



SHARE PURCHASE PLAN (SPP)

ABN 79 115 845 942

This document is dated 18 October 2012

This is an important document. Please read it carefully before making an investment decision in relation to the Share Purchase Plan ('SPP'). If you have any doubts as to what you should do, please consult your stockbroker, accountant or other professional advisor.

If you have any questions in relation to how to participate in the SPP after reading this booklet, please contact Mr Chris Battye on 02 9410 3445.

This document does not provide financial advice and has been prepared without taking into consideration your particular objectives, financial position or financial needs.

NOT FOR DISTRIBUTION OR RELEASE OUTSIDE AUSTRALIA

CORPORATE DIRECTORY

COMMISSIONERS GOLD LIMITED

ABN 79 115 845 942

CGU



Directors

Chris Battye Executive Chairman

Robert Waring Non-Executive Director

Wesley Harder Non-Executive Director

Management

Keith Taylor Company Secretary

Jason Needham Exploration Manager

David Clark Company Accountant

Registered and Principal Office

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CHATSWOOD NSW 2067 Australia

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Share Register

Boardroom Pty Limited

Level 7, 207 Kent Street, SYDNEY NSW 2000,

GPO Box 3993, SYDNEY NSW 2001

Telephone: 1300 737 760

Facsimile: 1300 653 459

Solicitors

O'Loughlins Lawyers

Level 2, 99 Frome Street, ADELAIDE SA 5000

Bankers

St George Bank

Auditors

KS Black & Co. Chartered Accountants

Level 6, 350 Kent Street, SYDNEY NSW 2000



**COMMISSIONERS
GOLD LIMITED**

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



KEY DATES

| EVENT | DATE |
|--|--|
| Record date to determine eligibility to participate in the SPP | 6.00 pm (Sydney time) on 10 October 2012 |
| Opening Date | 25 October 2012 |
| Closing Date | 5.00 pm (Sydney time) on 15 November 2012 |
| Issue of New Shares under the SPP ¹ | 22 November 2012 |
| Commencement of trading of New Shares on ASX | 23 November 2012 |
| Dispatch of Holding Statements | 23 November 2012 |

The timetable is indicative only and CGU may, at its discretion, vary any of the above dates by sending a revised timetable to the ASX.

¹Further time may be required to complete the placement of any Shortfall.

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LETTER TO SHAREHOLDERS

Dear Shareholder

On behalf of the Board, I am pleased to offer you the opportunity to apply for fully paid ordinary shares (**'New Shares'**) in Commissioners Gold Limited (**'CGU'**) under a share purchase plan (**'SPP'**). The SPP gives eligible shareholders the opportunity to subscribe for up to \$15,000 worth of New Shares without paying brokerage and commissions.

The Directors have confirmed that they will be taking up their \$15,000 maximum entitlement under the SPP offer.

The New Shares will be issued at \$0.045 per share under the SPP. The issue price of \$0.045 per share represents a 18.5% discount to the average market price of the Company's shares on the ASX during the 5 trading days immediately prior to the announcement date of the SPP. The issue price also represents a 34.8% discount to the last sale price of the shares on the ASX prior to the announcement of the SPP Offer

The terms and conditions of the SPP and your personalised Application Form are provided in this booklet. Please read the booklet thoroughly before deciding whether to participate in the SPP. Proceeds of the SPP will be used for project and plant acquisitions in Peru and working capital for operations in New South Wales.

In the event that less than 11.8 million New Shares are issued under the SPP, the difference between this total number of New Shares on offer and the number of New Shares issued under the SPP (**'Shortfall'**) may be placed at the discretion of the Directors, subject to shareholder approval of the placement.

Eligibility

Participation in the SPP is optional and open to all eligible shareholders, being holders of fully paid ordinary shares in CGU at 6.00 pm (Sydney time) on 10 October 2012 and whose address on the share register is in Australia. The right to participate in the SPP is not transferable.

How to apply

The SPP opens on 25 October 2012 and closes at 5.00 pm (Sydney time) on 15 November 2012.

To apply for New Shares you need to complete and return the enclosed application form (**'Application Form'**) together with your cheque or money order or apply for New Shares via BPAY® in accordance with the instructions in this booklet and on the Application Form. You may apply for a parcel of New Shares valued at \$2,000, \$5,000, \$10,000 or \$15,000. Funds must be received no later than 5.00 pm (Sydney time) on 15 November 2012.

Directors

The Directors of the Company have advised that they intend to take up their maximum \$15,000 entitlement in the SPP.

Queries

If you have any questions in relation to how to participate in the SPP, please contact me on (02) 9410 3445 or the Company Secretary, Keith Taylor, on (02) 9375 0104. Thank you for your continued support of Commissioners Gold Limited.

Yours sincerely,



Chris Battye

Executive Chairman

KEY SPP INFORMATION

What is the SPP?

The SPP provides eligible shareholders with the opportunity to subscribe for up to \$15,000 worth of New Shares without paying any brokerage and commissions.

What is the SPP Price?

The New Shares will be issued under the SPP at \$0.045 per share ('Issue Price').

Each person who applies to participate in the SPP accepts the risk that the market price of CGU shares may change between the record date, the date of the SPP Offer, and the date of payment or the date of issue of New Shares under the SPP. The current price of CGU shares can be obtained from the ASX or is listed in major daily financial newspapers in Australia.

What happens if no CGU Shareholders subscribe to the SPP?

In the event that less than 11.8 million New Shares are issued under the SPP, the difference between this total number of New Shares on offer and the number of New Shares issued under the SPP ('Shortfall') may be placed at the discretion of the Directors, subject to any ASX and shareholder approval of the placement needed. The Directors do not intend to place this shortfall of shares with a related party, or more than 60% to any one entity.

Am I an Eligible Shareholder?

Participation in the SPP is optional and only available to shareholders who are registered holders of CGU fully paid ordinary shares at 6.00 pm (Sydney time) on 10 October 2012 with a registered address in Australia.

How do I apply for New Shares?

Complete and return the enclosed Application Form together with your cheque or money order made payable to "Commissioners Gold Limited" as shown on the Application Form. Application Forms must be received no later than 5.00 pm (Sydney time) on 15 November 2012 and should be sent or delivered to Boardroom Pty Ltd in the enclosed reply paid envelope at the following address:

by mail to: Commissioners Gold Limited
c/- Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

by hand delivery to: Commissioners Gold Limited
c/- Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000

Alternatively, you may pay for New Shares via BPAY® by using the personalised reference number shown on your enclosed Application Form which is required to identify your holding. If you make your payment using BPAY® you do not need to return your Application Form.

How much can I invest?

Eligible Shareholders may apply for parcels of New Shares under the SPP in accordance with the application amounts set out below. The maximum amount under the SPP is \$15,000 or 333,333 New Shares.

| | | | | |
|-----------------------------|---------|---------|----------|----------|
| Application amount | \$2,000 | \$5,000 | \$10,000 | \$15,000 |
| Number of New Shares | 44,444 | 111,111 | 222,222 | 333,333 |

SPP TERMS AND CONDITIONS

1 SPP Offer

- 1.1 Commissioners Gold limited ('**CGU**') offers Eligible Shareholders (defined in clause 2 below) the opportunity to purchase up to \$15,000 worth of fully paid ordinary shares in CGU ('**New Shares**') at an issue price of \$0.045 per share under the Share Purchase Plan ('**SPP**'), subject to and in accordance with the terms and conditions set out in this booklet.
- 1.2 The issue price is \$0.045 per New Share. Each person who applies to participate in the SPP accepts the risk that the market price of CGU shares may change between the record date, the date of the SPP Offer, and the date of payment or the date of issue of New Shares under the SPP to the applicant. The issue price may be higher or lower than the market price of CGU shares at any given time and CGU shares may be bought on-market at lower price than the issue price.
- 1.3 In these terms and conditions, the '**SPP Offer**' and '**SPP**' means the offer in clause 1.1.
- 1.4 Only persons who are Eligible Shareholders may participate in the SPP. Participation in the SPP is optional. If you are an Eligible Shareholder, your rights under the SPP Offer and SPP are personal to you and can't be transferred to another person.
- 1.5 Directors, consultants and employees of CGU who are Eligible Shareholders may participate in the SPP.
- 1.6 All references to \$, dollars or cents in this booklet are references to Australian currency.

2 Eligible Shareholders

- 2.1 Subject to the remaining paragraphs of this clause 2, an '**Eligible Shareholder**' means a registered holder of fully paid ordinary CGU shares as at the record date (being 6.00 pm Sydney time on 10 October 2012) whose address is in Australia.
- 2.2 Analysis of the post codes of the CGU share register as at 10 October 2012 showed no holdings registered outside Australia.

Shareholders who are joint holders of shares are taken to be a single registered holder of shares for the purposes of determining whether they are an Eligible Shareholder, and the certification in the Application Form by one joint holder will be taken to have been given by all joint holders. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only apply for one maximum parcel of New Shares.

- 2.3 If you are a custodian, trustee or nominee within the definition of 'custodian' in ASIC Class Order 09/425 (as amended by ASIC Class Order 10/105) ('**Custodian**') and hold shares on behalf of one or more persons (each a '**Participating Beneficiary**'), you may apply for up to a maximum of \$15,000 worth of New Shares for each Participating Beneficiary, subject to providing a notice in writing to CGU ('**Custodian Certificate**') certifying:

(a) either or both of the following:

- (i) that the Custodian holds shares in the class on behalf of one or more Participating Beneficiaries that are not custodians;
- (ii) that another custodian ('**Downstream Custodian**') holds beneficial interests in shares in the class on behalf of one or more other persons (each a '**Participating Beneficiary**'), and the Custodian holds the shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

- on the record date and that each Participating Beneficiary has subsequently instructed the following persons:
- (iii) where subparagraph (i) applies – the Custodian; and
 - (iv) where subparagraph (ii) applies – the Downstream Custodian,
to apply for New Shares on their behalf under the SPP;
- (b) the number of Participating Beneficiaries;
 - (c) the name and address of each Participating Beneficiary;
 - (d) in respect of each Participating Beneficiary:
 - (i) where subparagraph (a)(i) applies – the number of shares in the class that the Custodian holds on their behalf; and
 - (ii) where subparagraph (a)(ii) applies – the number of shares in the class to which the beneficial interests relate;
 - (e) in respect of each Participating Beneficiary:
 - (i) where subparagraph (a)(i) applies – the number or the dollar amount of New Shares or interests they instructed the Custodian to apply for on their behalf; and
 - (ii) where subparagraph (a)(ii) applies – the number or the dollar amount of New Shares or interests they instructed the Downstream Custodian to apply for on their behalf;
 - (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$15,000:
 - (i) the New Shares applied for by the Custodian under the SPP in accordance with the instructions referred to in subparagraph (e); and
 - (ii) any other shares in the class issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for shares on their behalf under an arrangement similar to the SPP;
 - (g) that a copy of the written offer document was given to each Participating Beneficiary; and
 - (h) where subparagraph (a)(ii) applies – the name and address of each Custodian who holds Beneficial Interests in the shares in the class held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this paragraph, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the shares in the class held by the Custodian.

For the purposes of ASIC Class Order 09/425 (as amended by ASIC Class Order 10/105) you are a 'Custodian' if you are a registered holder that:

- holds an Australian financial services licence that:
 - covers the provision of a 'custodial or depository service' (as defined in section 766E of the *Corporations Act 2001* (Cth)); or
 - includes a condition requiring the holder to comply with ASIC Class Order 02/294; or
- is exempt under:
 - paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (Cth);
 - ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184; or
 - paragraph 911A(2)(h) of the *Corporations Act 2001* (Cth),

from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service; or

- is a trustee of a:
 - self-managed superannuation fund (as defined by ASIC Class Order 10/105); or
 - superannuation master trust (as defined by ASIC Class Order 10/105); or
- is the responsible entity of an IDPS-like scheme (as defined by ASIC Class Order 02/296 or any class order that replaces that class order); or
- is the registered holder of shares in the class and is noted on the register of members of CGU as holding the shares on account of another person.

If you hold shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (below) apply.

- 2.4 Custodians must request a 'Custodian Certificate' when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate or further information about the custodian application process, a shareholder should contact CGU by calling (02) 9410 3445. Applications received from custodians must be accompanied by a duly completed and signed Custodian Certificate or the application by the Custodian will be rejected.
- 2.5 A shareholder or Custodian will be ineligible to participate in the SPP if their participation would breach ASIC Class Order 09/425 (as amended by ASIC Class Order 10/105).

3 Application to Participate


- 3.1 Participation in the SPP is optional.
- 3.2 Eligible Shareholders may participate in the SPP by applying to purchase a parcel of New Shares in the following amounts, up to a maximum of \$15,000 per Eligible Shareholder:
- (a) \$2,000;
 - (b) \$5,000;
 - (c) \$10,000; or
 - (d) \$15,000.
- 3.3 If you are an Eligible Shareholder and wish to participate in the SPP, you must complete and return your personalised Application Form in accordance with the instructions and make payment by enclosing your cheque or money order made out for the appropriate amount in Australian dollars made payable to "Commissioners Gold Limited" and sent with the completed Application Form:

by mail to: Commissioners Gold Limited
c/- Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

by hand delivery to: Commissioners Gold Limited
c/- Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000

so that they are received no later than 5.00 pm (Sydney time) on 15 November 2012.

Alternatively, you may pay for New Shares via BPAY® by using the personalised reference number shown on your enclosed Application Form which is required to identify your holding. If you make your payment using BPAY® you do not need to return your Application Form. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares the subject of your payment. In applying for the




Shares via BPAY®, you represent to CGU that the total of the application price for the following does not exceed \$15,000:

- (a) the shares the subject of the application;
- (b) any other shares in the class applied for under the SPP or any shares in the class issued under a similar arrangement in the 12 months before the application;
- (c) any other shares in the class which you have instructed a Custodian to acquire on your behalf under the SPP; and
- (d) any other shares in the class issued to a Custodian under an arrangement similar to the SPP in the 12 months before the application as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in the shares.

Cleared funds must be received no later than 5.00 pm (Sydney time) on 15 November 2012.


- 3.4 Receipts for payment will not be issued. If an Eligible Shareholder has more than one holding, the Eligible Shareholder may not apply for New Shares with an aggregate value of more than \$15,000 under the SPP. Accordingly, an Eligible Shareholder may only make an application for the maximum amount with respect to one holding.
- 3.5 If you are recorded with one or more other person as the joint holder of a holding of shares, that joint holding is considered to be a single registered holding for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only apply for one maximum parcel of New Shares.
- 3.6 CGU may accept or reject any application under the SPP in its absolute discretion, including:
 - (a) where your Application Form is incorrectly completed, has omissions or the application is otherwise decided by CGU to be invalid;
 - (b) you make your payment by cheque or money order which is subsequently dishonoured or has otherwise been incorrectly completed;
 - (c) if the amount of your cheque or money order is not equal to an amount in clause 3.2, then CGU may:
 - (i) refund in full your application monies and not allot any New Shares to you; or
 - (ii) allot to you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund you the excess of your application monies;
 - (d) if it appears that you are applying to purchase more than \$15,000 worth of New Shares in aggregate (including as a result of any shares you hold directly, jointly or through a custodian or nominee arrangement);
 - (e) your cheque, money order or cleared funds is received after 5.00 pm (Sydney time) on 15 November 2012;
 - (f) the payment of the application monies is not submitted in Australian currency or, if the cheque or money order is not drawn on an Australian financial institution; or
 - (g) CGU reasonably believes that you are not eligible to participate in the SPP (subject to compliance with any applicable ASIC or ASX requirements).
- 3.7 If you are entitled to a refund of all or any of your application monies the refund will be paid to you, without interest, as soon as is possible:
 - (a) by cheque; or

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- (b) by returning your Application Form and cheque or money order, if not processed, to your registered address as recorded on the CGU register of shareholders.

4 Effect of Making an Application

If you submit an Application Form together with a cheque or money order or make payment via BPAY®:

- (a) you warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
- (b) you are deemed to have accepted the SPP Offer and you irrevocably and unconditionally acknowledge and agree to the terms and conditions of the SPP and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (c) you acknowledge that your application is irrevocable and unconditional;
- (d) you agree to pay the issue price per New Share up to the maximum of:
 - (i) the value you have selected on the Application Form; or
 - (ii) the maximum value of your cheque, money order or cleared funds amount;
- (e) you agree to accept any lesser number of New Shares than the number of New Shares applied for;
- (f) you certify that the total of the application price for the following does not exceed \$15,000;
 - (i) the New Shares the subject of your application;
 - (ii) any other shares issued to you under arrangement similar to the SPP in the last 12 months before the date of your application under the SPP;
 - (iii) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (iv) any other shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your application for New Shares as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such shares, even though you may have received more than one offer or received offers in more than one capacity;
- (g) you accept the risk associated with any refund that may be sent to your address (as shown on CGU's register of shareholders);
- (h) you acknowledge that no interest will be paid on any application money held pending the allotment of New Shares or subsequently refunded to you for any reason;
- (i) you acknowledge that neither CGU nor its share registry has provided any investment advice or financial advice and that neither of them has any obligation to provide this advice as whether or not to participate in the SPP;
- (j) you acknowledge that CGU (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
- (k) you agree not to send this booklet or any material relating to the SPP to any person outside Australia;
- (l) you agree to be bound by CGU's constitution;
- (m) you authorise CGU (and each of its officers and agents) to correct any error in, or omission from, the Application Form and complete the Application Form by inserting any missing details;

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- (n) you acknowledge that CGU may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective;
 - (o) you are responsible for any dishonour fees or similar costs CGU may incur in presenting a cheque or money order for payment that is dishonoured;
 - (p) you acknowledge that CGU is not liable for any exercise of its discretion referred to in these terms and conditions; and
 - (q) you certify that your acceptance of an offer under the SPP will not result in any person breaching the 20% limit imposed by section 606 of the *Corporations Act 2001* (Cth).

5 Scale-Back

CGU may at its discretion undertake a scale-back to the extent and in the manner it sees fit. Any scale-back will be announced on the allotment date. If there is a scale-back, an Eligible Shareholder may not receive any or all of the New Shares for which it applied.

If CGU undertakes a scale-back, the difference between the allocation amount (being the number of New Shares actually allotted multiplied by the issue price) and the application amount paid to CGU by the applicant will be refunded (without interest) by cheque and mailed to the applicant's registered address on the date this document is despatched to the applicant.

6 New Shares

- 6.1 New Share issued under the SPP will rank equally in all respects with existing shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements.
- 6.2 CGU will apply for the New Shares issued under the SPP to be quoted on the ASX. If the New Shares are not to be quoted on ASX, the New Shares will not be issued and application funds will be refunded without interest.

7 Participation Costs

You must pay the issue price per New Share and any fees or charges incurred by you in completing the Application Form, for example, bank fees or fees of professional advisors. CGU will pay any brokerage or stamp duty.

8 Time Table


- 8.1 Subject to clause 8.2, the timetable for key events relating to the SPP is set out on page 2 of this booklet ('**Timetable**').
- 8.2 CGU may, at its discretion, vary any of the dates in the Timetable or in these terms and conditions by lodging a revised timetable with the ASX.

9 Dispute Resolution

CGU may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determinations by CGU will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. CGU's rights may be exercised by its board or any delegate of the board.

10 Variations, Suspension and Termination.

- 10.1 CGU may at its discretion and at any time:
 - a) vary, suspend or terminate the SPP. If CGU does this, it will make an announcement to the ASX. Failure to notify shareholders of variations to, or the suspension or termination of, the SPP will not invalidate the variation, suspension or termination; or



b) waive compliance with any provision of the SPP.

10.2 CGU reserves the right not to issue any New Shares under the SPP or fewer New Shares under the SPP than applied for at its complete discretion, including if CGU believes the issue of those New Shares would contravene ASIC requirements or policy, law or any ASX Listing Rule.

11 ASIC Class Order 09/425 (as amended by ASIC Class Order 10/105) compliance

11.1 The SPP is offered in compliance with ASIC Class Order 09/425 (as amended by ASIC Class Order 10/105) which provides relief from the requirement for CGU to provide prospectus disclosure in relation to the SPP. This booklet is not a prospectus under the *Corporations Act 2001* (Cth).

11.2 ASIC Class Order 09/425 (as amended by ASIC Class Order 10/105) also provides relief to allow clients to second or subsequent level custodians to participate in the SPP. Any additional or varied ASIC requirements in the class order will apply to participation on behalf of such clients.

12 Underwriting

The SPP is not underwritten.

13 Governing Law

These SPP terms and conditions are governed by the laws in force in New South Wales. Any dispute arising out of, or in connection with these terms and conditions or the SPP offer, will be determined by the courts of New South Wales. By accepting the SPP Offer, you agree to submit to the jurisdiction of the courts in New South Wales. Other terms and conditions, rights and obligations of New Shares are contained in the constitution of CGU. The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

14 Privacy

By receiving completed Application Forms, CGU collects personal information about shareholders. CGU will use this information for the purposes of processing the Application Form and updating the records of CGU. Unless required by the law, CGU will not disclose the personal information of a shareholder to a third party or use the personal information for another purpose without the consent of the shareholder. Except as stated by the law, shareholders are able to access, upon request, their personal information or if you wish to obtain a copy of CGU's privacy policy, please contact us.

PROJECT UPDATE

Commissioners Gold is focussed on delivering growth for shareholders by investing in and developing quality projects. Without discounting the value of our excellent exploration projects in New South Wales, Commissioners has embarked on a strategic move to acquire production ready projects in resource-rich Peru.

Peru Joint Venture Delivering Projects

The project acquisition joint venture between Commissioners Gold and Australia Gold Corporation Limited (ACN 146 769 217) (based in Lima, Peru) has been operating since July 2012 and has produced a pool of projects which meet the JV objectives of early cash flow, scalability and modest entry cost. A number of those projects have been agreed in principle pending project financing or are at an advanced stage of negotiation.

In terms of moving into a production and cash flow position, the JV is focussing on getting an existing small gold processing plant into full operation to reprocess a nearby old mine tailings field which contains significant recoverable gold. Based on current scheduling, this plant and tailings reprocessing project is expected to be producing gold-loaded carbon for sale by the end of 2012.

The JV is currently progressing a number of other advanced projects into the final investment decision stage.

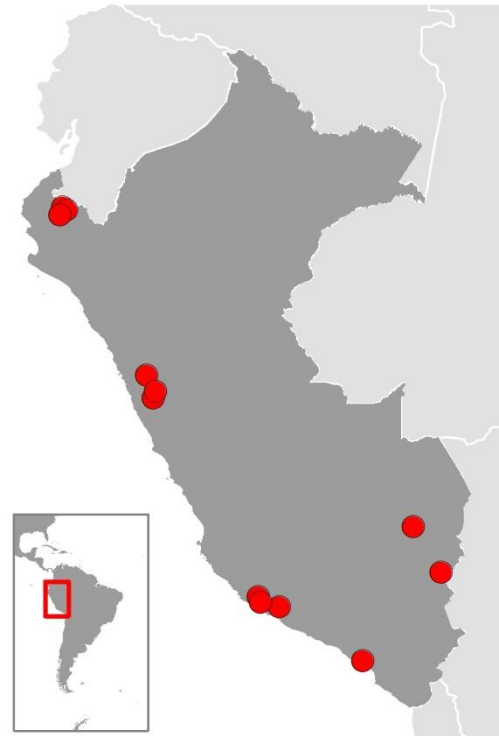


Figure 1: project pool in Peru

Mollehuaca - Santa Rosa Project

The Mollehuaca–Santa Rosa Project combines two separate but symbiotic sub-projects. The Mollehuaca (pronounced “Maywaca”) Plant is an existing carbon-in-leach (CIL) processing plant located in southern Peru. At Santa Rosa, tailings produced during gold mining activities more than 50 years ago contain significant recoverable gold. These fine grained tailings will be trucked to nearby Mollehuaca for processing and underpin upgrades to the plant.

This is a relatively small project, however will deliver gold production and positive cash flow in a short period of time.

The Mollehuaca Plant is an existing small cyanide CIL gold processing plant which presently processes third-party ore on a toll treatment basis, and will be upgraded to a capacity of about 80 tonnes per day of virgin ore and about 160 tonnes per day capacity for reprocessed tailings.

Since the late 1990s, gold resources contained in the Santa Rosa tailings have been assessed during a number of studies into the feasibility of recovering gold.

Between 1925 and 1968, mining operations targeted high grade gold mineralisation hosted by quartz-sulphide veins. Waste from the processing of high grade ore was deposited in a valley-fill tailings field, the Santa Rosa tailings. Total tailings deposited during the life of mining operations is estimated to be in excess of 800,000 tonnes with an average residual gold grade of between 4.0 and 7.8 g/t gold.

Due to the fact that the tailings occupy a steep ravine, estimates for the total volume of tailings at Santa Rosa vary considerably. More reliable estimates range from a minimum of 400,000 tonnes to a maximum of 824,249 tonnes, the latter by an independent surveying company based in Lima. A conservative volume of 300,000 tonnes has been assumed by the Peru JV for production forecasting and economic modelling.

The residual gold grade of the tailings has been the subject of multiple campaigns. Since the late 1990s, 722 samples totalling 3.46 tonnes of material have been analysed for a bulk average grade of 6.65 g/t gold. A more conservative average grade of 5.4 g/t gold has been used by the Peru JV for modelling purposes.

Studies conducted by previous operators since the late 1990s have identified significant recoverable residual gold in these tailings.

Metallogenic studies completed in 2003 by CH Plenge, a reputable Peruvian laboratory, on a 200 tonne bulk sample returned very good results in agitated cyanide leach tests. Results show increasing gold recoveries of 81.45% in 15 minutes, 91.82% in 2 hours and 93.5% in 6 hours of leach time.

Analysis of particle size distribution of Santa Rosa tailings shows that more than 48% of the material is in the minus 325 mesh size (<45 microns or <0.045 mm). Importantly, the highest grade of gold is contained within this particle size fraction. The fine grained nature of these tailings make them well suited to agitated cyanide leach recovery of gold with very short leach times (<6 hours).

Commissioners Gold intends to acquire 25% equity in Goldsmith Resources SAC, operator of the Mollehuaca-Santa Rosa Project, by funding US\$400,000 in two separate tranches. Additional capital required for the project will come from third-party investors via our joint venture partner Australia Gold Corporation Limited.

Economic modelling shows that the project has great potential to be a small cash earner, with CGU's portion forecast to generate around US\$700,000 per annum over the next 10 years (post Peruvian tax).

The project is forecast to produce 9,723 ounces of gold in the first year of production at an operating cost of approximately \$401 per ounce.

| | Equity | CAPEX or Investment | Internal Rate of Return (IRR) | Net Present Value (NPV) |
|-----------------------|---------------|----------------------------|--------------------------------------|--------------------------------|
| Total Project | 100% | \$1,700,000 | 164% | \$16,860,927 |
| CGU Investment | 25% | \$400,000 | 175% | \$4,237,959 |

Table 1: Mollehuaca-Santa Rosa investment assessment

Notes to Table 1: The term of the project is 10 years. NPV is calculated at a 10% discount rate. Production forecasting includes a 6 year life of Santa Rosa tailings reprocessing. Plant feed is augmented after 2.25 years with virgin ore from nearby operations at Kazan mine (a separate Peru JV mining project 5km from the Mollehuaca plant) and other projects currently being negotiated. Unless stated otherwise, all currency is quoted in US dollars.

Modest cash flow generated by these operations will support some of the Company's activities moving forward.

It should be noted that much of assessment of the viability of the Santa Rosa tailings field is based on previous work undertaken on behalf of the current owner. Commissioners Gold has relied upon its due diligence of this data and field visits in Peru.

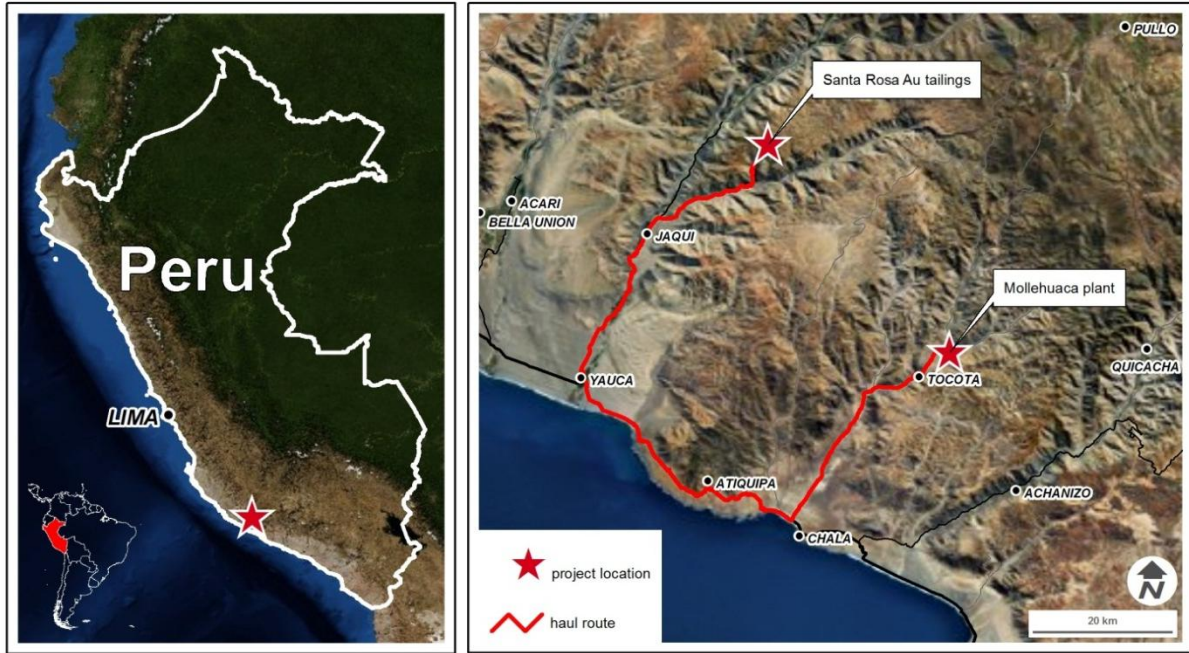


Figure 2: location of the Mollehuaca-Santa Rosa Project

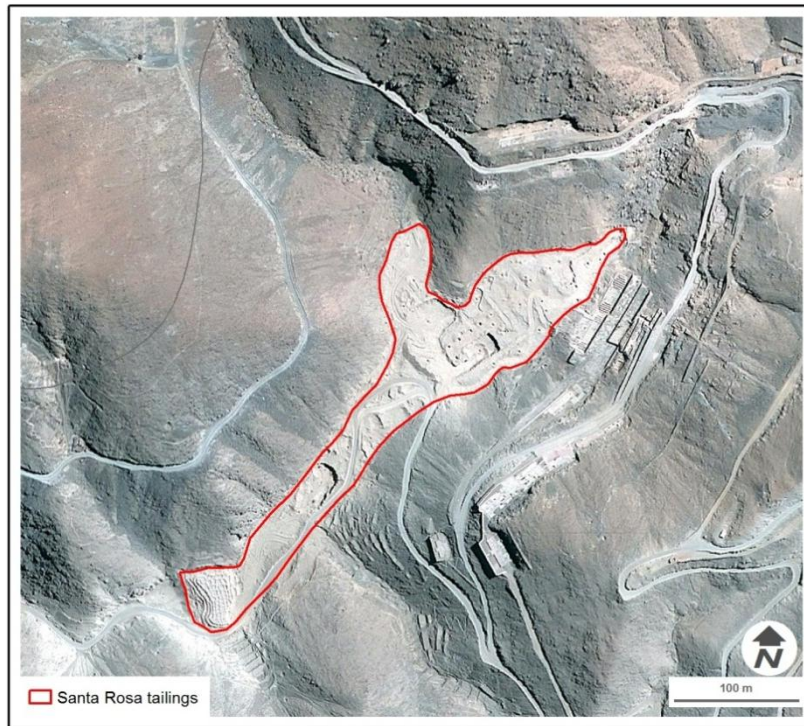


Figure 3: Santa Rosa tailings field

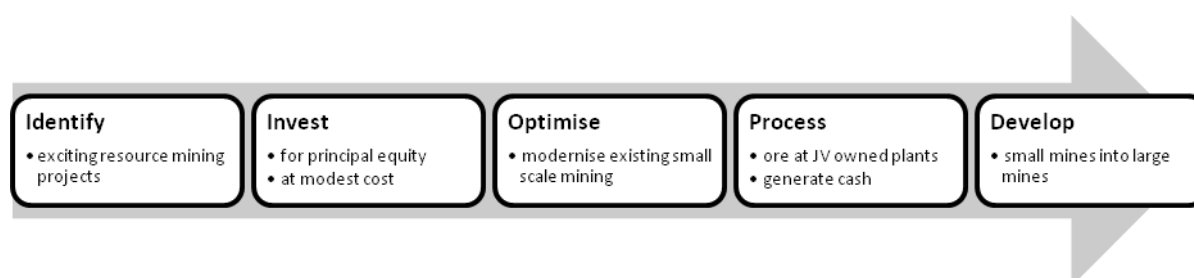


Figure 4: Mollehuaca CIL plant

Advanced Projects

The Peru JV has identified, evaluated and moved into advanced negotiation to acquire or invest in a number of exciting projects across Peru. Over coming months it is expected that some, if not most of these projects will be brought under the JV operating umbrella with the commencement of project financing, exploration, development and production.

Importantly, these advanced projects fulfil the JV objectives of early cash flow, scalability and modest entry cost.




Advanced projects include:

- Puno Gold Placer Mine** – The JV is establishing an operating company to conduct placer mining operations in a well known world class placer deposit in mountainous northern Peru. Agreement has been made with a local miners cooperative to acquire 75% of the project by operating an existing gravimetric plant to process auriferous gravels mined at an initial rate of 3,000m³ per day at a conservatively low average grade target of 0.25g/m³. Studies and permits to commence operations is expected to take up to one year, within which the operating company will move to acquire similar scale projects in the immediate area. Importantly this project is seen as a bridgehead onto this world class placer deposit.

Robust production forecasting and economic modelling of an operating Puno Gold Placer mine indicates that 524 ounces of gold will be recovered per month, and that the sale of monthly gold production is valued at USD \$495,000 after operational costs. This assumes that 3,000 m³ at 0.25g/m³ is processed daily with 85% recovery of contained gold, and a stable gold price of US\$1,600 per ounce.

- Huaraz Silver Mines** – The JV is in the final stages of negotiating a farm-in based staged investment for increasing equity and operational control of two separate silver mining operations in the highlands of central Peru. These two mines are currently in production. The JV aims to initially optimise existing operations before conducting targeted internal exploration to identify mineable reserves and subsequent upscaling of mining operations, including installation of a flotation processing plant. In addition to high grades of silver (Ag), both of these deposits contain significant lead (Pb) and zinc (Zn) mineralisation with some samples reporting ore grades of copper (Cu), gold (Au) and antimony (Sb).

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- **Piura Gold-Silver Exploration** – The JV has reached the final stages of negotiating sole access to 17,000 hectares of very prospective ground in northern Peru. This highly mineralised area is prospective for epithermal and porphyry system deposits and is the focus of a number of major international mining companies. The initial phase of the project is seen as a bridgehead into the area and will include the construction of a small cyanide/flotation processing plant on a 50/50 ownership basis between the JV and the local community association. Access to prospective mining ground underwritten by support from the community is seen by the JV as removing a critical project risk, vis-à-vis opposition from community groups (an issue in parts of Peru). A JV operational subsidiary company set up to accommodate this project will also be actively seeking other high grade projects in the immediate area.

It should be noted that these advanced projects have been progressed to the point of executing binding Memoranda of Understanding (MOU), after lengthy geological, engineering, legal and financial due diligence by the Peru JV team in both Lima and Sydney. The actual names of these projects, mining operations and localities has not been disclosed herein in order to protect business advantage at this late stage of final negotiations with our prospective partners.

Competent Person Statement

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

