

Attn: Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY
NSW 2000

Monday 2 July, 2012

Dear Sir: Re: Maiden overseas drive takes Commissioners Gold into Peru

The first international expansion of its mineral exploration activities – into Peru's resources rich provinces – has been announced by New South Wales-based gold explorer, Commissioners Gold Limited (ASX: "CGU" or "the Company")

The Board of Directors of Commissioners Gold announced today that the Company had signed a Joint Venture agreement with Lima-based unlisted resource junior, Australia Gold Corporation Limited (AGC), to establish a 50:50 project acquisition joint venture to identify and acquire resource projects in Peru.

The initial Joint Venture commences today and runs for six months, with Australia Gold managing the due diligence process across potential Peruvian mineral exploration projects from that company's existing headquarters in the Peruvian capital of Lima.

The international expansion will run in parallel with, and not at the expense of, Commissioners Gold's existing Australian exploration campaigns based on proving up at least three priority gold projects in the highly prospective Lachlan Fold Belt region of eastern New South Wales.

Commissioners Gold's Executive Chairman, Mr Chris Battye:

"The objective of our joint venture with Australia Gold is to acquire resources projects in Peru with short to near-term production and cash flow potential.

"The JV has been tasked with initially targeting areas of high grade mineralisation currently being mined by small syndicates, and to then acquire majority equity in those areas through modest cash investment.

"These operations will then be optimised by applying modern mining practices and equipment, with ore trucked directly to strategically located processing plants to be constructed by the JV.

"Anticipated cash flow is expected to fund further development including modern exploration and up scaling of mining operations."

Globally renowned mineral potential

Commissioners Gold's Exploration Manager, Mr Jason Needham, said Peru had been selected for the Company's maiden exploration push overseas as that country's mineral potential was renowned globally, and currently ranked 2nd in copper production in the world, 3rd in silver-zinc-tin production, and was the world's sixth largest gold producer.

“Strategically for our expansion, we are attracted to the first mover advantages created by legislative changes passed only this year which significantly strengthen and reform the country’s mining industry through recognising legitimate mining and outlawing illegal mining,” Mr Needham said.

“With much of the ground held by small miners and syndicates needing to now formalise under these legislative changes, highly productive ground is available for investment and acquisition and that is why we plan to establish and grow that presence on the ground via the JV.

“Under the new mining reforms, there is now a two year period for small miners to legitimise their operations, permitting and environmental compliance. Because of consequent regulatory costs, this transformation will occur largely by consolidation within the industry, into regional and community mining hubs.

“Our strategy is to move early into trial mining by consolidating smaller miners under our JV corporate entity, to process all of their ore (as well as our own) at our regional toll treatment plants and in return, give the local miners a minority equity in the operations.”

Mr Needham said Peru also boasted a large professional workforce experienced in mining, its labour, energy and equipment costs were relatively low by world standards and the national government favored equitable foreign investment in the sector.

Preparatory work by both companies, including Australia Gold’s due diligence team of experienced Peruvian geologists, engineers, lawyers and environmental scientists, ahead of the formal implementation of the JV, has identified an initial project pool, featuring, in:

Northern Peru:

- Epithermal quartz-sulphide veins with ore grades of 39g/t Au, 10oz/t Ag, 3.8% Pb and 4.7% Zn
- Large structurally controlled quartz-carbonate-sulphide breccias with ore grades of 9.8% Cu
- Similar structures with ore grades of 2.3% Cu, 33.8oz/t Ag, 9.8% Pb, and in

Southern Peru

- A cluster of quartz-carbonate breccias with ore grades of 9.9g/t Au and 2%, and
- A world-class multi-million ounce placer gold deposit.

NSW focus on three key projects

Commissioners Gold also announced today an update on its three flagship gold exploration projects in New South Wales, including the former BHP Mine at Cowarra and other projects at Oberon and Dalton (*See overleaf*).

Cowarra

EL5939 – 28km² – Bredbo, NSW

(Capital Mining Limited (CMY) 50%; Commissioners Gold 50%)

CGU is currently planning the next phase of exploration at Cowarra, 40km north of Cooma, in the southern Lachlan Fold Belt. Very encouraging results from the 2011 drilling campaign at this former BHP mine are being followed up by expanding surface mapping and geochemistry coverage, to be followed up by additional Reverse Circulation drilling to extend the area of known mineralisation. The historic mine has an Inferred gold resource of 500,000 tonnes at an average grade of 2.3 g/t gold, for 37,000 ounces of gold, restricted to the upper parts of the deposit only.

Dalton

EL6922 – 115km² – Gunning, NSW

(Commissioners Gold 100%)

CGU is currently evaluating results from an RC drilling program conducted early in 2012, the final results being delayed due to a double check requested by the Company on high grade gold (27.1g/t Au) intercepted during the drilling. Results of the 2012 drilling will determine the best forward program for the Dalton line of historic workings, and guide the evaluation of the mineralised Coronation prospect.

Oberon

EL7702 – 22.8km² – Oberon, NSW

(Central West Gold NL (CWG) 100%; Commissioners Gold earning 70%)

CGU has recently completed an evaluation of the project area in preparation for the next phase of exploration there, planned to include surface geochemistry surveys in prelude to further RC drilling.

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The information in this report/release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Wesley M. Harder BSc; who is a member of the Australasian Institute of Mining and Metallurgy.

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