

**Commander Resources Ltd.**  
**Management Discussion and Analysis**  
For the Year Ended December 31, 2012

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5. In March 2012, Commander received a second cash payment of \$100,000 from Aston Bay as part of the \$15 Million Option Agreement signed in 2011 on the Storm Copper Property. In July 2012, the option agreement was amended to provide Aston Bay more flexibility with respect to the timing and size of their IPO.
6. In September 2012, Commander received one million common shares from Aston Bay under the terms of the amended option agreement, to hold a total of 3 million common shares. In 2012, Aston Bay completed an exploration program which included staking of approximately 75,000 acres (30,000 Ha), rock sampling of the main copper showings, geological mapping and regional prospecting. Historical drill core was examined and selectively re-sampled over extensive, previously un-sampled intersections.
7. In December 2012, Commander acquired new claims, collectively named the Houghton Lake Property ("Houghton Lake") adjacent to the Company's Sabin property in Ontario. A syndicate of private individuals was assembled by Commander to fund the staking program in order to minimize cost to shareholders while maintaining significant exposure to the upside potential of this opportunity. Some of the syndicate members are related parties. Under this structure, Commander will own 40% of Houghton Lake and will manage all future work programs. The syndicate has no ownership rights to Commander's adjacent Sabin Property.

**Active Projects**

**Glenmorangie Gold Property, Yukon**

The property was acquired by Commander in May 2011, and is located in southeast Yukon. The property is situated 35 km north of the 3Ace property, a recently discovered shear hosted gold system and 7 km west of the North American Tungsten Cantung mine.

Results from this year's geochemical and geological surveys and prospecting succeeded in defining several drill targets on the Glenmorangie property. Anomalous targets were delineated within the metamorphic aureole of strained Cretaceous intrusives and sheeted quartz veins known to be associated with gold mineralization in the district. The 2012 mapping and prospecting program focused on the Camp Zone and Hidden Valley Zone discovered during last year's exploration program. 401 soil samples were collected as in-fill samples across the two anomalous zones. Results of the 2012 HMC sampling upstream from this location, as well as sampling of adjacent water sheds are still pending.

The following points highlight the results from the last two years:

- A target area called the Camp Zone, has been defined by anomalous gold in soil values of up to 1050 ppb (1.05 g/t in 2012 sampling, and grab rock samples assaying up to 4.5 g/t Au (in last year's sampling). This zone now measures 2 km by 1.5 km.
- A second anomalous zone to the south, called the Hidden Valley Zone, has returned values of up to 131 ppb Au in soils (last year's sampling). This year's infill sampling confirmed the zone.
- There are highly elevated levels of bismuth and arsenic with gold, suggesting a strong possibility of the veins being associated with a buried intrusive system.
- Mapping of the area has discovered localized higher grades of metamorphism and strong deformation, mineralized quartz veins, as well as the presence of intrusive bodies, which again suggests the possibility of gold mineralization associated with buried intrusions.

**Omineca Copper-Gold Property, BC**

The property is located in North Central BC within the prolific copper-gold producing Quesnel trough. Commander holds six properties in the area.

This year's field program on the Omineca project included reconnaissance prospecting, mapping and geochemical sampling, which identified additional high copper and gold soil geochemistry within the Abe property. An overlapping anomalous zone of >1,000 ppm Cu (0.1%) in soils and 250 ppb Au in soils (0.25 g/t Au) covers over 1.8 km in extent. Anomalous gold values (>50 ppb) extend a further 1.5 km beyond this zone. This extensive gold-copper zone was not drill tested in the 2007 program and is a highly prospective target for a 2013 drilling program. Values of up to 1,650 ppm Cu and 654 ppb Au were discovered in this year's soils program. In addition, testing for Au and PGE's in rock samples discovered one sample with 1.16% Cu, 0.29 g/t Au, 0.57 g/t Pd as well as 0.54% Ni. Another sample recorded 2.24 g/t Au with 55.5 g/t Ag. This is the first time the property has been tested for PGE's and Ni. With the known mafic intrusions on the property, a new dimension to the opportunities may occur on Abe.