



QUARTERLY ACTIVITIES REPORT Q3 JANUARY – MARCH 2013

HIGHLIGHTS

- **CGU set to become a cash generating unit in Peru**
- **New projects identified to provide additional higher-grade feed to the plant**

SUMMARY

Commissioners Gold Limited (ASX:CGU) is on the threshold of becoming a Cash Generating Unit, with production from the Mollehuaca Gold Plant expected to commence in the coming weeks.

The Board of Commissioners Gold Limited is confident that the current focus on Peru is well justified and expects that the Company's transition from an explorer to a modest producer will enable CGU to perform well even under current market conditions.

Shareholders can expect a steady stream of positive news coming out of the Company over the next quarter starting with plant commissioning, gold doré production and the development of plant-satellite mining projects.

ASX AND MEDIA RELEASE

COMMISSIONERS GOLD LIMITED (ASX:CGU)

Mollehuaca CIL Plant

Commissioners Gold 25%

The Mollehuaca Gold Plant in southern Peru remains on track to commence gold production in the coming weeks.

The first phase of commissioning is designed to test the functionality of the CIL circuits by trial production of re-pulped tailings from Santa Rosa. The refurbished crushing circuit and remaining CIL capacity will be tested during phase 2 by the processing of local hard rock ore secured for this purpose.

Production is scheduled to commence in May 2013, after the completion of key components at the plant. Some delays have been incurred from the originally-expected March 2013 plant commissioning start date, largely due to a shortage of skilled workers, a backlog at the ball mill foundry and the short-term availability of some components.

A pre-commissioning audit is currently underway by an experienced third party metallurgical engineer. Engineer Barzola has direct experience with the Santa Rosa Tailings, and is presently working on the technical aspects of the re-pulping of the tailings and processing the material through the leach tanks.

Additional testing of the gold grades within the Santa Rosa Tailings was recently undertaken using cyanide leach methods. Out of 58 samples, seven returned values above the detection limit of 10 g/t Au – these samples are currently being retested to higher detection limits. A full set of results will be reported in detail at a later date once these overlimits have been re-assayed.



Peru Project JV

Commissioners Gold 50%

The Project Acquisition Joint Venture (JV) between CGU and Lima-based Australia Gold Corporation Limited has been operating since the beginning of July 2012, and is aimed at acquiring promising gold, copper, silver and other base metal projects in Peru. The JV has assessed numerous projects across Peru in the past nine months, and has completed advanced geological, legal and commercial due diligence on 15 quality projects. Each project meets the preliminary selection criteria of resource prospectivity, near-term production potential, scalability and modest entry cost.

Projects identified under the JV have been split into two separate project lines: those within proximity and treatment capacity of the Mollehuaca Plant and those more regional, larger opportunities.

Satellite Mining

Projects within transport proximity to the Mollehuaca Plant are being targeted as a priority to provide additional and higher-grade feed for the central plant under a satellite mining strategy. A new vehicle company, of which CGU is a shareholder, is currently being incorporated to develop these assets. Initial focus of this vehicle will be on the **Saulito** gold-copper deposit, where a system of high-grade hydrothermal veins containing visible gold has been identified and is currently in small-scale production. Surface and underground mapping have been completed at Saulito, but assays remain incomplete at this stage.



Figure 1: The Mollehuaca Plant and satellite mining projects

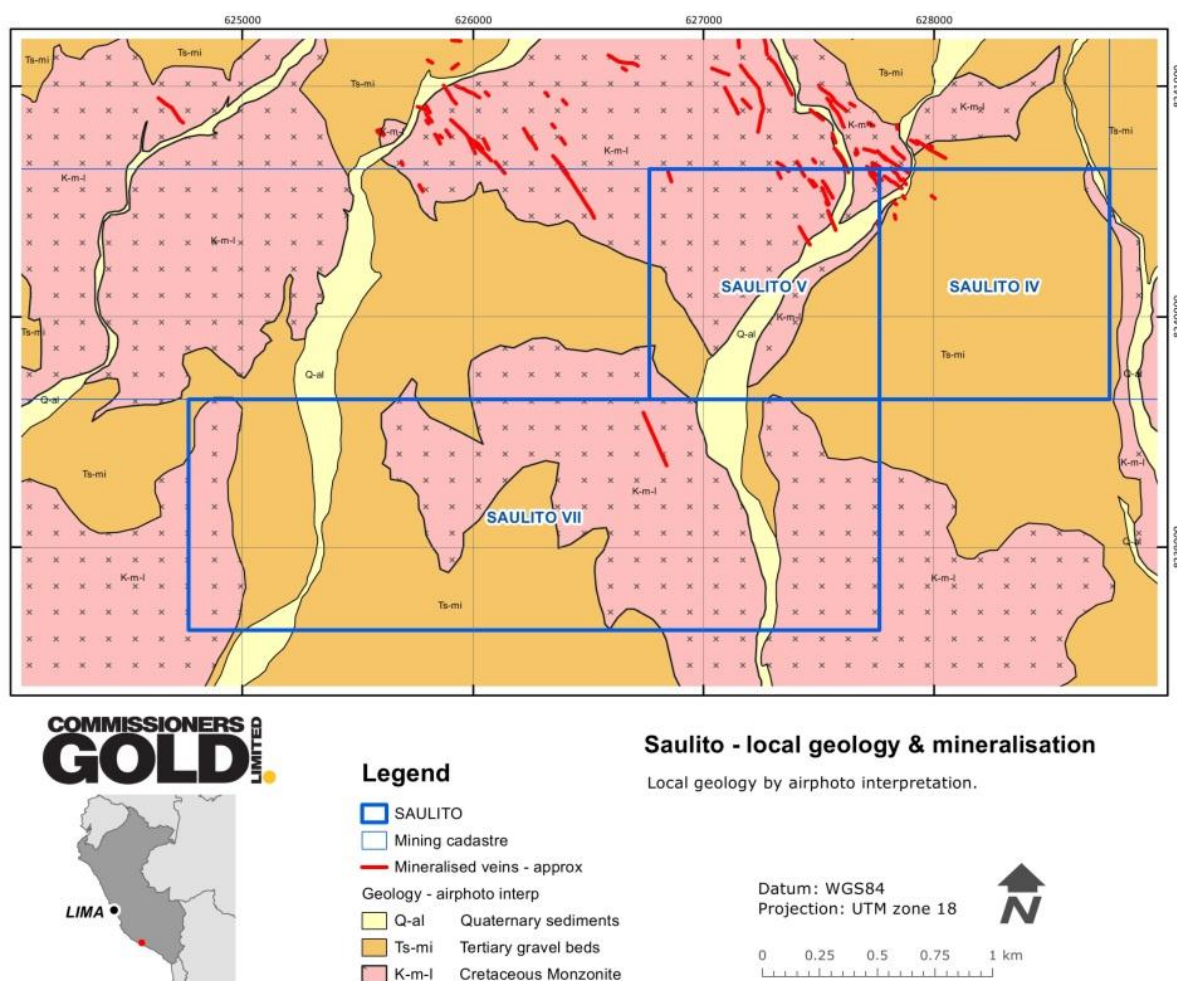


Figure 2: Schematic geology of the Saulito gold-copper deposit

Other Opportunities

Although the Company's immediate focus is on developing near-plant mining assets, other opportunities identified by the JV across Peru will not be ignored. These other new opportunities will be progressed to form a project pipeline of larger projects that may be proved up through exploration and development, either within the JV or with other resource companies.



Figure 3: Other opportunities identified across Peru

Cowarra Renewal

Commissioners Gold 50%; and may earn 85%

CGU and project partner Capital Mining Limited (ASX:CMY) have submitted formal documents to renew EL 5939 “Cowarra” for an additional two years over the entire licence area. The Company has also officially registered its 50% interest in EL 5939 with the NSW Mines Department following the completion of CGU’s \$500,000 spend under phase 1 of the Cowarra JV with Capital Mining. CGU is currently sole-funding exploration and may earn an 85% JV interest by spending an additional \$350,000.



Figure 4: oblique aerial photo of the main Cowarra Mine

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

COMMISSIONERS GOLD LIMITED

ABN

79 115 845 942

Quarter ended ("current quarter")

31-March-2013

Consolidated statement of cash flows

Cash flows related to operating activities

	March quarter \$A'000	Year-to-date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation	(166)	(561)
(b) development	-	-
(c) production	-	-
(d) administration	(41)	(248)
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	10	42
- Tenement Bond Refunds	-	30
Net Operating Cash Flows	(197)	(724)

Cash flows related to investing activities

1.8 Payment for purchase of:		
(a) prospects	-	-
(b) equity investments - Goldsmith Resources SAC	-	(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 Goldsmith Resources SAC	(60)	(60)
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(60)	(460)
1.13 Total operating and investing cash flows (carried forward)	(257)	(1,184)

Appendix 5B

Mining Exploration Entity Quarterly Report

		March quarter \$A'000	Year-to-date (9 months) \$A'000
1.13	Total operating and investing cash flows (brought forward)	(257)	(1,184)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	277	747
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	52	70
1.17	Repayment of borrowings	(54)	(54)
1.18	Dividends paid	-	-
1.19	Other - Share Issue Costs	(8)	(30)
	Net financing cash flows	267	733
	Net increase (decrease) in cash held	10	(451)
1.20	Cash at beginning of quarter/year	53	514
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter/year (*Note below)	63	63

Note: The Board of Directors were pleased with the response to the CGU SPP Shortfall Placement in February 2013 and anticipate a further Placement of almost 3.2 million CGU shares in the quarter ended 30 June 2013 under ASX Listing Rule 7.1.

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	16
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 that have had a material effect on consolidated assets and liabilities but did not involve cash flows

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

Appendix 5B

Mining Exploration Entity Quarterly Report

Financing facilities available

Add notes as necessary for an understanding of the position.

- 3.1 Loan facilities - Promissory Note
3.2 Credit standby arrangements

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

Estimated cash outflows for next quarter

- 4.1 Exploration and evaluation
4.2 Development
4.3 Production
4.4 Administration

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	60

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	46	52
5.2 Deposits at call	17	1
5.3 Bank overdraft	-	-
5.4 Other - bills and bank term deposits	-	-
Total: cash at end of quarter (item 1.22)	63	53

Changes in interests in mining tenements

	Tenement reference	Nature of interest ((note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	No change		
6.2	Interests in mining tenements acquired or increased	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 Decreases through returns of capital, buy backs, (b) redemptions				
7.3	Ordinary securities	51,355,802	45,043,410	Fully Paid	Fully Paid
7.4	Changes during quarter: (a) Increases through issues (b) Released from escrow Decreases through returns of capital, buy backs (c)	6,626,681	6,626,681	4.5 cents	4.5 cents
7.5	Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues Decreases through securities (b) matured, converted				
7.7	Options (description and conversion factor)	750,000 500,000 750,000 500,000	- - - -	Exercise Price 25 cents 18 cents 30 cents 7 cents	Expiry Date 31-Dec-13 31-Dec-14 31-Dec-15 31-Dec-16
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Unsecured notes (totals only)				

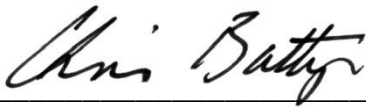


Appendix 5B

Mining Exploration Entity Quarterly Report

Compliance Statement

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



Chris Batty – Executive Chairman

30 April 2013

Date

Notes

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

Competent Person's Statement

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

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