



## QUARTERLY ACTIVITIES REPORT Q4 MARCH – JUNE 2012

### KEY RESULTS

- Up to 35.5g/t gold intersected by Dalton drilling in early 2012
- Timeframe extension to the Oberon JV
- New Peruvian horizons under project acquisition JV

### SUMMARY

A busy quarter for Commissioners Gold, with the results of the first RC drilling programme at 100% owned Dalton project returning some good grades, and the announcement of a new project acquisition joint venture in Peru.



is named after the Gold Commissioners of Australia's first Gold Rush

### ASX AND MEDIA RELEASE

COMMISSIONERS GOLD LIMITED (ASX: CGU)



# Results from Dalton Drilling (EL 6922)

## Commissioners Gold 100%

Completion of maiden drilling at Dalton was announced in the previous quarterly report, however analytical results were not available at that time. The results of the drilling are now available.

Between 8 February and 9 March 2012, 8 shallow RC holes were drilled for a total of 918 metres. Drilling targeted areas of soil arsenic anomalies coincident with the Dalton line of historic mine workings. The main area of mineralisation is part of a single mineralised lode which is hosted by a northerly trending en echelon shear structure with a strike length of more than 6 km.

Drilling at Dalton intersected interbedded slate, siltstone & sandstone of the Ordovician Adaminaby Group, containing narrow zones of silicification and pyrite-arsenopyrite mineralisation. Drill cuttings were sampled at 1m intervals. Selected zones of visible mineralisation and alteration were assayed at 1m intervals, with non-mineralised zones assayed by 4 metre composite samples. Composites elevated in gold (Au) resampled at 1 metre. Samples were analysed by ALS Orange for Au by 50g fire assay and a suite of 35 elements by ICP. In total 425 samples were assayed, plus duplicates.

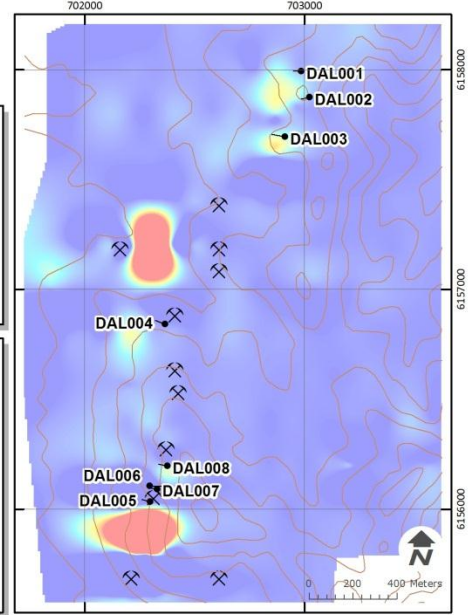
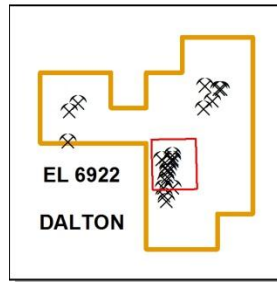
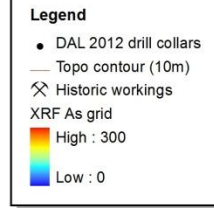
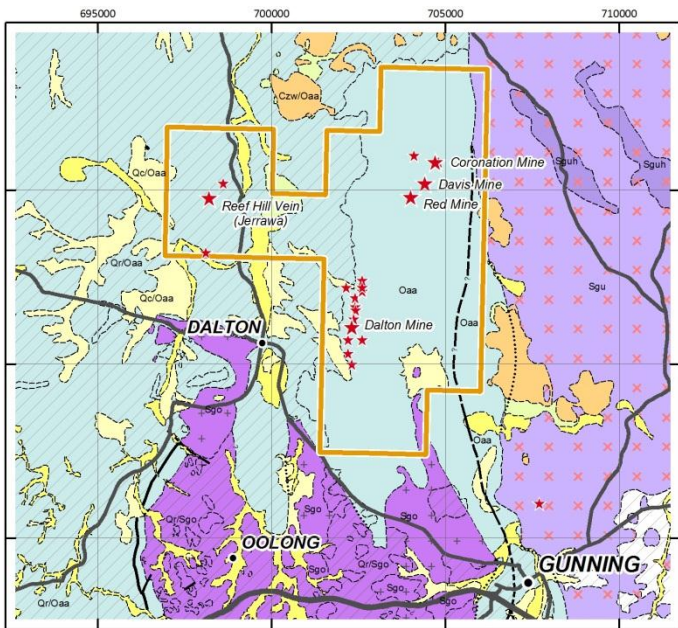
Intersections with greater than 1 g/t Au include:

DAL002	43-44m	1m at 2.55 g/t Au
DAL004	114-115m	1m at 2.67 g/t Au
DAL008	54-55m	1m at 35.5 g/t Au

Results from the drilling programme confirmed the presence of narrow structures containing strong but patchy gold mineralisation, and reinforce the interpretation that WNW-trending cross structures are an important control on mineralisation at Dalton.

Further exploration is currently being planned.

Although results were interesting, gold returns were not as strong as hoped for and accordingly the Company intends to focus on its more prospective projects in the short-term.



### EL 6922 "Dalton" Geology

Geology from the Gunning 1:100,000 sheet



#### Legend

- EL 6922
- ★ Gold deposit

## Oberon Update

### Central West Gold 100% Commissioners to earn 70%

During the quarter, Commissioners Gold and Central West Gold executed a variation to the Black Bullock Farmin and Joint Venture Heads of Agreement for EL 7702 (Oberon) to extend the due date for exploration expenditure. Under the JV variation, Commissioners is required to spend the remaining \$200,000 of the original expenditure commitment by 31 December 2012.

## Cowarra JV Update

### Commissioners Gold 50% Capital Mining 50%

The Company is formulating concept plans to recover a bulk sample of the Ambassador Lode. Those conceptual plans are evaluating two decline options: one to rehabilitate the 240N Winz level; the other to open a short decline with the intention to intersect the Vanderbilt/Ambassador lode, then drive 50 meters to the south to pick up the main Ambassador lode. Access via 240N Winz would require dewatering, with water going to existing tailings dams. Early discussions have been positive for toll treatment of ore recovered at a regional processing plant in central west New South Wales.



# Peru Project Acquisition JV

## **Commissioners Gold 50% Australia Gold Corporation 50%**

Commissioners Gold has entered into an agreement with Lima-based unlisted resource junior, Australia Gold Corporation Limited (AGC), for a 50/50 project acquisition joint venture to identify and acquire resource projects in Peru.

The JV commenced on 2 July 2012 and will run for an initial six months to 31 December 2012.

Under the agreement, CGU will contribute AUD\$50,000 per month to fund an aggressive programme of project evaluation and acquisition. The due diligence process will be conducted by AGC's existing team of professional Peruvian engineers, geologists and lawyers as well as permitting, community, security and environmental specialists. The Lima team is led by an experienced Australian management team.

This exciting JV crystallised during the quarter following negotiations between the two companies. A reconnaissance trip to Peru by CGU Exploration Manager, Jason Needham, highlighted a number of projects with excellent potential for both small scale early production and long term deposit development.

The JV will initially target areas of high grade mineralisation currently being worked by small miners, and to then acquire majority equity in those areas through modest cash investment. The near-term strategy is to move early into trial mining with ore trucked directly to strategically located toll-based processing plants to be constructed by the JV over coming years. Anticipated cash flow is expected to fund further development including optimisation, modern exploration and up-scaling of mining operations.

Commissioners entry into Peru is driven by three main factors: a strong local partner, recent reforms to the Peruvian mining legislation, and excellent resource prospectivity.

Partnering with Lima-based Australia Gold Corporation is seen as a critical factor for initial success. AGC have established a strong presence in the country and have built a dedicated team of mining, legal and community engagement professionals over the past few years. Importantly, the JV is about working with a strong local team comprised of Peruvians who know the country, its laws and its people.

Reform of the Peruvian mining legislation in 2012 has seen the government clamp down on illegal mining and encourage responsible operators to formalise and adopt proper mining and environmental practices. Under the new mining reforms there is now a two year period for small miners to legitimise their operations. With large areas of prospective ground previously locked up by small miners needing to now formalise, highly productive ground is available for investment and acquisition.

Peru's excellent mineral potential is renowned globally, where it ranks second in global copper production, third in each of silver-zinc-tin production, and is the world's sixth largest gold producer. Despite being in the early stages, a pool of projects has already been identified across Peru including:

- Epithermal quartz-sulphide veins with ore grades of 39 g/t Au, 10 oz/t Ag, 3.8% Pb and 4.7% Zn.
- Large structurally controlled quartz-carbonate-sulphide breccias with ore grades of 9.8% Cu; and similar structures with ore grades of 2.3% Cu, 33.8 oz/t Ag, and 9.8% Pb.
- A cluster of quartz-carbonate breccias with ore grades of 9.9 g/t Au and 2% Cu.
- A world-class multi-million ounce placer gold deposit.

The Board of Commissioners Gold is excited about this new JV, which has potential to significantly benefit the Company's resource portfolio in addition to its existing projects in NSW.



CGU's Jason Needham (right) with part of the Peruvian team Alessandro Grana, Adrian & Jose (from right).



10% copper ore from JV-targeted Saucha Mine.



# Appendix 5B

## Mining Exploration Entity Quarterly Report

Name of entity

COMMISSIONERS GOLD LIMITED

ABN

79 115 845 942

Quarter ended ("current quarter")

30 June 2012

### Consolidated statement of cash

#### Cash flows related to operating activities

	Jun quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(212)	(1,292)
(b) development	-	-
(c) production	-	-
(d) administration	(41)	(467)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	28
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Other - GST Refunds	75	186
- Tenement Bond Refunds	-	15
<b>Net Operating Cash Flows</b>	<b>(176)</b>	<b>(1,532)</b>

#### Cash flows related to investing activities

1.8 Payment for purchase of:		
(a) prospects	-	-
(b) equity investments	-	-
(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	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 <b>Total operating and investing cash flows (carried forward)</b>	<b>(176)</b>	<b>(1,532)</b>

# Appendix 5B

## Mining Exploration Entity Quarterly Report

	Jun quarter \$A'000	Year to date (12 months) \$A'000
1.13 <b>Total operating and investing cash flows (brought forward)</b>	(176)	(1,532)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc.	-	1,215
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	(1)	(6)
1.18 Dividends paid	-	-
1.19 Other - Share Issue Costs	-	(507)
<b>Net financing cash flows</b>	(1)	702
<b>Net increase (decrease) in cash held</b>	(177)	(830)
1.20 Cash at beginning of quarter/year	691	1,344
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 <b>Cash at end of quarter/year</b>	<b>514</b>	<b>514</b>

### 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	8
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.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	40
<b>Total</b>	<b>190</b>

### 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.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	11	114
5.2 Deposits at call	3	77
5.3 Bank overdraft	-	-
5.4 Other – Bank Bills and Term Deposits	500	500
<b>Total: cash at end of quarter (item 1.22)</b>	<b>514</b>	<b>691</b>

### Changes in interests in mining

	Tenement reference	Nature of ((note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				



# 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 p security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during				
(a) Increases through issues				
(b) Decreases through returns of capital , buy backs, redemptions				
7.3 Ordinary securities	34,849,692	24,743,550	Fully Paid	Fully Paid
7.4 Changes during				
(a) Increases through issues				
(b) Release from escrow				
(c) Decreases through returns of buy backs				
7.5 Convertible debt securities (description)				
7.6 Changes during				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	750,000 500,000 750,000		Exercise Price 25 cents 18 cents 30 cents	Expiry Date 31-Dec-13 31-Dec-14 31-Dec-15
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.12 <b>Unsecured notes</b> (totals only)				

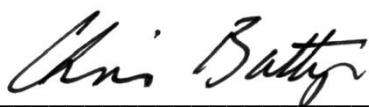


# Appendix 5B

## 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

20/7/2012

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.

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.