

OPERATIONS UPDATE

Mollehuaca Gold Plant (southern Peru)

Commissioners Gold Limited (ASX:CGU) is pleased to advise that work on the Mollehuaca gold plant in southern Peru is now focussed on plant optimisation ahead of first gold production.

CGU holds a 25% indirect equity interest in Mollehuaca through Goldsmith Resources. Current work comprises completion of the few outstanding components, including the tailings field, installation of the secondary ball mill and remedial work on the water supply well.

Australian engineers are currently undertaking a final pre-commissioning inspection of the plant, and overseeing rectification work on the dam for tailings impoundment.

The plant commissioning delay has provided an opportunity for 'bugs' in the treatment process to be addressed. Major plant components have already been tested during a 'dry' run at site, which will be followed up immediately on completion of the tailings field with a 'wet' commissioning using ore, most likely to be sourced from the Saulito project (below).



Santa Rosa Tailings

A strategic study is now underway to optimise the gold recovery from tailings at Santa Rosa. Significant increases to the profitability of the tailings re-treatment project is forecast by reducing operating costs, in particular transport costs. Australian consultants Envirocon, experienced in tailings projects, are leading the study.

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

Satellite Gold Mining Projects

In the interests of vertically aligning the business in southern Peru, the two recently acquired satellite gold projects, Saulito and Eladium, have been vended into Goldsmith Resources (in which CGU holds a 25% interest). The transactions mean CGU will receive US\$120,000 in staged cash payments from investment partner SC Investments No 1 Pty Ltd, which represents a premium on expenditure to date.

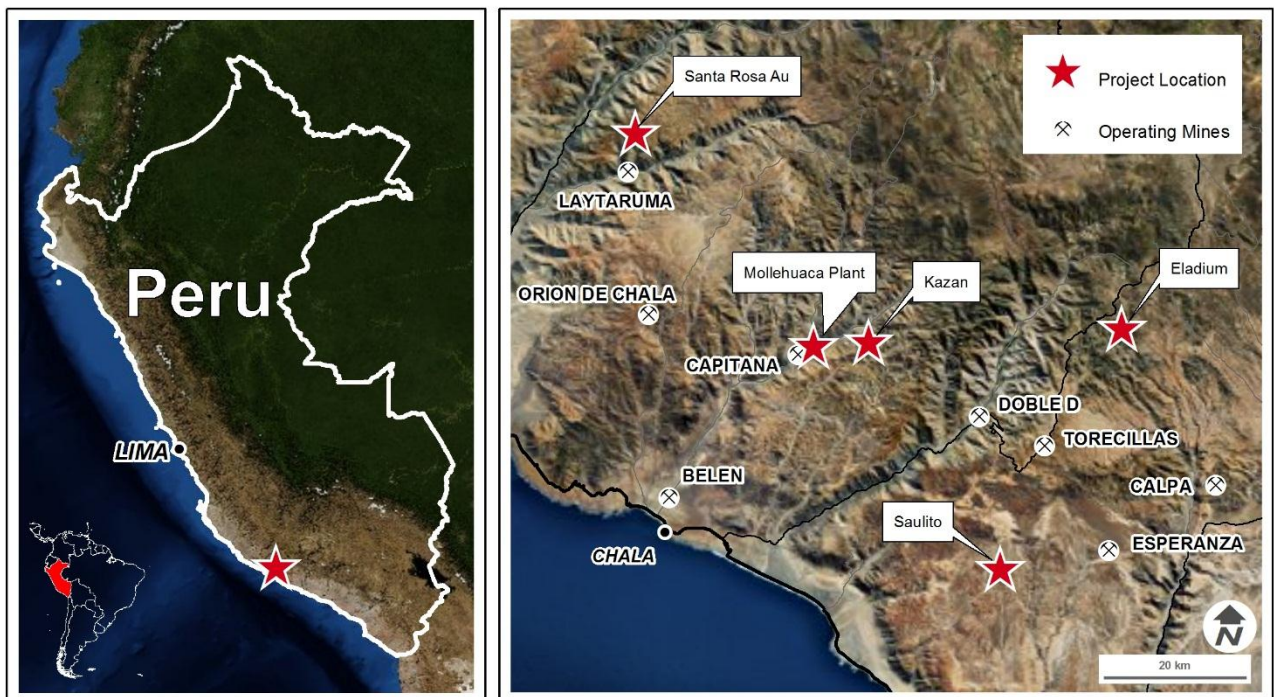
Date: 24 July 2013

The timetable for the payments to CGU is as follows:

- US\$35,000 upfront payment
- US\$35,000 once production reaches 20 tonnes/day at an average grade above 8g/t Au
- US\$30,000 once production reaches 30 tonnes/day at an average grade above 8g/t Au
- US\$20,000 once production reaches 50 tonnes/day at an average grade above 8g/t Au

Commenting on the developments, CGU's Executive Chairman, Chris Battye said: "While there have been some delays to the commissioning schedule, CGU is very close to achieving first gold production with its partners at Mollehuaca and once these final, positive enhancements are in place, our company will be generating cash-flow, a development all CGU shareholders should be proud of".

"Further, aligning our satellite gold mining interests in southern Peru with our project partners is a constructive step for CGU in rolling out the Company's multi-project strategy in the area. The move guarantees a treatment solution for any ore produced from either Saulito or Eladium and provides the impetus to ensure the projects are developed quickly. In addition, CGU will strengthen its balance sheet through the staged payments from our partner", said Battye.



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