.

- Nine Months Ended September 30, 2009 compared with the Nine Months Ended September 30, 2008

Commander had no revenues for the nine months ended September 30, 2009 and 2008. General and administrative expense of \$575,359 (2008 - \$842,819) represented a \$267,460 decrease over the comparative fiscal period last year. The decrease was mostly attributable to the \$88,911 decrease in salaries and benefits, \$62,721 decrease in investor relations, and \$41,596 decrease in office and miscellaneous. Other notable changes include:

- Consulting expense of \$27,388 (2008 - \$33,704) decreased in the nine months ended September 30, 2009. The consulting expense related mainly to management and financial services provided by a company controlled by an officer of the Company. There had been a negotiated reduction in the rate of fees to be charged for the year.

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- Investor relations and promotion expense of \$84,125 decreased from \$146,846 in 2008 as a result of a reduction on wages, trade shows and other expenses during the year. A breakdown is as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Conferences and trade shows	\$ 10,540	\$ -	\$ 23,109	\$ 57,602
Consulting, wages and benefits	16,357	24,334	49,113	62,042
Media	1,893	2,840	7,954	11,298
Administration	-	-	146	-
Promotion and advertising	662	1,688	3,803	15,904
Total Investor Relations Expenses	\$ 29,452	\$ 28,862	\$ 84,125	\$ 146,846

- Salaries and benefits expense decreased to \$126,727 compared to \$215,638 in 2008 as a result of the aggressive reduction in administrative expenses by the Company.
- Accounting and audit expense decreased to \$67,200 in the nine months ended September 30, 2009, compared to \$104,094 in 2008 due to a reduced rate of fees negotiated for the year.
- Office and miscellaneous expenses were \$25,556 in the nine months ended September 30, 2009, compared to \$67,152 in 2008 representing the result of the cost reduction program of the Company.
- Regulatory and transfer agent fees decreased slightly from \$26,667 last year to \$23,636 for the nine months ended September 30, 2009.

For the nine months ended September 30, 2009, Commander's loss after tax was \$427,407 (2008 - Profit \$312,599). The reduction in profit was resulting largely from the write down of mineral properties of \$430,621 (2008 - \$8,792), and mineral property recovery of \$Nil (2008 - \$561,257).

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Summary of Quarterly Results

	Dec. 31 2007 Q4	Mar. 31 2008 Q1	Jun. 30 2008 Q2	Sep. 30 2008 Q3	Dec. 31 2008 Q4	Mar. 31 2009 Q1	June 30 2009 Q2	Sept. 30 2009 Q3
Mineral property costs, net	\$ 560,247	\$ 195,753	\$ 612,841	\$ 1,651,255	\$ (96,916)	\$ 132,312	\$ (485,577)	\$ (32,219)
G&A (incl. stock comp.)	\$ 477,957	\$ 287,433	\$ 300,238	\$ 255,147	\$ 190,545	\$ 172,254	\$ 167,060	\$ 236,045
Stock comp. expense	\$ 255,013	\$ 3,390	\$ 57,535	\$ 72,115	\$ 17,970	\$ 10,637	\$ 25,726	\$ 74,273
Adjusted G&A (less stock comp.)	\$ 222,944	\$ 284,043	\$ 250,337	\$ 184,913	\$ 172,575	\$ 161,617	\$ 141,334	\$ 161,772
Income (loss)	\$ (1,318,082)	\$ 855,880	\$ (294,334)	\$ (248,947)	\$ (372,488)	\$ 443,318	\$ (636,679)	\$ (234,046)
Income (loss) per share								
-basic	\$ (0.02)	\$ 0.01	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.01	\$ (0.01)	\$ (0.00)
-diluted	\$ (0.02)	\$ 0.01	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.01	\$ (0.01)	\$ (0.00)
Weighted avg. common shares								
-basic	67,768,616	69,917,308	69,969,122	77,809,926	79,542,081	79,572,516	79,572,516	79,591,538
-diluted	67,768,616	83,477,092	69,969,122	77,809,926	79,542,081	86,910,444	79,572,516	79,591,538

Since the adoption of the CICA accounting standard for stock-based compensation, Commander'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 Commander. Commander has included "adjusted general and administrative expense" without the stock-based compensation expense to be more reflective of normal operations.

Liquidity

At September 30, 2009, Commander had \$585,812 in working capital. There was no exploration funds which were raised through the issuance of flow-through shares included in the cash and cash equivalents balance. The exploration funds are required to be spent on mineral exploration related activities in Canada only. Commander also classifies \$112,212 in its cash and cash equivalents as restricted funds for future contingencies. This amount will be reviewed by the board of directors on a quarterly basis. With the newly formed partnership with AngloGold Ashanti, Commander believes it has sufficient funds to complete the planned business objectives for 2009.

At September 30, 2009, Commander had an accounts receivable balance of \$854,948 of which \$772,964 general accounts receivables are mainly related to the partnership with AngloGold on the costs we incurred on Baffin Island property. As at the date of this report, these accounts receivables have been paid by AngloGold and will largely offset the accounts payable and accrued liabilities of \$861,773 in trade payables on the costs incurred on the Baffin Island projects.

Commander has relied on equity financings to meet its cash requirements. Although Commander has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that Commander will be able to obtain adequate financing in the future or that the terms of such financings will be favourable.

Capital Resources

Commander has active option agreements under which Commander is required to meet certain obligations during fiscal 2009 to keep the options in good standing:

- On the Bravo Lake property in Nunavut, as at December 31, 2008, Commander's cumulative exploration expenditures were \$2,443,415, 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 were required under the original option agreement by the end of fiscal 2008. This commitment was carried over to be added to the 2009 expenditure commitment as provided in the Purchase Letter dated May 1, 2008 between Commander and Xstrata Nickel.

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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 parties to the agreement agreed to extend the expiry date for the option to April 2, 2010. There are no obligations for expenditures in 2009.

Off-Balance Sheet Arrangements

Commander has not entered into any Off-Balance Sheet Arrangements.

Related Party Transactions

At September 30, 2009, marketable securities included 258,000 common shares of Diamonds North Resources Ltd., a company related by a director in common.

Commander shares certain administrative and other costs with 4 other companies related by virtue of directors in common. Included in accounts receivable is an aggregate of \$884 owed by those companies. Included in due from related parties is also an amount of \$480 owed by an officer for expenses.

During the nine months ended September 30, 2009, Commander paid or accrued \$7,998 in legal fees, share issuances and mineral properties costs to a law firm in which a director of Commander is a partner. During the nine months ended September 30, 2009, Commander paid or accrued \$60,075 in consulting fees to two companies controlled by two officers of Commander.

Given that Commander's directors and officers are engaged in a wide range of activities in the junior resource industry, Commander 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 Commander's Code of Business Conduct and Ethics.

Accounts payable to companies related by directors in common on September 30, 2009 amounted to \$28,086 and \$20,603 were payable to two officers. 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 Commander 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 Commander'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. Commander 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 Commander's stock options granted/vested during the year.

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Changes in Accounting Policies

(a) 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. Commander does not expect this new section has any significant impact on its financial statements.

(b) Future accounting changes

The following are new CICA accounting standards that have been issued but not yet adopted by Commander:

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 generally accepted accounting principles 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 generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning January 1, 2011. The transition date will require the restatement for comparative purposes of amounts reported by Commander for the year ended December 31, 2010 and earlier where applicable. While Commander 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

(c) Fair value

The fair values of Commander’s cash and cash equivalents, accounts receivable, due from related parties, and accounts payable and accrued liabilities approximate their carrying amounts due to the immediate or short-term to maturity of these financial instruments. In accordance with the new standards, Commander has classified its financial instruments as follows:

Cash and cash equivalents – as held-for-trading
Marketable securities – as available for sale
Accounts receivable – as loans and receivables
Due from related parties – as loans and receivables
Investment in warrants – as held for trading
Accounts payable and accrued liabilities – as other liabilities

(b) Interest rate risk

Commander’s cash and cash equivalents consist of cash held in bank accounts and term deposits that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of September 30, 2009. Future cash flows from interest income on cash and cash equivalents will be nominally affected by interest rate fluctuations.

(c) Credit risk

Commander is exposed to credit risk with respect to its cash and cash equivalents. Commander manages credit risk, in respect of cash and cash equivalents, by purchasing highly liquid, short-term investment grade securities held at a

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major Canadian financial institution in accordance with Commander's investment policy. In regards to the accounts receivable, Commander is not exposed to significant credit risk as the majority are from governmental agencies.

(d) Price risk

Commander is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on Commander's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Commander closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by Commander. Commander is also exposed to the financial risk related to the fluctuation of the market prices of its marketable securities.

(e) Liquidity risk

Liquidity risk is the risk that Commander will encounter difficulty in obtaining funds to meet commitments. Commander's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. Commander manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Commander has cash and cash equivalents at September 30, 2009 in the amount of \$213,556 (2008 - \$960,486) in order to meet short-term business requirements. At September 30, 2009, Commander had accounts payable and accrued liabilities of \$1,105,075 (2008 - \$180,867), a majority of which related to exploration work done on the Baffin project all of which have been paid at the date of this report. At the same time, the Company also had accounts receivable of \$854,948 (2008 - \$70,390) on September 30, 2009, a majority of which was receivable from AngloGold on costs incurred on the Baffin project and all of which had been received at the date of this report.

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Other MD&A Requirements

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

As at the Report Date, Commander had 90,107,516 issued common shares outstanding and the following unexercised stock options and warrants:

- Stock Options

Number of Shares	Exercise Price	Expiry Date
363,000	\$0.25	July 19, 2010
282,000	\$0.39	May 7, 2011
646,500	\$0.30	June 19, 2011
400,000	\$0.87	January 2, 2012
200,000	\$0.41	May 8, 2012
1,196,500	\$0.36	June 7, 2012
80,000	\$0.19	December 21, 2012
770,000	\$0.18	February 7, 2013
200,000	\$0.21	June 24, 2013
495,000	\$0.10	October 17, 2013
700,000	\$0.10	February 20, 2014
1,631,000	\$0.10	May 12, 2014
6,964,000		

- Warrants

Number of Shares	Exercise Price	Expiry Date
5,000,000	\$0.24	November 17, 2011
5,000,000		

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Mineral Property Expenditure Table

	Baffin, Nunavut		Other Properties	Total
	Qimmiq	Bravo Lake		
Balance at				
December 31, 2008	\$ 9,924,937	\$ 2,443,415	\$ 9,838,597	\$ 22,206,949
Additions during the period:				
Acquisition costs:	-	50,000	-	50,000
Exploration costs:				
Drilling	16,561	-	3,417	19,978
Geochemistry	24,631	-	-	24,631
Geology	739,788	21,118	83,940	844,846
Geophysics	188,464	-	-	188,464
Mobilization/demobilization	204,351	-	-	204,351
Environment	348	-	1,082	1,430
Property	93,667	429	11,760	105,856
Prospecting	44,572	-	-	44,572
Trenching/line cutting	71,100	-	124	71,224
Administration and other, net	9,120	1,680	150	10,950
	1,392,602	23,227	100,473	1,516,302
Less:				
Recoveries	(1,222,754)	-	(219,995)	(1,442,749)
Management fees	(78,358)	-	(58)	(78,416)
Write down	-	-	(430,621)	(430,621)
	(1,301,112)	-	(650,674)	(1,951,786)
Net additions	91,490	73,227	(550,201)	(385,484)
Balance at				
September 30, 2009	\$ 10,016,427	\$ 2,516,642	\$ 9,288,396	\$ 21,821,465



COMMANDER RESOURCES LTD.

HEAD OFFICE

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OFFICERS & DIRECTORS

Kenneth E. Leigh, M.Sc.
*President, Chief Executive Officer
and Director*

David Watkins, M.Sc.
Chairman and Director

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

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

Brian Abraham, LLB., P.Geo.
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, 2009)

Shares Authorized: Unlimited
Shares Issued: 79,660,016

REGISTRAR & TRUST AGENT

CIBC Mellon Trust Company
Suite 1600, The Oceanic Plaza
1066 West Hastings Street
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