



COMMANDER RESOURCES LTD.



ANNUAL REPORT 2009

PRESIDENT'S LETTER

CMD:TSXV

www.commanderresources.com

Dear Fellow Shareholders,

What a difference a year makes! The global financial system is on the road to recovery and stability has returned to the credit and banking infrastructure. Commodity prices have firmed and there has been an increase in corporate Merger and Acquisition activity in the mining sector. The recession by most measures is over.

In response to the severe market crash at the end of 2008, I advised you that we would focus our attention in 2009 on cash conservation and seeking ways to leverage and maximize value of our assets. I also ended last year's shareholder letter by stating that I thought the good times would return sooner than we expected... they certainly did. Our share price is up about 1000% from its low reached in late 2008.

With a clear focus on our dual objective of maximizing value and reducing risk to our shareholders, we succeeded in reducing our costs, conserving capital and most significantly, we leveraged a key asset into a very significant deal with a major global mining company.

Under a deal reached last summer, AngloGold Ashanti, the third largest gold producer in the world, agreed, at their option, to fund the next \$20 million in exploration on the Baffin Gold Project to earn an initial 51% on the property. The deal commits AngloGold to spending a minimum of \$5.5 million by the end of 2010. Through at least this period Commander will be the operator and recover a 10% fee from AngloGold on all expenditures. In addition, as part of the deal, AngloGold acquired a 10% equity stake in Commander through a private placement.

The combination of committed funding in place for the Baffin Project and cash in the bank from the AngloGold private placement, allows Commander to move forward on a solid financial and operational footing.

In 2010, our operational focus will primarily be on the Baffin Gold Project. An initial 5,500 metre drill program will test two targets, one being the Malrok Zone, last drilled in 2004 but with excellent potential for expansion to the resource stage; the other, the new Kanosak Prospect Area (formerly named Hébert), where we have outlined an exciting target that is now set for the first drill test. New discoveries made in 2009 expanded the Kanosak Prospect to a 3.5 kilometre strike length increasing the potential significance of this new

trend. We will also focus some attention on the Ridge Lake Zone and the Durette Prospect, both of which will be targeted for further drilling in 2011.

The weak markets of 2009 prevented us from advancing our wholly-owned Storm Copper project as originally planned. Copper prices are strong and should remain strong for the foreseeable future. This is an exceptional property and we are continuing to assess opportunities to advance the project in order to maximize the value for our shareholders.

Recently, we reported a business arrangement that will allow us to vend an initial 50% interest in our Orion gold deposit and the surrounding claims into a Capital Pool Company. This allows us to immediately value the Orion Gold Deposit through a large equity stake in a new public company, while operating and administering the Company and the Project. This arrangement will allow Commander to advance the Orion resource to possible future production without diluting Commander's current shareholders.

Through the combination of fiscal restraint, deal-making and patience, Commander has emerged from the recession in better shape than before and is very well-positioned now to realize tangible share price appreciation with positive results and progress on our Baffin Project or through deal flow and advancement of our other key assets. The Baffin Project, in my view, is on the verge of having its potential realized. With the technical and financial support of such a high quality partner, the opportunity for success has never been better.

I'd like to thank our employees for their dedication and hard work, our Directors for their guidance and leadership, and our stockholders for their continued interest and support. I expect 2010 to be an exiting year for our Company!

Respectfully,



Ken E. Leigh
President & CEO
April 7, 2010



Exploration
and Discovery