

**COMMANDER RESOURCES LTD.**

(An Exploration Stage Company)

Notes to Financial Statements

For the Years Ended December 31, 2012 and 2011

(Expressed in Canadian dollars)

**9. Exploration and Evaluation Assets (Continued)****(f) Sabin, Ontario**

The Sabin copper-zinc property consists of 114 claims located in northwest Ontario. Ownership interests of Commander on the property vary from 58.5% to 100%.

**(g) Other Properties**

The Company owns several other properties in Canada in which it holds interests ranging from 10% to 100%. The Company has granted options on some of these properties. The carrying values of those properties included under Other Properties at December 31, 2012 and 2011 is as follows:

	Note	Ownership %	Metal	2012	2011
<b>Labrador Properties</b>					
Sally		100.00	Nickel	\$ 393,241	\$ 393,241
Sandy		100.00	Nickel	39,736	27,482
Sarah Lake	9(g)(i)	48.20	Nickel	1,778,627	1,766,060
<b>Yukon</b>					
Olympic, Rob	9(g)(ii)	100.00	Copper-Gold-Uranium	882,089	874,258
<b>British Columbia</b>					
Tam	9(g)(iii)	10.00	Copper	-	9,524
<b>New Brunswick</b>					
Nepisiguit/Stewart	9(g)(iv)	100.00	Copper-Zinc	1,128,853	1,126,894
<b>Ontario</b>					
Houghton Lake	9(g)(v)			15,000	-
Matheson	9(h)	41.20	Gold	-	15,685
McVean	9(h)	100.00	Gold	-	9,835
<b>Total Other Properties</b>				<b>\$ 4,237,546</b>	<b>\$ 4,222,979</b>

**i. Sarah Lake, Labrador**

The Company owns a 48.2% interest in the Sarah Lake property. Donner Metals Ltd. owns 51.8% and is the operator of the property.

**ii. Olympic and Rob, Yukon**

The Company 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. The Olympic property is located within the boundary of the Peel Watershed Regional Land Use Plan and is subject to restrictions on certain mining activities. The final recommendations have not been completed by the regulatory authorities. Any adverse recommendations could lead to an impairment write-down of approximately \$744,000.

**iii. Tam, British Columbia**

The Company owned a 10% carried interest in the property. Under an agreement dated February 13, 2006 between the underlying owners and Teck Resources Limited ("Teck"), the Company is entitled to a 1.5% NSR of which \$250,000 is payable as an advance royalty starting on December 31, 2012. Teck and its partner Lorraine Copper Corp. now own 100% of the Tam property subject to a 3% NSR, which is subject to a buy-down to 1% for \$2,000,000. A \$50,000 annual royalty payment is payable beginning December 31, 2012, capped at \$500,000, half of which is payable to the Company.