



Santa Rosa tailings



QUARTERLY ACTIVITIES REPORT Q2 OCTOBER – DECEMBER 2012

HIGHLIGHTS

- Acquisition of 25% Goldsmith Resources SAC
- Peru project acquisition JV extended
- Commissioners completes first stage capital raisings

SUMMARY

Commissioners Gold continues its consolidation in Peru armed with funds from the first stage of its recent capital raisings. Gold production from the first operation in Peru, the Mollehuaca-Santa Rosa project, is scheduled to commence in March 2013. Other projects in Peru have advanced to investment stage as the Company continues project acquisition due diligence.

Projects in NSW have not been neglected, with tailings sampling at Cowarra returning encouraging results and feasibility studies into bulk sample recovery continuing.

ASX AND MEDIA RELEASE

COMMISSIONERS GOLD LIMITED (ASX: CGU)



Corporate News

Capital Raising

During the last quarter, Commissioners Gold closed a private placement to eligible investors oversubscribed, raising \$211,775. There followed a Share Purchase Plan (SPP) to existing shareholders which raised \$232,800. The Directors are currently working to finalise the placement of the SPP shortfall, which is expected to further raise approximately \$300,000.

Capital raised to date has been used to finalise CGU's 25% investment in Goldsmith Resources SAC, the operator of the Mollehuaca-Santa Rosa Project in Peru, for contribution to the Peruvian project acquisition joint venture budget and also for general working capital.

Directors Fees

Executive Chairman Chris Battye and Director Wes Harder continue to postpone their respective Board Remuneration until the Company enters production mode.

Travel

COO and Exploration Manager Jason Needham and Director Wes Harder will accompany major investors on an inspection tour of the Peruvian plant and satellite projects in March 2013.

Acquisition of Goldsmith Resources SAC

Commissioners Gold 25%

Commissioners Gold announced in December 2012 it had successfully completed final due diligence and corporate structuring and paid the final tranche of a AUD\$400,000 investment to acquire a 25% share ownership in Peruvian company Goldsmith Resources SAC, operator of the Mollehuaca gold plant in southern Peru.

The plant is currently being refurbished to enable processing of significant recoverable gold contained within the nearby Santa Rosa gold tailings.

Commissioners Gold expects to conduct a modest 1,000 tonne trial production run through the refurbished carbon-in-leach (CIL) treatment plant over coming weeks, reprocessing gold tailings from Santa Rosa.

If processing of the trial consignment is successful, production from the Santa Rosa tailings is expected to total around 10,000 ounces per annum, of which CGU's share is 1,250 ounces.

Importantly, the treatment of Santa Rosa tailings will not occupy the full capacity of the Mollehuaca Plant. Following a field visit to Peru this month by Jason Needham, the Company expects to finalise negotiations shortly on other nearby small mining projects to provide additional low tonnage, high grade ore to the plant.

Peru Project Acquisition JV Extended

Commissioners Gold 50%

Commissioners Gold is pleased to announce that the Project Acquisition Joint Venture with Lima-based Australian company Australia Gold Corporation Limited has been extended for a further three months. The JV will run until 31 March 2013 on the same terms as previously. The project partners are currently negotiating longer term development projects identified during the JV.

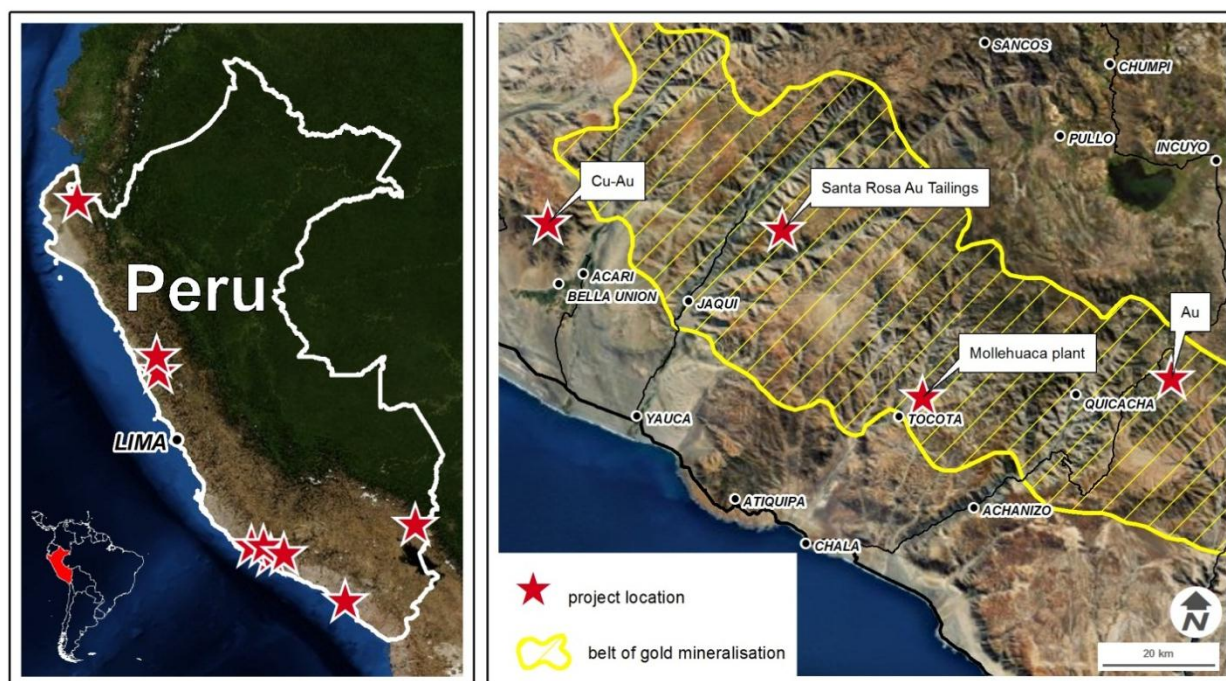


Figure 1: Peru project pipeline

Cowarra (NSW)

Commissioners Gold 50% (earning 85%)

During the latter part of 2012, tailings were sampled from the old Polar Star workings, 1km south of the main Cowarra Mine. Grab samples returned encouraging grades of 10.85g/t and 5.69g/t Au. Follow up auger drilling is planned.

Sample	Au (g/t)	Description
12 PST 01	10.85	Washout exposure in Polar Star tailings dump
12 PST 02	0.985	Washout exposure in Polar Star tailings dump
12 PST 03	5.69	+2mm sieved fraction of crusty limonitic material

Table 1: Polar Star tailings grab samples

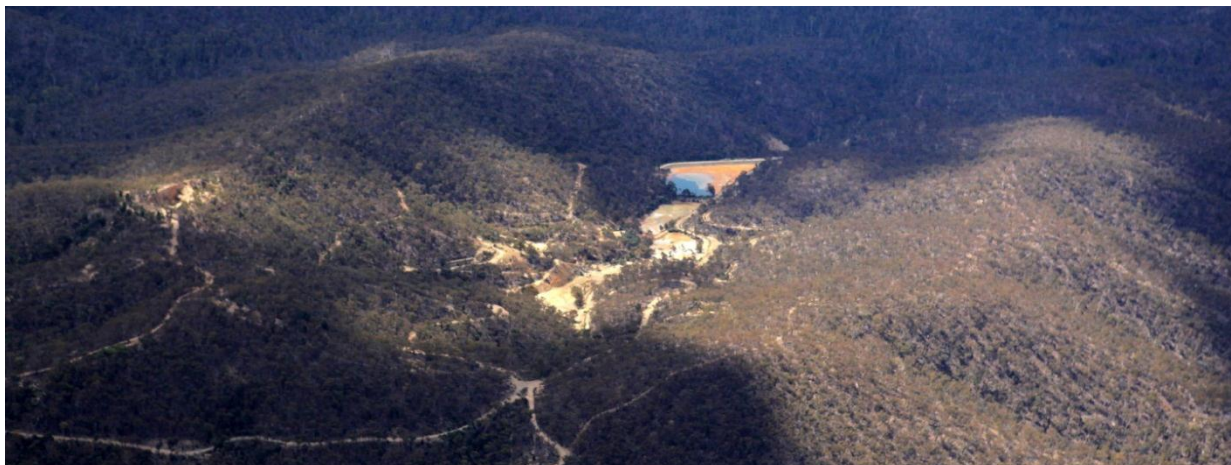


Figure 2: aerial photo of the Cowarra Gold Mine (looking north)



Figure 3: aerial photo of the Cowarra Gold Mine (looking west)

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

COMMISSIONERS GOLD LIMITED

ABN

79 115 845 942

Quarter ended ("current quarter")

31-December-2012

Consolidated statement of cash flows

Cash flows related to operating activities

	Dec quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(164)	(395)
(b) development	-	-
(c) production	-	-
(d) administration	(129)	(207)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST Refunds	9	32
- Tenement Bond Refunds	-	30
Net Operating Cash Flows	(284)	(527)

Cash flows related to investing activities

1.8 Payment for purchase of:		
(a) prospects	-	-
(b) equity investments - Goldsmith Resources SAC	(400)	(400)
(c) other non current assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other non current assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(400)	(400)
1.13 Total operating and investing cash flows (carried forward)	(684)	(927)

Appendix 5B

Mining Exploration Entity Quarterly Report

	Dec quarter \$A'000	Year to date (6 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(684)	(927)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	470	470
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	18	18
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other - Share Issue Costs	(22)	(22)
Net financing cash flows	466	466
Net increase (decrease) in cash held	(218)	(461)
1.20 Cash at beginning of quarter/year	271	514
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter/year (*Note below)	53	53

* **Note:** At the Company's November 2012 Annual General Meeting, shareholders approved placement of the Share Purchase Plan Shortfall. \$179,000 has already been received in Applications for shortfall shares, these and any further Applications will be Allotted shortly.

Payments to directors of the entity and associates of the directors

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

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	7
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

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

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

Appendix 5B

Mining Exploration Entity Quarterly Report

Financing facilities available

Add notes as necessary for an understanding of the position.

- 3.1 Loan facilities
- 3.2 Credit standby arrangements

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

Estimated cash outflows for next quarter

- 4.1 Exploration and evaluation
- 4.2 Development
- 4.3 Production
- 4.4 Administration

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	75
Total	225

Reconciliation of cash

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

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	52	12
5.2 Deposits at call	1	159
5.3 Bank overdraft	-	-
5.4 Other - Bills and Bank Term Deposits	-	100
Total: cash at end of quarter (item 1.22)	53	271

Changes in interests in mining tenements

- 6.1 Interests in mining tenements relinquished reduced or lapsed
- 6.2 Interests in mining tenements acquired or increased

Tenement reference	Nature of interest ((note (2)))	Interest at Beginning of quarter	Interest at end of quarter
6.1	No change		
6.2	No change		

Appendix 5B

Mining Exploration Entity Quarterly Report

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter				
(a)	Increases through issues				
(b)	Decreases through returns of capital, buy backs, redemptions				
7.3	Ordinary securities	44,729,121	38,216,729	Fully Paid	Fully Paid
7.4	Changes during quarter				
(a)	Increases through issues	9,879,429	9,879,429	4.5 cents	4.5 cents
(b)	Released from escrow				
(c)	Decreases through returns of capital, buy backs				
7.5	Convertible debt securities (description)				
7.6	Changes during quarter				
(a)	Increases through issues				
(b)	Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			Exercise Price	Expiry Date
		750,000	-	25 cents	31-Dec-13
		500,000	-	18 cents	31-Dec-14
		750,000	-	30 cents	31-Dec-15
		500,000	-	7 cents	31-Dec-16
7.8	Issued during quarter	500,000	-	7 cents	31-Dec-16
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.12	Unsecured notes (totals only)				

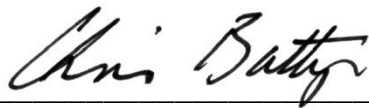


Appendix 5B

Mining Exploration Entity Quarterly Report

Compliance Statement

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



Chris Battye – Executive Chairman

30/01/2013

Date

Notes

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

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources 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.