



ABN 79 115 845 942

Annual Financial Report

30 June 2011



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30 September 2011

Dear Shareholder

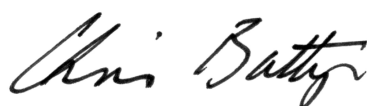
My Board and I are very pleased to present Commissioners Gold Limited's Annual Financial Report for the year to 30 June 2011. This is our first such report as a listed public company. On 1 May 2008 the Company changed its name to Commissioners Gold Limited to explore for gold deposits in the Lachlan Fold Belt in New South Wales. After securing a number of tenements, either by acquisition, farm-in or application, we released our IPO prospectus on 13 April 2011 and a Supplementary Prospectus on 22 June 2011. Our share offer closed on 5 August 2011 and our shares were listed on the ASX on 2 September 2011. The IPO raised just over \$2.5 million.

As set out in the Prospectus, we have six excellent exploration projects in the Lachlan Fold Belt. Prior to listing the Company carried out soil geochemistry and rock chip sampling programmes at three of its tenements, and an RC drill programme at its 'Black Bullock' project at Oberon. Since we completed our capital raising, we have begun a diamond drilling programme at Cowarra and a reverse circulation drilling programme at Dalton. As at the date of this report we do not have any material results from these programmes.

Exploration is a risky business but the rewards for success can be large.

I would like to thank my fellow Directors Robert McCauley, Robert Waring, Wesley Harder; our Company Secretary Keith Taylor and our key consultants Geos Mining. Lastly, I would like to thank my fellow shareholders for supporting the Company's vision and for providing the funding to allow us to get to where we are today.

Yours sincerely



Chris Battye
Executive Chairman

DIRECTORS' REPORT

Your Directors submit the annual financial report of Commissioners Gold Limited for the financial year ended 30 June 2011. In order to comply with the provisions of the Corporations Act, the Directors' report as follows:

Directors

The names of Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Christopher Battye	(appointed 19 August 2005)
Robert J McCauley	(appointed 10 February 2011)
Wesley Harder	(appointed 17 February 2010)
Robert J Waring	(appointed 29 November 2010)
Alan Shepherd	(resigned 29 November 2010)

Names, qualifications, experience and special responsibilities

Christopher Battye

Executive Chairman

Qualifications: *BLegS*

Chris provided the impetus in founding Commissioners Gold Limited (formerly Nerriga Mining Group Pty Ltd) in 2005 as a New South Wales focused gold exploration company. He worked as a machine sapphire miner on the Anakie Field, Queensland before admission as a solicitor in 1984. Chris has worked for a major law firm in Sydney as well as regional law firms in Bathurst and Ballina. In the late eighties he purchased one of the oldest Sydney practices, transforming it into a low cost high volume retail conveyancing business with five outlets.

Robert J McCauley

Managing Director

Qualifications: *BSc, MRICS(Aust.UK), MAICD, MIS Aust, Cert.Prof.SSI*

Robert McCauley was appointed Managing Director of Commissioners Gold Limited in February 2011. He was the founding CEO (2006-2010) of Capital Mining Limited and was instrumental in Capital Mining's successful capital raising and debut on the ASX in March 2007. He is currently a Non Executive Director of Capital Mining. Mr McCauley is a Chartered Surveyor and Management Consultant with over 30 years experience in the mining, engineering and construction industries with companies such as Worsley Alumina Pty Ltd, Sir Alexander Gibb & Partners, BHP Ltd and Boral Limited. Projects include Boddington Gold Mine (WA); Monasavu Hydro Electric Scheme, Fiji and the North West Shelf Liquefied Natural Gas Project (WA). He is a graduate of Curtin University, Perth WA; a Member of the Institution of Surveyors, Australia; a Certified Professional of the Spatial Sciences Institute; a Member of the Royal Institution of Chartered Surveyors and a Member of the Australian Institute of Company Directors.

Wesley Harder

Non Executive Director

Qualifications: *BSc. Dip SIA. MAus IMM*

Wesley Harder is a former gold analyst with Jackson Ltd Stockbrokers and has also worked as a gold, mining and resource analyst with stockbrokers Ord Minnett and Frank Renouf. He has also worked as a field exploration geologist for some 15 years in Australia and its near neighbours including Sumatra, Irian Jaya in Indonesia, New Britain and mainland Papua New Guinea, Solomon Islands and Fiji. In Australia, he has worked in New South Wales, Queensland, the Northern Territory and Tasmania. He has worked in tropical and temperate (both wet and dry) climates, searching for a range of mineral commodities including gold, copper, uranium and coal for major companies such as Placer Prospecting, Newmont Mining Inc., and Pancontinental Mining Limited. He was a founding Director and CEO of Zinco Resources NL and its successors for a period of seven years and has conducted his own consultancy firm for many years.

Robert J Waring

Non Executive Director

Qualifications: *BEC (Sydney), CA, FCIS, FFin, MAusIMM, FAICD*

Robert Waring's experience has been gained over 35 years in financial and corporate roles including 20 years in company secretarial roles for ASX listed companies and 16 years as a Director of an ASX listed company. Mr Waring has had 29 years experience in the mining industry and prior to that, nine years with an international firm of chartered accountants. He is a Director of the Spencer Hamilton Limited, a group which provides corporate advisory and company secretarial services to a range of listed and unlisted companies. He was a Director of ASX listed PlatSearch NL for 15 years up until 31 December 2010.

DIRECTORS' REPORT (continued)

Keith Taylor

Company Secretary

Qualifications: MCom, MBA, CPA, FCIS, F Fin.

Keith Taylor is an experienced company secretary having previously served ASX listed company Boards and a number of private companies. Keith is a consultant for Novus Capital Limited, a licensed dealer in securities. His previous positions have included work at the Australian Securities Commission and eight years with an Australian Merchant Bank providing advice on mergers and acquisitions, tax effective funding and corporate restructuring.

Interests in the shares and options of the Company

Directors' Shareholdings

The number of ordinary shares in the Company held by each Director of the company as at the date of this report is as follows:

30 June 2011	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
Chris Battye	8,000,000	-	-	-	8,000,000
Robert McCauley	-	-	-	600,000	600,000
Wesley Harder	-	-	-	200,000	200,000
Robert Waring	-	-	-	-	-
Total	8,000,000	-	-	800,000	8,800,000

30 June 2010	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
Chris Battye	8,000,000	-	-	-	8,000,000
Robert McCauley	-	-	-	-	-
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Alan Shepherd	-	-	-	-	-
Total	8,000,000	-	-	-	8,000,000

No ordinary shares were issued by the company during or since the end of the financial year as a result of the exercise of an option. There are no unpaid amounts on the shares issued.

Directors' Options and Rights Holdings

The following relevant interests in options of the Company were held by the Directors as at the date of this report.

30 June 2011	Balance at beginning of period	Granted as remuneration	Options exercised or vested	Net change Other	Balance at end of period
Chris Battye	-	-	-	-	-
Robert McCauley	-	1,500,000	-	-	1,500,000
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Total	-	1,500,000	-	-	1,500,000

DIRECTORS' REPORT (continued)

30 June 2010	Balance at beginning of period	Granted as remuneration	Options exercised or Vested	Net change Other	Balance at end of period
Chris Batty	-	-	-	-	-
Robert McCauley	-	-	-	-	-
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Keith Taylor	-	-	-	-	-
Alan Shepherd	-	-	-	-	-
Total	-	-	-	-	-

Dividends

No dividends have been paid or declared since the start of the financial year and/or the Directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity of the Company during the year was the exploration for gold resources.

Review of Operations

Following the Company's successful initial public offering ("IPO"), which raised in excess of \$2.5 million in spite of extreme market volatility, Commissioners Gold Limited was listed on the ASX on 2 September 2011. The Company's approach, once the ASX listing was achieved, was to get out into the field and get on with the work we told our investors we would be doing. Commissioners immediately commenced advanced exploration on targets outlined within its Prospectus. Significantly, drilling has commenced on the Ambassador and Victoria lodes at the old BHP gold mine at Cowarra.

The Company's initial programme of field work consists of over 1000 metres of drilling (5 diamond drill holes) at Cowarra in south eastern New South Wales. This drilling will, we anticipate, expand and upgrade the JORC compliant inferred resource of 37,000 ounces of gold at the Cowarra Gold Project. This diamond drilling has been designed with three objectives in mind:

- Making two intersections at depth on the Victoria lode below 4 level
- Bringing the number of piercing points on the Ambassador lode to five so as to accurately locate the structure for any subsequent underground exploration development
- Testing the intervening zone between the Victoria and Ambassador lodes for a possible third lode (the "Independent" lode), the existence of which is indicated by an intersection of 6.2m at 4.75 g/t Au from 160 metres in Horizon drill hole DSH10

Of course, Cowarra isn't the only primary focus for Commissioners Gold within its suite of six mineral exploration projects within the Lachlan Fold Belt in the eastern footprint of New South Wales. Drill targets have been identified at Dalton tenement (EL 6922), which sits adjacent the town of the same name, some 50 kilometres west of Goulburn.

Dalton contains three main groups of historic gold workings hosted by shear zones. Commissioners sees this particular project, with its near surface gold in identified structures, as prospective to rapidly developing a small-scale open cut gold mining operation. Eleven holes for a total of 850 metres are planned, to target the shear zones below old workings to a depth of 100 metres. This will be followed up with diamond drilling to confirm the geological setting and widths of mineralisation.

Historically, at least six mines worked the series of shear-hosted lodes with most development taking place during the 1930s, although a syndicate intended to re-open the mine in the 1980s.

Records indicate that 60 kilograms of gold was produced from this field. The gold profile is associated with dark grey quartz and arsenopyrite in slates. Parallel lines of lode were worked in many areas over a total length of 2.4 kilometres. The largest mine, the Dalton or "Big Mine", included three adits and boasted production of more than 10 kilograms of gold. The lodes were rich with grades of more than 50 grams per tonne (g/t) reported, while typical production grades in the 1930s were 20-30 g/t. Gold is reported to extend out from the main shears into the wall rock.

DIRECTORS' REPORT (continued)

Commissioners has already conducted rock chip and soil geochemical sampling of the area, at an exploration cost of \$50,000. The rock chip work returned up to 29 g/t gold and confirmed the strong correlation of gold with arsenic across different lines of workings. Soil sampling produced anomalous arsenic over 2.7 kilometres of strike length, and identified an area of outcropping granite close to the workings.

Commissioners is planning a programme of 10 to 12 holes to test the main lines of reef and these soil geochemical anomalies.

The Dalton goldfield is also associated with a subtle aeromagnetic high, which may indicate a buried granite, probably related to the nearby Gunning Granite. These granites may have been crucial for localisation of the gold mineralisation. The planned drilling will test below the workings and soil anomalies, using angled reverse circulation (RC) drilling, aiming to target the shear zones to a depth of at least 100 metres.

Your Board is focused on progressing towards an expanded and upgraded Mineral Resource estimation in the near future, whilst also actively assessing several other promising gold projects to enhance shareholder wealth. The Company looks forward to reporting positive results and outcomes across all projects, and are confident of adding value to Commissioner's portfolio over the coming year.

Significant changes in state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Company occurring during the financial year, other than as disclosed in this report, and other than the Initial Public Offering (IPO) Prospectus dated 23 March 2011 and a supplementary Prospectus dated 22 June 2011. The share offer closed on 5 August 2011 and shares were listed on the ASX on 2nd September 2011.

Operating results for the year

The loss of the Company for the financial period, after providing for income tax amounted to \$298,175 (2010: \$125,978).

Review of financial conditions

The Company has \$1,343,844 in cash assets (as at 30 June 2011), which the Directors believe puts the Company in an adequate financial position with sufficient capital for the next 12 months to complete existing work progress, refer note 1(s). The net assets of Commissioners Gold Limited have increased from \$459,165 from 30 June 2010 to \$521,815 in 2011. Refer to Subsequent Events note below and the note that IPO provides the Company with sufficient capital for the next 12 months.

Risk management

Details of the Company's Risk Management policies are contained within the Corporate Governance Statement in the Directors' Report.

Corporate Governance

Details of the Company's Corporate Governance policies are contained within the Corporate Governance Statement in the Directors' Report.

Subsequent events after balance date

On 5 August 2011 the Company closed its Initial Public Offer (IPO) having received applications for 12,713,550 ordinary shares at 20 cents each providing \$2,542,710 in share capital. On the same day 956,142 ordinary shares were issued to satisfy certain IPO and other performance contractual obligations. On 2 September 2011 the Company was admitted to the Official List of the Australian Stock Exchange.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Likely developments

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is hoping to identify other precious metal exploration and evaluation targets.

Environmental legislation

The Company is subject to significant environmental and monitoring requirements in respect of its natural resource exploration activities. The Directors are not aware of any significant breaches of these requirements during the period.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

DIRECTORS' REPORT (continued)

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Options

During the year, the Company granted 1,500,000 Options to its Managing Director on the following terms and conditions:

- i. 750,000 of the Options held by the option holder are exercisable on or before 31 December 2013 at the exercise price of \$0.25 per Option. Options not exercised before this date will lapse.
- ii. 750,000 of the Options held by the option holder are exercisable on or before 31 December 2015 at the exercise price of \$0.30 per Option. Options not exercised before this date will lapse.
- iii. Some or all of the Options may be exercised at any one time or times prior to the expiry date provided that no less than 10,000 Options are exercised at any one time.
- iv. The Company will not apply for official quotation on ASX of the Options.

No other options over issued shares or interest in the company were granted during or since the end of the financial year.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for Directors and Senior Management of Commissioners Gold Limited (the "Company") for the financial year ended 30 June 2011.

The following persons acted as Directors during or since the end of the financial year:

Christopher Battye
Robert McCauley
Wesley Harder
Robert J Waring
Alan Shepherd - resigned 29 November 2010

The term 'Senior Management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

Christopher Battye
Robert McCauley
Wesley Harder
Robert J Waring
Keith Taylor

Remuneration Philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the Senior Management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration Structure

In accordance with best practice Corporate Governance, the structure of Non-Executive Director and executive remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of \$300,000 per annum. The Directors have resolved that non-executive directors' fees will be \$35,000 per annum.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Director is entitled to receive a fee for being a Director of the Company.

DIRECTORS' REPORT (continued)

The remuneration of Non-Executive Directors for the period ended 30 June 2011 is detailed in the Remuneration of Directors and named executives section of this report on the following page of this report.

Senior Manager and Executive Director Remuneration

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition to the Company employees and Directors', the Company has contracted key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Independent Directors' Committee (which assumes the role of the Remuneration Committee). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the most highly remunerated Company executives is detailed in Table 1.

Employment Contracts

The Company and Mr Robert McCauley are parties to an Executive Employment Agreement dated 10 February 2011 by which the Company will employ Mr McCauley as an executive director from the day that the Company's shares are listed on ASX on 2 September 2011. Mr McCauley will work for the Company an average minimum of three days each week. The Company will pay Mr McCauley a remuneration package of \$135,000 per annum, plus superannuation. The Company will review Mr McCauley's performance annually and may in its absolute discretion award Mr McCauley a bonus of up to 100% of the amount of his remuneration package. Either party may terminate the Agreement by six months' notice to the other or, in the case of the Company, providing an equivalent payment of the remuneration package in lieu of notice (subject to obtaining any shareholder approval which may be required under the Corporations Act).

Remuneration of Directors and named executives

Table 1: Directors' and named executives remuneration for the year ended 30 June 2011

	Short-term employee benefits			Post-employment benefits		Equity	Equity	Total	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Superannuation	Prescribed Benefits	Options	Shares		
Christopher Battye	-	-	-	-	-	-	-	-	-
Robert McCauley	10,000	-	-	-	-	50,025	400	60,425	-
Wesley Harder	-	-	-	-	-	-	200	200	-
Robert Waring	14,924	-	-	-	-	-	-	14,924	-
Keith Taylor	-	-	-	-	-	-	200	200	-
Alan Shepherd (resigned 29 November 2010)	-	-	-	-	-	-	-	-	-
Total	24,924	-	-	-	-	50,025	800	75,749	-

Table 2: Directors' and named executives remuneration for the year ended 30 June 2010

	Short-term employee benefits			Post-employment benefits		Equity	Other	Total	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Superannuation	Prescribed Benefits	Options			
Christopher Battye	-	-	-	-	-	-	-	-	-
Robert McCauley	-	-	-	-	-	-	-	-	-
Wesley Harder	-	-	-	-	-	-	-	-	-
Robert Waring	-	-	-	-	-	-	-	-	-
Keith Taylor	-	-	-	-	-	-	-	-	-
Alan Shepherd	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

No remuneration was payable via the issue of options in the year ended 30 June 2010.

DIRECTORS' REPORT (continued)

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

Director	Director Meetings	
	Attended	Eligible to Attend
Christopher Battye	13	13
Alan Shepherd	4	4
Wesley Harder	12	13
Robert McCauley	7	8
Robert Waring	10	10

In addition, one circular resolution was signed by the Board during the period.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 14 and forms part of this Directors' report for the year ended 30 June 2011.

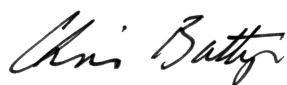
Non-Audit Services

Details of amounts paid or payable to WHK as the auditor for non-audit services provided during the year by the auditor are outlined in Note 22 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of the Directors.

Dated this 30th day of September 2011



Christopher Battye
Executive Chairman

SCHEDULE OF TENEMENTS

As at 28 September 2011

Tenement Number	Status	Percentage Interest
¹ EL 5939	Granted	Earning 50-85%
² EL 7702	Granted	Earning 70%
EL 6922	Granted	100%
EL 6919	Granted	100%
EL 6920	Granted	100%
EL 6921	Granted	100%

Notes:

1. EL 5939 is held by Capital Mining Limited.
2. EL 7702 is held by Central West Gold NL.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Commissioners Gold Limited is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council ('CGC') published guidelines as well as its corporate governance principles and recommendations.

The Board monitors the business and affairs of Commissioners Gold on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board draws on relevant best practice principles, particularly those issued by the ASX Corporate Governance Council in August 2007 with 2010 amendments. At a number of its meetings the Board examines the Commissioners Gold corporate governance practices and the progress towards a review of its practice compared to the best practice principles proposed by the ASX Corporate Governance Council. While Commissioners Gold is attempting to adhere to the principles proposed by the ASX, it is mindful that there may be some instances where compliance is not practicable for a company of Commissioners Gold's size.

The August 2007 ASX Corporate Governance Council publication "Corporate Governance Principles and Recommendations" second edition, is referred to for guidance purposes, however all listed companies are required to disclose the extent to which they have followed the recommendations, to identify any recommendations that have not been followed and reasons for not doing so. The Company's Board of Directors has reviewed the recommendations.

In many cases the Company was already achieving the standard required. In other cases the Company will have to consider new arrangements to enable compliance. In a limited number of instances, the Company may determine not to meet the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a company of this size.

The Commissioners Gold Corporate Governance Committee, consisting of Messrs Waring (Committee Chairman), and Harder, meets as and when required, including prior to the finalisation of the Annual Report. A summary of the Company's written policies on corporate governance matters has been prepared and included in the Corporate Governance section of the Commissioners Gold website. The following paragraphs set out the Company's position relative to each of the eight principles contained in the ASX Corporate Governance Council's report.

Principle 1: Lay solid foundations for management and oversight

The Company has formalised and disclosed the functions reserved to the Board and those delegated to management, and has processes in place for evaluating the performance of senior executives. However, the Company has a small Board of four Directors (two Non-Executive Directors, the Executive Chairman and the Managing Director) and a small team of staff, so roles and functions have to be flexible to meet specific requirements.

Principle 2: Structure the Board to add value

The Company complies with most of the recommendations within this area as the Chairman is separate from the Managing Director. The Company also complies with the recommendation that a majority of Directors are independent however, the Executive Chairman, Mr Chris Battye, is a substantial shareholder. Two of the Company's four Directors are Non-Executives and one of the Non-Executives, Mr Robert Waring has provided accounting, taxation, secretarial services and advice for the Company within the past three years. The Company has a Board Nomination Committee. An internal performance evaluation of the Board was carried out during the year.

Each Director of the Company has the right to seek independent professional advice at the expense of the Company. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

Principle 3: Promote ethical and responsible decision-making

The Company has a policy concerning trading in its securities by Directors, management, staff and significant consultants, which is set out below. The Company has a formal code of conduct.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 4: Safeguard integrity in financial reporting

At this stage the Company's financial statements are prepared by a contract accountant who confirms to the Audit Committee in writing that the Company's financial reports represent a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with relevant accounting standards. The Managing Director reviews and approves the financial statements before they are submitted to the Audit Committee and also meets with and confirms this in writing to the Board. They also comment on whether the financial reports are based on a sound system of risk management and internal control, and whether the system is operating efficiently and effectively.

The Company has an Audit and Risk Management Committee which consists of the two Non-Executive Directors: Messrs Waring (Committee Chairman) and Harder. These Directors have applicable expertise and skills, and are suitably qualified for this Committee. This structure does not meet the ASX's guidance regarding independence, in that it should have a majority of independent directors. The Audit and Risk Management Committee reports to the Board after each Committee meeting. In conjunction with the full Board, the Committee meets with and reviews the performance of the external auditors (including scope and quality of the audit).

Principle 5: Make timely and balanced disclosure

The Company, its Directors and consultants are very aware of the ASX's continuous disclosure requirements, and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. The Company has adopted formal written policies regarding disclosure. It uses strong informal systems underpinned by experienced individuals. The Company maintains a register of matters considered for possible market disclosure.

Principle 6: Respect the rights of shareholders

All significant information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's website. Written procedures have also been established for reviewing whether any price-sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

Whilst the Company does not have a communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies, the Company does communicate regularly with shareholders.

The Company has requested the external auditor to attend general meetings and this has been supported by the Company's audit partner at WHK Audit Services Central West.

Principle 7: Recognise and manage risk

The Company is a small, exploration company and does not believe that at this stage there is significant need for formal policies on risk oversight and management of material business risks, although these issues are actively considered at all times in the Company's activities. Risk management arrangements are the responsibility of the Board of Directors and senior management collectively. During the year, the Company has established an Audit and Risk Management Committee of Messrs Waring (Committee Chairman) and Harder that meets as and when required, including prior to the finalisation of the Annual Report. The Company has also established a Risks Register. Risk Factors are an agenda item for each Board meeting and the senior management will periodically report to the Board in writing on risk management and internal controls. The Company has an Occupational Health and Safety policy with which all of the Company's staff, contractors and consultants must comply.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 8: Remunerate fairly and responsibly

The Company has a Remuneration and Board Nomination Committee of Messrs Harder (Committee Chairman) and Battye that meets as and when required, to review performance matters and remuneration. There has been an internal performance evaluation of the Board during the past financial year, and its composition will be reviewed at a Board meeting at least annually by the Remuneration and Board Nomination Committee. The Directors work closely with management and have full access to all the Company's files and records.

Directors believe that the size of the Company makes individual salary and consultant negotiations more appropriate than formal remuneration policies. The Remuneration Committee will seek independent external advice and market comparisons as necessary. In accordance with Corporations Act requirements, the Company discloses the fees or salaries paid to all Directors, plus the highest paid officers. The Company has an Employee Share Option Plan.

Ethical standards

The Board's policy is for the Directors and management to conduct themselves with the highest ethical standards.

All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Securities trading and trading windows

Directors, employees and key consultants must consult with the Chairman of the Board or the Managing Director before dealing in shares of the Company. Purchases or sales in the Company's shares by Directors, employees and key consultants may not be carried out in a closed period, but only in the "window", being the period commencing two days subsequent to and ending 30 days following the date of announcement of the Company's annual or half-yearly results, its quarterly reports or a major announcement leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling the Company's shares at any time if they are aware of price-sensitive information that has not been made public.

Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Commissioners Gold Limited for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Commissioners Gold Limited.



**Bathurst, New South Wales
30 September 2011**

Partner

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	3	12,114	12,584
		12,114	12,584
Administration costs	4	(157,620)	(19,086)
Depreciation and amortisation expense	4	-	(790)
Exploration costs expensed	4	(116,874)	(109,182)
Finance costs	4	(400)	-
Marketing expense	4	(35,395)	(9,504)
Loss before income tax expense		(298,175)	(125,978)
Income tax expense		-	-
Net loss for the year attributable to the owners of Commissioners Gold Limited		(298,175)	(125,978)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the owners of Commissioners Gold Limited		(298,175)	(125,978)
Loss per share			
Basic loss per share (cents)	20	(1.62)	(0.78)
Diluted loss per share (cents)	20	(1.62)	(0.78)

The statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,343,844	274,847
Trade and other receivables	7	68,621	14,318
Other assets	8	430,912	60,000
TOTAL CURRENT ASSETS		1,843,377	349,165
NON-CURRENT ASSETS			
Other assets	8	70,000	-
Intangible assets	9	120,000	120,000
TOTAL NON-CURRENT ASSETS		190,000	120,000
TOTAL ASSETS		2,033,377	469,165
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	172,715	-
Borrowings	12	10,967	-
Other liabilities	13	1,327,880	10,000
TOTAL CURRENT LIABILITIES		1,511,562	10,000
TOTAL LIABILITIES		1,511,562	10,000
NET ASSETS		521,815	459,165
EQUITY			
Issued capital	14	1,419,450	1,108,650
Reserves	15	50,025	-
Accumulated losses	16	(947,660)	(649,486)
TOTAL EQUITY		521,815	459,165

The statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30 JUNE 2011

	Share Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2009	500,000	-	(523,507)	(23,507)
Total comprehensive income / (loss)	-	-	(125,978)	(125,978)
Total comprehensive income for the period	500,000	-	(649,485)	(149,485)
Transactions with owner in their capacity as owners:				
Issue of share capital	622,750	-	-	622,750
Share issue costs	(14,100)	-	-	(14,100)
Balance at 30 June 2010	1,108,650	-	(649,485)	459,165
Balance at 1 July 2010	1,108,650	-	(649,485)	459,165
Total comprehensive income / (loss)	-	-	(298,175)	(298,175)
Issue of options at fair value	-	50,025	-	50,025
Total comprehensive income for the period	1,108,650	50,025	(947,660)	211,015
Transactions with owner in their capacity as owners:				
Issue of shares	310,800	-	-	310,800
Balance at 30 June 2011	1,419,450	50,025	(947,660)	521,815

The statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASHFLOWS

YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Interest received		12,114	6,224
Payments to suppliers and employees		(208,270)	(146,963)
Finance costs		(400)	-
Taxes paid		-	-
Net cash provided by (used in) operating activities	26	(196,554)	(140,739)
Cash flows from investing activities			
Performance bond deposits (paid)/recovered		(10,000)	-
Net cash provided by (used in) investing activities		(10,000)	-
Cash flows from financing activities			
Proceeds from issue of shares		310,800	622,750
Proceeds from unallocated shares		1,327,880	10,000
Payments for IPO and share issue costs		(364,095)	(15,510)
Proceeds from related party loan accounts		10,967	-
Repayment of related party loan accounts		-	(202,755)
Net cash provided by (used in) financing activities		1,285,552	414,486
Net increase/(decrease) in cash and cash equivalents		1,068,997	273,747
Cash and cash equivalents at beginning of financial year		274,847	1,100
Cash and cash equivalents at end of financial year	6	1,343,844	274,847

The statement of cashflows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

This financial report includes the financial statements and notes of Commissioners Gold Limited.

Number	Notes to the Financial Statements
1	Summary of significant accounting policies
2	Operating segments
3	Revenue & other income
4	Expenses
5	Income tax expense
6	Current assets – Cash and cash equivalents
7	Current assets – Trade and other receivables
8	Current and Non Current assets – Other assets
9	Non-current assets – Intangible assets
10	Non-current assets – Property, Plant & Equipment
11	Current liabilities – Trade and other payables
12	Current liabilities – Borrowings
13	Current liabilities – Other liabilities
14	Contributed equity
15	Reserves
16	Accumulated losses
17	Tax
18	Related party transactions
19	Key management personnel disclosures
20	Loss per share
21	Financial Risk Management
22	Auditor's remuneration
23	Commitments and contingencies
24	Dividends and franking credits
25	Events occurring after the balance sheet date
26	Reconciliation of (loss) / profit after income tax to net cash flows from operating activities
27	Share based payments

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

b. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

c. Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

e. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

g. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Exploration and Development Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

i. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Earnings (Loss) per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- (i) costs of servicing equity (other than dividends) and preference share dividends;
- (ii) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- (iii) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are recorded at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against fair value reserves directly in equity; all other decreases are recognised in profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(c) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property, Plant and Equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold improvements	20%-32%
Plant and equipment	20%-32%
Leased plant and equipment	20%-32%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Goodwill and intangibles

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the fair value of the acquirer's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangibles

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense will be taken to the income statement.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and, in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

n. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Company does not designate any interests in associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

o.Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one (1) year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one (1) year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

p.Rounding of Amounts

The Company has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest one dollar (\$1).

q.Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key estimates

(i) *Impairment*

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgments

(i) *Exploration and evaluation expenditure*

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

r. Going concern

The financial statements have been prepared on the going concern basis, the validity of which depends upon the positive cash position. The Company's existing projections show that no further funds will be required to be generated, either by capital raisings, sales of assets or other initiatives, to enable the Company to fund its currently planned activities for at least the next twelve months from the date of signing these financial statements. Should new opportunities present that require additional funds the Directors will take action to reprioritise activities, dispose of assets and or raise further funds.

Notwithstanding this issue, accordingly the Directors have prepared the financial statements of the Company on a going concern basis. In arriving at this position, the Directors have considered the following pertinent matter:

- Australian Accounting Standard, AASB 101 "Accounting Policies", states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so

In the Directors' opinion, at the date of signing the financial report, there are reasonable grounds to believe that the matters set out above will be achieved and therefore the financial statements have been prepared on a going concern basis.

s. Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Commissioners Gold Limited.

u. Change in accounting policy

The Company has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change in the number of reportable segments presented by the Company as operating segments are reported in a manner that is consistent with internal reporting provided to the chief operating decision maker.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Company has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
 - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).
- This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Company.
- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Company is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2010–2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific “RDR” disclosures.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Company.

- AASB 2009–14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the Company.

- AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB’s annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity’s first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity’s exposure to risks arising from financial instruments;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v. New Accounting Standards for Application in Future Periods (continued)

- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Company.

- AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

- AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Company.

- AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Company has not yet determined any potential impact on the financial statements from adopting AASB 9.

- AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v. New Accounting Standards for Application in Future Periods (continued)

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Company.

- AASB 2010–9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Company.

- AASB 2010–10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009–11 & AASB 2010–7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009–11 will only affect early adopters of AASB 2009–11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010–7.]

This Standard is not expected to impact the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

During the year the Company operated principally in one business segment being mineral exploration and in one geographical segment being Australia.

NOTE 3: REVENUE AND OTHER INCOME

	Note	2011 \$	2010 \$
a. Revenue from continuing operations			
Other income			
– Interest received ¹		12,114	6,225
– other revenue ²		-	6,359
Total other income		12,114	12,584
1. Interest received from:			
– Bank		12,114	6,225
2. Other revenue			
– Debt forgiveness income		-	6,359
Loans of \$6,359 owing to Mr Chris Battye and Mortgage Shop Pty Ltd at 30 June 2010 were waived by Mr Battye and Mortgage Shop Pty Ltd and written back as forgiven.			

NOTE 4: EXPENSES

	Note	2011 \$	2010 \$
Loss before income tax from continuing operations includes the following specific expenses:			
a. Expenses			
Administration costs		157,620	19,086
Depreciation and amortisation expense		-	790
Exploration costs expensed		116,874	109,182
Finance costs		400	-
Marketing expense		35,395	9,504
Total expenses		310,289	138,562

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 5: INCOME TAX EXPENSE

	Note	2011 \$	2010 \$
The prima facie tax on loss t from ordinary activities before income tax is reconciled to income tax as follows:			
Loss before income tax expense		(298,175)	(125,978)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2010: 30%)		(89,453)	(37,793)
Add:			
Tax effect of:			
– Other non-allowable items		50,029	34,822
		(39,424)	(2,971)
Less:			
Tax effect of:			
– Other deductible expenses		(17,886)	(14,384)
Future tax benefits not brought to account		57,310	17,355
Income tax attributable to the Company		-	-

The Company has tax losses arising in Australia of \$418,590 (2010: \$141,375 that are available indefinitely to offset against future taxable profits.

NOTE 6: CASH AND CASH EQUIVALENTS

	Note	2011 \$	2010 \$
Cash at bank		15,642	274,847
Short-term bank deposits		1,328,202	-
	40	1,343,844	274,847

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	1,343,844	274,847
	1,343,844	274,847

Short term bank deposits represent share application monies received from the investors pursuant to the Initial Public Offering ("IPO") Prospectus lodged with the ASX on 13 April 2011.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company did not engage in any non-cash financing activities for the period ending 30 June 2011 was not party to any borrowing facilities for the same period. All cash was available for use, and no restrictions were placed on the use of it at any time during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 7: TRADE AND OTHER RECEIVABLES

	Note	2011 \$	2010 \$
Other receivables		68,621	14,318
Total current trade and other receivables		<u>68,621</u>	<u>14,318</u>

NOTE 8: OTHER ASSETS

	2011 \$	2010 \$
CURRENT		
Performance bonds	-	60,000
Prepaid Initial Public Offering Costs	430,912	-
	<u>430,912</u>	<u>60,000</u>
NON-CURRENT		
Performance bonds	70,000	-
	<u>70,000</u>	<u>-</u>

During the year, transaction costs incurred arising from the IPO prospectus lodged with the ASX on 13 April were classified as a prepaid current asset.

Performance bonds for tenements of Mongarlowe, Dalton, Muttama, Oberon - Black Bullock, Ophir and Duckmaloi. The performance bond classified as a current asset in the 2010 financial statements was re-classified as a non current asset in the 2011 financial statements. These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements.

NOTE 9: INTANGIBLE ASSETS

	2011 \$	2010 \$
Exploration licenses:		
Cost	120,000	120,000
Net carrying value	120,000	120,000
Total intangibles	<u>120,000</u>	<u>120,000</u>

	Exploration Licences \$	Total \$
Year ended 30 June 2010		
Balance at the beginning of the year	120,000	120,000
Additions	-	-
Disposals	-	-
Amortisation charge	-	-
Impairment losses	-	-
	<u>120,000</u>	<u>120,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 9: INTANGIBLE ASSETS (Continued)

	2011 \$	2010 \$
Year ended 30 June 2011		
Balance at the beginning of the year	120,000	120,000
Additions	-	-
Disposals	-	-
Amortisation charge	-	-
Impairment losses	-	-
Closing value at 30 June 2011	120,000	120,000

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2011 \$	2010 \$
PLANT AND EQUIPMENT		
Information technology		
At cost	-	-
Accumulated depreciation	-	-
Total Information technology	-	-
Total property, plant and equipment	-	-

a. Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Information Technology \$	Total \$
Balance at 1 July 2009	790	790
Additions	-	-
Disposals	-	-
Depreciation expense	(790)	(790)
Balance at 30 June 2010	-	-
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Balance at 30 June 2011	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 11: TRADE AND OTHER PAYABLES

	Note	2011 \$	2010 \$
CURRENT			
Unsecured liabilities:			
Trade payables and accrued expenses		142,638	-
Amounts payable to Director and related entities		30,077	-
		<u>172,715</u>	<u>-</u>

NOTE 12: BORROWINGS

	Note	2011 \$	2010 \$
CURRENT			
Unsecured liabilities:			
Amounts payable to Director and related entities		10,967	-
Total current borrowings		<u>10,967</u>	<u>-</u>

NOTE 13: OTHER LIABILITIES

	Note	2011 \$	2010 \$
CURRENT			
Other liabilities:		1,327,880	10,000
Total other liabilities		<u>1,327,880</u>	<u>10,000</u>

Other liabilities refer to share application monies received during the year from the investors pursuant to the Initial Public Offering Prospectus lodged with the ASIC dated 23 March 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 14: CONTRIBUTED EQUITY

	2011 \$	2010 \$
20,980,000 (2010: 16,080,000) fully paid ordinary shares	1,433,550	1,122,750
Share issue costs	(14,100)	(14,100)
Total issued capital	1,419,450	1,108,650

	2011 Number	2010 Number
a. Ordinary Shares		
At the beginning of the reporting period:	16,080,000	5,625,000
Shares issued during the year		
– 375,000 ordinary shares issued at 5 cents each		375,000
– 2,000,000 ordinary shares issued at 10 cents each		2,000,000
– 8,080,000 ordinary shares issued at 5 cents each		8,080,000
– 800,000 ordinary shares issued at 0.001 cents each	800,000	
– 4,000,000 ordinary shares issued at 7.5 cents each	4,000,000	
– 100,000 ordinary shares issued at 10 cents each	100,000	
At the end of the reporting period	20,980,000	16,080,000

During the year 800,000 fully paid shares were issued at 0.001 cents each to directors Mr R McCauley and Mr W Harder and the secretary, Mr K Taylor as payment for services rendered as Directors during the year, including preparation for listing on the Australian Securities Exchange. There were 4,000,000 fully paid shares issued at 7.5 cents and 100,000 fully paid shares issued at 10 cents, each issued to sophisticated and professional investors.

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

During the year, the Company granted 1,500,000 Options to its Managing Director on the following terms and conditions:

- 750,000 of the Options held by the option holder are exercisable on or before 31 December 2013 at the exercise price of \$0.25 per Option. Options not exercised before this date will lapse.
- 750,000 of the Options held by the option holder are exercisable on or before 31 December 2015 at the exercise price of \$0.30 per Option. Options not exercised before this date will lapse.
- Some or all of the Options may be exercised at any one time or times prior to the expiry date provided that no less than 10,000 Options are exercised at any one time.
- The Company will not apply for official quotation on ASX of the Options.

As at 30 June 2011 there were 1,500,000 unissued ordinary shares under option (2010: Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 14: CONTRIBUTED EQUITY (Continued)

c. Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, budgeting and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

NOTE 15: RESERVES

	Note	2011 \$	2010 \$
Reserves			
Share Based Payments Reserve		50,025	-
		<u>50,025</u>	<u>-</u>
Movement in Reserves			
Balance at beginning of year		-	-
Recognition of options issued at fair value		50,025	-
Balance at end of year		<u>50,025</u>	<u>-</u>

Nature and purpose of reserves

The share based payments reserve records the value of options issued by the Company – Note 27.

NOTE 16: ACCUMULATED LOSSES

	Note	2011 \$	2010 \$
Balance at beginning of the financial year		(649,485)	(523,507)
Net loss attributable to members of the Company		(298,175)	(125,978)
Balance at end of financial year		<u>(947,660)</u>	<u>(649,485)</u>

NOTE 17: TAX

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(g) occur.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18: RELATED PARTY TRANSACTIONS

Related Parties

a. The Company's main related parties are as follows:

i. Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

The directors in office during the year were as follows:

Christopher Battye	Appointed 19 August 2005
Robert J. McCauley	Appointed 10 February 2011
Allan Shepherd	Resigned 29 November 2010
Wesley Harder	Appointed 17 February 2010
Robert J. Waring	Appointed 29 November 2010

For details of disclosures relating to key management personnel, refer to Note 19: Interests of Key Management Personnel (KMP).

ii. Entities subject to significant influence by the Company:

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. Other related parties:

Other related parties include entities controlled by the company and entities over which key management personnel exercise significant influence.

b. Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2011 \$	2010 \$
i. Other related parties:		
Purchase of goods and services:		
Corporate advisory fees paid to Spencer Hamilton Pty Ltd, a company associated with Mr Robert Waring a director of the company.	39,192	-
Provision of office space at no rental charge and administrative assistance at cost to the Company by The Conveyancing Shop, a company associated with Mr Chris Battye, a director of the company.	427	-

c. Amounts payable to related parties:

Trade and other payables:

Amounts payable to Director and related entities, as follows:

Directors fees	2,000	-
Reimbursement of expenses	27,650	-
Corporate advisory services	16,417	-
Total trade and other payable related party amounts	46,067	-

Borrowings:

Unsecured, at-call loans are provided by directors on an arm's

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18: RELATED PARTY TRANSACTIONS

length basis. Interest is charged at 0% (2010: 0%) is repayable monthly within the next twelve (12) months.

i. *Loans from key management personnel related entities:*

Beginning of the year	-	-
Loans advanced	10,967	6,359-
Loan forgiven	-	(6,359)
Interest charged	-	-
End of the year	10,967	-

NOTE 19: INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2011.

The totals of remuneration paid to KMP of the company during the year are as follows:

	2011	2010
	\$000	\$000
Short-term employee benefits	24,924	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	50,825	-
	75,749	-

KMP Options and Rights Holdings

The number of options over ordinary shares held by each KMP of the Company during the financial year is as follows:

30 June 2011	Balance at beginning of period	Granted as remuneration	Options exercised or vested	Net change Other	Balance at end of period
Chris Battye	-	-	-	-	-
Robert McCauley	-	1,500,000	-	-	1,500,000
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Keith Taylor	-	-	-	-	-
Total	-	1,500,000	-	-	1,500,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

30 June 2010	Balance at beginning of period	Granted as remuneration	Options exercised or Vested	Net change Other	Balance at end of period
Chris Battye	-	-	-	-	-
Robert McCauley	-	-	-	-	-
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Keith Taylor	-	-	-	-	-
	-	-	-	-	-

KMP Shareholdings

The number of ordinary shares in the Company held by each KMP of the company during the financial year is as follows:

30 June 2011	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
Chris Battye	8,000,000	-	-	-	8,000,000
Robert McCauley	-	400,000	-	-	400,000
Wesley Harder	-	200,000	-	-	200,000
Robert Waring	-	-	-	-	-
Keith Taylor	-	200,000	-	-	200,000
Total	8,000,000	800,000	-	-	8,800,000

30 June 2010	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
Chris Battye	8,000,000	-	-	-	8,000,000
Robert McCauley	-	-	-	-	-
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Keith Taylor	-	-	-	-	-
Total	8,000,000	-	-	-	8,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 19: INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP) (Continued)

Other KMP Transactions

The Company has established the Commissioners Gold Limited Employee Share Option Plan (ESOP) and a summary of the terms and conditions of the Plan are set out below:

- i. All employees (full time and part time) will be eligible to participate in the Plan.
- ii. Options are granted under the Plan at the discretion of the board and if permitted by the board, may be issued to an employee's nominee.
- iii. Each option is to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue. An option is exercisable at any time from its date of issue provided all relevant vesting conditions, if applicable, have been met. Options will be issued free. The exercise price of options will be determined by the board. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.
- iv. If, prior to the expiry date of options, a person ceases to be an employee of the Company for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 30 days from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- v. Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- vi. The Company will not apply for official quotation of any options.
- vii. Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- viii. Option holders may only participate in new issues of securities by first exercising their options.
- ix. Options are granted under the plan for no consideration.
- x. Each share options converts into one ordinary shares of Commissioners Gold Limited.

The Board may amend the terms and conditions of the plan subject to the requirements of the Listing Rules.

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 18: Related Party Transactions.

NOTE 20: LOSS PER SHARE

	2011 \$	2010 \$
a. Basic Loss per share		
i. Basic Loss (cents per share)	(1.62)	(0.78)
ii. Net loss used to calculate basic loss per share	(298,175)	(125,978)
Loss used to calculate basic EPS from continuing operations		
	No.	No.
iii. Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	<u>18,433,425</u>	<u>16,080,000</u>
b. Diluted loss per share		
The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 21: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties, bills and leases. The following table details the expected maturities for the Company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

Financial Risk Management Policies

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below. The Finance Risk and Audit Committee (FRAC) has been delegated responsibility by the Board of Directors for, among other issues, monitoring and managing financial risk exposures of the Company. The FRAC monitors the Company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk.

The FRAC's overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and commodity and equity price risk. This note presents the information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Company, credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the FRMC has otherwise cleared as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

All debts are within credit limits (no past dues). Details with respect to credit risk of trade and other receivables are provided in Note 11.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 21: FINANCIAL RISK MANAGEMENT (Continued)

b. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

c. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of the holdings of financial instruments. The Company is exposed to movements in market interest rates on short term deposit. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term debt, and therefore this risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

d. Interest rate risk

The Company is exposed to interest rate risk as the Company deposits the bulk of its cash reserves in Term Deposits with the bank. The risk is managed by the Company by maintaining an appropriate mix between short term and medium-term Deposits. The Company's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity

At 30 June 2011, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	Note	2011 \$	2010 \$
Change in Loss			
Increase in interest rate by 1%		5,214	68,711
Decrease in interest rate by 1%		(5,214)	(68,711)
Change in Equity			
Increase in interest rate by 1%		5,214	68,711
Decrease in interest rate by 1%		(5,214)	(68,711)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 21: FINANCIAL RISK MANAGEMENT (Continued)

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2011 \$	2010 \$
Financial assets			
Cash and cash equivalents	6	1,343,844	274,847
Trade and other receivables	7	68,621	14,318
Other financial assets	8	70,000	60,000
Total financial assets		1,482,465	349,165
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	11	172,715	-
– borrowings	12	10,967	-
– other financial liabilities	13	1,327,880	10,000
Total financial liabilities		1,511,562	10,000

The following table details the expected maturities for the Company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 Months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
2011						
Non-interest bearing	-	15,642	-	-	70,000	-
Variable interest rate instruments	4.5	1,328,202	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
Receivables	-	68,621	-	-	-	-
		1,412,465	-	-	70,000	-
2010						
Non-interest bearing	-	274,847	-	-	60,000	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
		274,847	-	-	60,000	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 21: FINANCIAL RISK MANAGEMENT (Continued)

The following tables detail the Company's remaining contractual maturities' for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 Months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
2011						
Non-interest bearing:		-	-	-	-	-
- Trade and other payables	-	172,725	-	-	-	-
- Borrowings	-	-	-	10,967	-	-
- Other liabilities	-	-	-	1,327,880	-	-
	-	<u>172,725</u>	-	<u>1,338,847</u>	-	-
2010						
Non-interest bearing	-	-	-	10,000	-	-
	-	-	-	<u>10,000</u>	-	-

NOTE 22: AUDITORS' REMUNERATION

	2011 \$	2010 \$
Remuneration of the auditor of the Company for:		
– auditing or reviewing the financial report	<u>8,500</u>	<u>2,350</u>

NOTE 23: COMMITMENTS AND CONTINGENCIES

Remuneration Commitments

The Company and Mr Robert McCauley are parties to an Executive Employment Agreement dated 10 February 2011 by which the Company will employ Mr McCauley as an executive director from the day that the Company's shares are listed on ASX. Mr McCauley will work for the Company an average minimum of three days each week. The Company will pay Mr McCauley a remuneration package of \$135,000 per annum, plus superannuation. The Company will review Mr McCauley's performance annually and may in its absolute discretion award Mr McCauley a bonus of up to 100% of the amount of his remuneration package.

The Company has also agreed, if approval is obtained for listing, to grant to Spencer Hamilton Pty Ltd (a company associated with Mr Robert Waring) a success fee of either 250,000 Shares at an issue price of \$0.001 or 600,000 Options each with an exercise price of \$0.25 and expiring on 30 June 2015. Spencer Hamilton Pty Ltd has elected to receive its success fee by way of Shares (and not by way of Options).

Guarantees

Commissioners Gold Limited did not commit to nor make guarantees of any form as at 30 June 2011.

Contingent liabilities

There are no contingent liabilities as at 30 June 2011 apart from on-going geological services.

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time. The expenditure requirement for the upcoming year is \$340,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 24: DIVIDENDS AND FRANKING CREDITS

The Directors of the Company have not declared any dividends for the year ended 30 June 2011. There were no franking credits available to the shareholders of the Company.

NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATE

On 5 August 2011 the Company closed its Initial Public Offer having received applications for 12,713,550 ordinary shares at 20 cents each providing \$2,542,710 in share capital. On the same day 956,142 ordinary shares were issued to satisfy certain IPO and other performance obligations. On 2 September 2011 the Company was admitted to the Official List of the Australian Stock Exchange.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

NOTE 26: CASH FLOW INFORMATION

	2011 \$	2010 \$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	(298,175)	(125,978)
Cash flows excluded from profit attributable to operating activities:		
Non-cash flows in profit:		
– Depreciation	-	790
– Capitalised expenditure	(66,817)	-
– Options expense	50,025	
– debt forgiveness income	-	(6,359)
Changes in assets and liabilities		
– (increase)/decrease in trade and term receivables	(54,302)	(9,192)
– increase/(decrease) in trade payables and accruals	172,715	-
Cash flow from operations	<u>(196,554)</u>	<u>(140,739)</u>

NOTE 27: SHARE BASED PAYMENTS

In March 2011 the Managing Director was issued with 1,500,000 options with an exercise prices of \$0.25 and \$0.30, and expiry dates of 31 December 2013 and 31 December 2015 respectively (each tranche is 750,000 options and the options were vested on issue). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted determined by using the Binomial option valuation methodology model and the following assumptions: expected volatility of between 95.48% and 99.35%, risk-free interest rate of between 5.065% and 5.25%, dividend yield nil and an expected life as detailed above. The estimated fair value of each option at the date of grant was \$0.028 and \$0.039 per option respectively (total value of 1,500,000 options \$50,025).

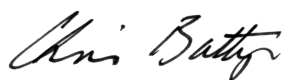
DIRECTORS' DECLARATION

In the opinion of the Directors of Commissioners Gold Limited (the Company):

1. The financial statements and notes thereto, as set out on pages 15 to 48, are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year then ended; and
 - b. complying with Accounting Standards and Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The financial statements also comply with International Financial Reporting Statements as disclosed in Note 1.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

This declaration is signed in accordance with a resolution of the Board of Directors.



Chris Battye

Executive Director

30 September 2011

INDEPENDENT AUDITOR'S REPORT

**To the members of
COMMISSIONERS GOLD LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Commissioners Gold Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Commissioners Gold Limited, as set out on pages 15 to 48.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements of Commissioners Gold Limited comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Commissioners Gold Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the Directors' Report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Commissioners Gold Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

157 George Street
Bathurst NSW 2795



Michael J Rendell
Registered Company Auditor

ADDITIONAL SHAREHOLDER INFORMATION

A. Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained within the Director's Report.

B. Shareholding

1. Substantial Shareholders

	Shareholders	Substantial Holding	% of Issued Capital
1	CHRIS BATTYE	8,000,000	23.088
2	HARDIE OCEANIC PTY LTD	4,000,000	11.544
3	HARDIE OCEANIC PTY LIMITED <HARDIE SUPER FUND A/C>	2,850,000	8.225

2. Number of holders in each class of equity securities and the voting rights attached (as at 18 August 2011)

Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options

There were two holders of options at 18 August 2011.

3. Distribution schedule of the number of holders in each class of equity security as at close of business on 18 August 2011.

Fully Paid Ordinary Shares

SPREAD OF HOLDINGS	HOLDERS	UNITS	% OF ISSUED CAPITAL
NIL HOLDING	-	-	-
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	311	3,110,000	8.98
10,001 - 100,000	114	3,944,300	11.38
100,001+	41	27,595,392	79.64
TOTAL ON REGISTER	466	34,649,692	100.00

4. Marketable Parcel

There were nil non-marketable parcels at 18 August 2011.

ADDITIONAL SHAREHOLDER INFORMATION (continued)

5. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 18 August 2011) is as follows:

Ordinary Shares Top 20 holders and percentage held

	Shareholders	Substantial Holding	% of Issued Capital
1	CHRIS BATTYE	8,000,000	23.088
2	HARDIE OCEANIC PTY LTD	4,000,000	11.544
3	HARDIE OCEANIC PTY LIMITED <HARDIE SUPER FUND A/C>	2,850,000	8.225
4	XIAODAN LIN	1,250,000	3.608
5	JINTING XU	1,000,000	2.886
6	MCCAULEY SUPER PTY LTD	650,000	1.876
7	LEI SHI	600,000	1.732
8	MR DAVID MICHAEL HARATSIS	500,000	1.443
9	MR DAMIEN HANNES <DOUBLE D INVESTMENT A/C>	500,000	1.443
10	CUEFUCHS PTY LTD <CUEVAS FUCHSLOCHER FAMILY AC>	400,000	1.154
11	FROMARNO PTY LTD <JAMES BYRON SLATER FAM A/C>	400,000	1.154
12	XUE YING HOU	400,000	1.154
13	ZHAOHUI XU	400,000	1.154
14	SHIYONG GU	400,000	1.154
15	LUCY CONG SUPER FUND	400,000	1.154
16	ELIZABETH ANN STEPHEN	400,000	1.154
17	HYSETEE PTY LTD	300,000	0.866
18	JIAO COMPANY PTY LTD	299,250	0.864
19	NOVUS CAPITAL LTD	278,378	0.803
20	SPENCER HAMILTON LIMITED	260,000	0.750
TOP 20 TOTAL		23,287,628	67.21

6. Company Secretary

The name of the Company Secretary is Keith Taylor.

Address and telephone details of the Company's registered administrative office and principle place of business:

18/47 Neridah Street, Chatswood NSW 2067
Telephone: (02) 9410 3445; Fax: (02) 9410 0458

Address and telephone details of the office at which a registry of securities is kept:

Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000,
GPO Box 3993, SYDNEY NSW 2001
Telephone: 1300 737 760
Facsimile: 1300 653 459

Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the ASX Limited's Australian Securities Exchange – code CGU.

ADDITIONAL SHAREHOLDER INFORMATION (continued)

Restricted Securities

FULLY PAID ORDINARY SHARES

Number	Restriction Date
2,500,000	Restricted for 12 months from date of issue – restricted until 22 December 2011.
6,312,392	Restricted for 24 months from the date of quotation – restricted until 2 September 2013.

OPTIONS

Number	Strike	Expiry	Restricted until
750,000	\$0.25	31 December 2013	2 September 2013
750,000	\$0.30	31 December 2015	2 September 2013

Review of Operations

A review of operations is contained in the Directors' Report.

Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily exploration for natural resources and acquisition of resource based projects. The Company believes it has used its cash in a consistent manner to which was disclosed under the prospectus dated 23 March 2011.

Schedule of Tenements

The Company's Schedule of Tenements is on page 10 of the Annual Report.

CORPORATE INFORMATION

ABN 79 115 845 942

Directors

Chris Battye
Robert McCauley
Robert Waring
Wesley Harder

Company Secretary

Keith Taylor

Registered Office and Principal Place of Business

Suite 18, 47 Neridah Street, Chatswood NSW 2067 Australia
Tel: +61-2-9410-3445 Fax+61-2-9410-0458

Share Register

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GPO Box 3993, SYDNEY NSW 2001
Telephone: 1300 737 760
Facsimile: 1300 653 459

Solicitors

O'Loughlins Lawyers
Level 2, 99 Frome Street
ADELAIDE SA 5000

Bankers

St George Bank

Auditors

WHK Audit Services (Central West)
157 George Street
BATHURST NSW 2795

Website

www.commissionersgold.com.au

