



QUARTERLY ACTIVITIES REPORT Q4 APRIL - JUNE 2013

HIGHLIGHTS

- Gold plant refurbishment close to completion
- Maiden gold production September quarter
- Mining assets consolidated under Peruvian entity

SUMMARY

Commissioners Gold Limited (ASX:CGU) has strengthened its position in Peru with the agreed acquisition by Goldsmith Resources SAC (GSR) of mining projects dedicated to feeding the nearly completed gold plant.

GSR, in which CGU holds a 25% interest, has now been consolidated to undertake both satellite mining and ore treatment operations in southern Peru.

To help realise its short term goal of gold production and positive cash flow, CGU has launched a Convertible Note offer to sophisticated investors to raise funds for its projects in Peru and Australia.



is named after the Gold Commissioners of Australia's first Gold Rush

ASX AND MEDIA RELEASE

COMMISSIONERS GOLD LIMITED (ASX:CGU)



Goldsmith Resources SAC

Commissioners Gold 25%

Commissioners Gold holds 25% interest in Peruvian company Goldsmith Resources SAC (GSR), established along with two other Australian companies to develop and operate mining projects in southern Peru. CGU plays an active technical and management role in Goldsmith Resources.

Current focus is on refurbishment of the Mollehuaca Gold Plant and satellite gold mining projects, Santa Rosa, Saulito and Eladium.

Work at Mollehuaca is nearly complete, with the tailings field the last major component still in progress. Once fully commissioned, the plant should have a total capacity of around 150 tonnes per day in CIL and flotation processing lines. Major plant components have already been tested during a 'dry' run at site, which will be followed up immediately on completion of the tailings field with a 'wet' commissioning using ore, most likely to be sourced from the Saulito project (see below).

Despite the delays in getting the Mollehuaca Gold Plant into production readiness, work there continues on revised schedule to commence operations in the current quarter.

Satellite Mining

The ore feed for the processing plant is underpinned by production from three sources: re-treatment of tailings from Santa Rosa, and primary ore sourced from both Saulito and Eladium.

At Santa Rosa, a strategic study is now underway to optimise the gold recovery from mine tailings. Significant increases to the profitability of the tailings re-treatment project is forecast by reducing operating costs, in particular transport costs. Australian consultants Envirocon, experienced in tailings projects, are leading the study with results expected in the current quarter.

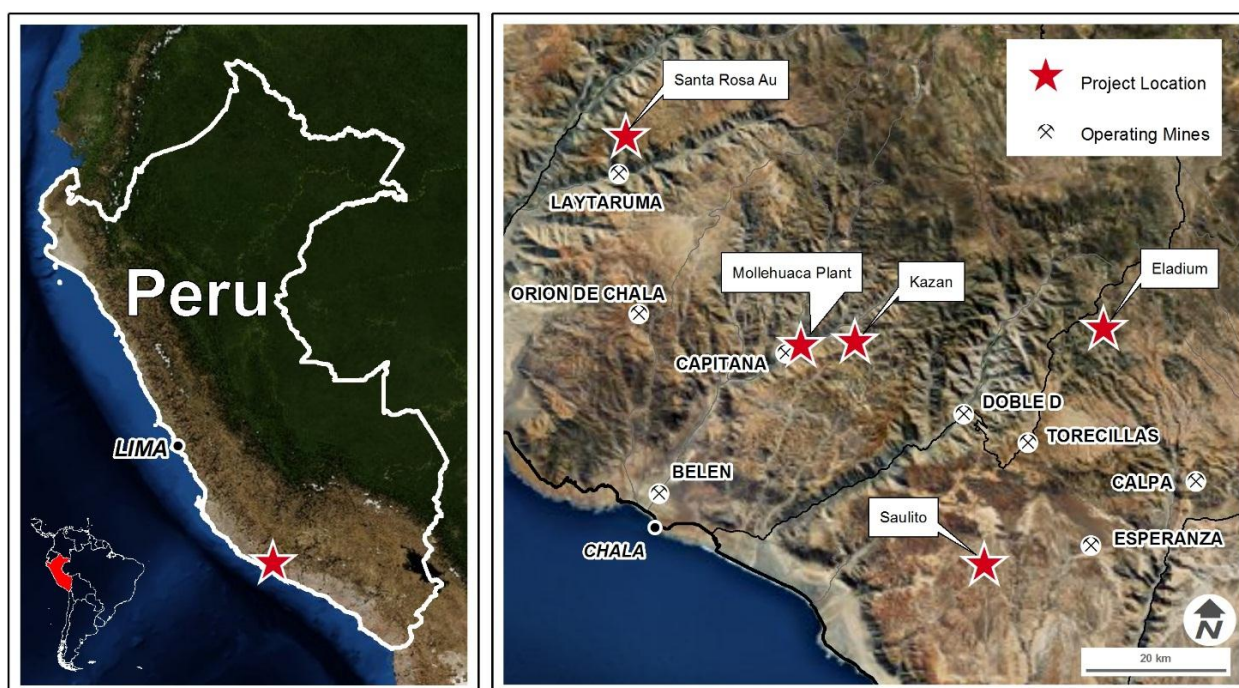
The Mollehuaca plant has a toll-treatment agreement to treat the Santa Rosa tailings and will receive 50% of recovered gold after shared costs.

Goldsmith Resources (CGU 25%), recently signed agreements where it can acquire the right to a 90% interest in two small mining projects in transport proximity to the Mollehuaca Gold Plant in southern Peru. The projects, named Saulito and Eladium, are both situated in the prolific Nazca-Ocoña metallogenic belt, which hosts a number of medium-sized, high-grade gold mining operations. Mineralisation in both projects is hosted by a system of quartz-sulphide veins which contain high grades of gold and accessory silver and copper.

At Saulito, GSR can secure a 30 year mining contract for 90% of extracted ore, the remaining 10% going to the vendor. The project is currently in small scale production and contains measured grades up to 104.5g/t gold hosted by a system of prolific, near-vertical, narrow quartz-sulphide veins. GSR aims to develop this asset over the coming months to deliver high grade, low tonnage ore to the plant.

Eladium contains very high gold grades of up to 454g/t gold as assayed, hosted by a moderately dipping quartz-sulphide vein system. GSR may secure a five year mining agreement for 90% of extracted ore, the remaining 10% going to the vendor. Goldsmith intends to rapidly develop this asset to modest production and feed the mill at Mollehuaca with high grade, low tonnage ore.

Goldsmith also holds options to purchase outright both Saulito and Eladium as detailed in recent ASX announcements on 12/6/2013 and 18/6/2013.



Capital Raising

Directors' Fees

To conserve the cash position of the Company, Directors have resolved that their outstanding Directors' Fees, owing up until 30 June 2013, will be converted to shares, subject to shareholder approval at the AGM planned for late October 2013.

Convertible Notes

Commissioners Gold is offering a Convertible Note to a number of professional and sophisticated investors to raise up to \$450,000 in cash. Notes of \$25,000 each have a maturity date at 10 June 2015 and will attract an interest rate of 8% per annum. Subject to shareholder approval, Notes can be convertible to CGU ordinary shares at \$0.025 per share. If fully subscribed and approved by shareholders, this capital raising will result in the issuing of 18,000,000 ordinary shares.

Funds raised by the Convertible Note will be used mainly to progress work on the three projects in GSR in Peru and for Cowarra in Australia and for general working capital.

Social engagement in Southern Peru

As commissioning is finalised on the Mollehuaca Gold Plant, GSR maintains a strong community focus and stakeholder engagement programme with the village in the immediate vicinity of the treatment plant. The village population has been regularly briefed on the site works.

Recognising the lack of an amenities block in the village's local primary school, CGU and its partners arranged for one to be constructed at no cost to the community. To mark the completion of the project, plant management hosted a party for the local school children to officially open their new bathroom block.

The GSR plant's soccer team frequently plays off against the local village team, losing on most occasions.





Cowarra (NSW)

Commissioners Gold 50% (earning 85%)

The team at Commissioners continues to assess options regarding the Cowarra Project, with a particular view to delivering maximum value for the JV partners. A number of options are currently under investigation, including:

- Expand on resources identified during previous drilling campaigns with additional targeted drilling along strike.
- Recovery of remnant mineralisation within unmined areas of the Cowarra Mine.
- Underground recovery of high grade mineralisation in the Ambassador lode.
- Open cut mining operations centred around an existing JORC inferred resource of 37,000 ounces of gold (501,000 tonnes at 2.3g/t Au).
- Treatment of old mine tailings from the Cowarra Mine and surrounding workings.
- Soil geochemical surveys along strike of the main Cowarra group of workings.

A team, led by COO Jason Needham, is currently in the field at Cowarra.

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

COMMISSIONERS GOLD LIMITED

ABN

79 115 845 942

Quarter ended ("current quarter")

30-June-2013

Consolidated statement of cash flows

Cash flows related to operating activities

1.1	Receipts from product sales and related debtors
1.2	Payments for
	(a) exploration and evaluation
	(b) development
	(c) production
	(d) administration
1.3	Dividends received
1.4	Interest and other items of a similar nature received
1.5	Interest and other costs of finance paid
1.6	Income taxes paid
1.7	Other - GST Refunds
	- Tenement Bond Refunds

Net Operating Cash Flows

Jun quarter \$A'000	Year to date (12 months) \$A'000
-	-
(103)	(664)
-	-
-	-
(12)	(260)
-	-
-	13
-	-
-	-
-	42
-	30
(115)	(839)
Cash flows related to investing activities	
1.8	Payment for purchase of:
	(a) prospects
	(b) equity investments - Goldsmith Resources SAC
	"Mollehuaca" Peruvian mining plant
	(c) other non current assets
1.9	Proceeds from sale of:
	(a) prospects
	(b) equity investments
	(c) other non current assets
1.10	Loans to Goldsmith Resources SAC
1.11	Loans repaid by other entities
1.12	Other
(39)	(99)
-	-
-	-
(39)	(499)
Net investing cash flows	
(154)	(1,338)

1.13 Total operating and investing cash flows (carried forward)

Appendix 5B

Mining Exploration Entity Quarterly Report

	Jun quarter \$A'000	Year to date (12 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(154)	(1,338)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	50	797
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	102	172
1.17 Repayment of borrowings	(8)	(62)
1.18 Dividends paid	-	-
1.19 Other - Share Issue Costs	(2)	(32)
Net financing cash flows	142	875
Net increase (decrease) in cash held	(12)	(463)
1.20 Cash at beginning of quarter/year	63	514
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter/year (*Note below)	51	51

Note: On 29 July 2013, the Board of Directors announced an intention to make a Convertible Note Issue to raise additional funds of \$450,000, mainly for ongoing work in Peru.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

1.23 Aggregate amount of payments to the parties included in item 1.2

1.24 Aggregate amount of loans to the parties included in item 1.10

Current
quarter
\$A'000

-

-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Appendix 5B

Mining Exploration Entity Quarterly Report

Financing facilities available

Add notes as necessary for an understanding of the position.

- 3.1 Loan facilities - Promissory Note
3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
Nil	Nil
Nil	Nil

Estimated cash outflows for next quarter

- 4.1 Exploration and evaluation
4.2 Development
4.3 Production
4.4 Administration

\$A'000

30
-
-
20

Total

50

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

- 5.1 Cash on hand and at bank
5.2 Deposits at call
5.3 Bank overdraft
5.4 Other - Bills and Bank Term Deposits

Current
quarter
\$A'000

Previous
quarter
\$A'000

51
-
-
-

46
17
-
-

Total: cash at end of quarter (item 1.22)

51

63

Changes in interests in mining tenements

	Tenement reference	Nature of interest ((note (2)))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished reduced or lapsed	No change		
6.2	Interests in mining tenements acquired or increased	Note *		

* Saulito and Eladium projects in Peru; agreement signed for tenements to be acquired in 25% owned Goldsmith Resources

Appendix 5B

Mining Exploration Entity Quarterly Report

Issued and quoted securities at end of current quarter

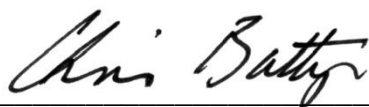
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter				
	(a) Increases through issues				
	Decreases through				
	returns of capital, buy				
	(b) backs, redemptions				
7.3	Ordinary securities	52,466,913	46,154,521	Fully Paid	Fully Paid
7.4	Changes during quarter				
	(a) Increases through issues	1,111,111	1,111,111	4.5 cents	4.5 cents
	(b) Released from escrow				
	Decreases through				
	returns of capital, buy				
	(c) backs				
7.5	Convertible debt securities <i>Convertible Note</i> * (* subject to shareholder approval, each Note has a conversion price of \$0.025 per share with an expiry date 10 June 2015)	4	0	\$25,000	\$25,000
7.6	Changes during quarter				
	(a) Increases through issues				
	Decreases through				
	securities matured,				
	(b) converted				
7.7	Options			Exercise Price	Expiry Date
	(description and conversion factor)	750,000	-	25 cents	31-Dec-13
		500,000	-	18 cents	31-Dec-14
		750,000	-	30 cents	31-Dec-15
		500,000	-	7 cents	31-Dec-16
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.12	Unsecured notes (totals only)				



Compliance Statement

1. This statement has been prepared under accounting policies that comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX (see note 4).
2. This statement gives a true and fair view of the matters disclosed.



Chris Battye – Executive Chairman

30 July 2013

Date

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a JV agreement, and there are conditions precedent that will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** - The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** - ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

Competent Person's Statement

The information in this report that relates to 'Exploration Results, Mineral Resources of Ore Reserves' is based on information compiled by Jason Needham BSc (Hons), who is a member of the Australian Institute of Geoscientists.

Mr Needham is an employee of Commissioners Gold Limited. He has sufficient experience deemed relevant to the style of mineralisation and type of deposit under consideration, and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Needham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.