



QUARTERLY ACTIVITIES REPORT Q3 JANUARY – MARCH 2014

KEY POINTS

- **Rights Issue Shortfall successfully completed**
- **Reassessment of Peru Plant Project by experienced Australian consultant**
- **Mollehuaca Processing Plant undergone overhaul and in final stages of refurbishment**
- **Active exploration to recommence when plant on stream**
- **New ELA in central west of NSW**

SUMMARY

Commissioners Gold Limited successfully completed the 1:1 rights issue with the short fall completely taken up. The Company is looking forward to the Peru gold processing plant at Mollehuaca coming into production in mid-2014. The plant has had a complete reassessment and make over to bring it on line more efficiently than previously and this has included off site efficient procedures also being put in place. The feed ore from the Eladium mine has also had a reassessment and it too has new procedures put in place and together with new equipment will be more efficient than previously anticipated.

ASX AND MEDIA RELEASE

COMMISSIONERS GOLD LIMITED (ASX: CGU)



Goldsmith Resources SAC (Peru)

Commissioners Gold 18.75%

This Peruvian gold project, in which Commissioners Gold holds an 18.75% equity interest, encompasses a centralised gold processing plant at Mollehuaca, satellite mining operations at Eladium and additional prospective exploration and mining ground.

Operations are currently focussed on commissioning of the plant and on early stage Eladium mine development, overseen by two Australian Project Managers. Plant operation and ore treatment are expected to commence in late June 2014.

US\$1.2m Capital Injection in Peru Investment

As announced in late March 2014, Goldsmith Resources SAC (Goldsmith) completed a US\$1.22 million fundraising. Commissioners participated in the fundraising by contributing US\$220,000 to maintain an 18.75% shareholding in the enlarged capital of Goldsmith. The fundraising in Goldsmith means the Peru plant is now expected to be fully funded into first production.

Mollehuaca Processing Plant

Upgrades to the Goldsmith plant are mostly complete, with an experienced Australian Chemical Engineer overseeing the installation of final plant components, reviewing plant mass balance and process flow, physical commissioning and ensuring efficient overall plant operations. Existing installations in each of the crushing, grinding, leaching and service units have been reassessed and are presently being tweaked to match the initial production stream of 40 tonnes per day and subsequent ramp-up to full production.

Eladium Gold Mine

Works have commenced on improving access roads, additional mine site infrastructure, explosives magazine and widening the mine portal and cross cut to the orebody. A new Mine Manager is currently being sought to further implement mechanisation options and improve drill/blast patterns for this thin vein orebody.

Peru Exploration

Once the plant is in operation and cash flow is being generated, and funds are repatriated to shareholders, Commissioners intends to rekindle exploration activities in other areas in Peru.



New Project – Grenfell ELA 4976

Commissioners Gold Limited 100%

During the quarter application was made for a 5.3 square kilometre Exploration Licence covering the historic Grenfell Goldfield in the central west of New South Wales. The application was lodged following desktop studies into historic mining at Grenfell, as a result of which, the discovery potential for a comparatively high-grade, quartz vein style gold deposit in the vicinity of the existing mine workings was highlighted as the conceptual Exploration Target.

The ELA covers all of the historic mines on the 24 gold-quartz reefs which make up the 3 kilometre line of lode at Grenfell. These are located on a major fault zone in the SE Lachlan Fold Belt, the Coolac-Narromine Fault, which has been a key regional control for the localisation of gold mineralisation at Grenfell and at other large gold mining centres in the region such as at Forbes, Parkes and Tomingley.

The gold mineralisation being targeted at Grenfell is hosted by a series of steeply dipping quartz veins which are in the range from 0.5 to 3 metres wide and which in places blow out to up to 15 metres in width. The veins generally strike NE and dip NW in an en echelon, or overlapping, staggered array and have been preferentially formed in a very competent quartz-feldspar porphyry unit which has undergone brittle deformation in contrast to the enclosing metasediments.

The Company is focussed on the hard rock potential of the Grenfell field and upon grant of a licence is aiming to fast-track exploration so as to establish drill targets along the line of lode through completion of a detailed geological survey in conjunction with more in-depth analysis of the historic underground mining records and previous exploration results. The gold-quartz veins are to be targeted with a view to establishing a gold resource with a grade commensurate with the historic mine grades which is envisaged to support a low impact, narrow-vein underground mining operation and offsite ore processing which would have a small local footprint.

Community liaison has been underway for some time and preparations are being made to implement the proposed exploration programme when permitting has been completed.

NSW Exploration Projects**Legend**

- Commissioners Gold project
- ⌵ Operating Mine
- ⌵ Historic Mine

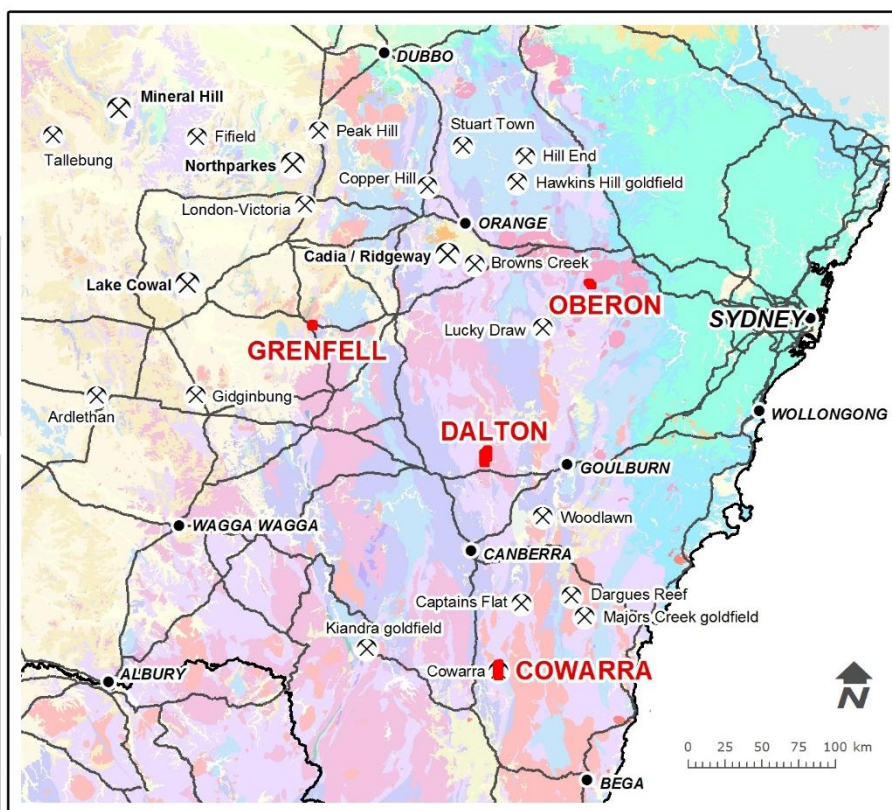


Figure 1: location of Commissioners Gold projects in NSW

Corporate

Placement of Rights Issue Shortfall

In January 2014, Commissioners Gold completed the Placement of the Shortfall from a Non-Renounceable Rights Issue.

The Placement was completed in two separate tranches. The first tranche of 15,000,000 new shares at an issue price of \$0.02 per share, together with 7,500,000 attaching options. The second tranche of 30,995,084 shares at \$0.02 per share, together with 15,497,542 attaching options. Additionally, the Company issued 3,000,000 new shares, together with 1,500,000 attaching options for consulting services. All attaching options have an exercise price of \$0.04 and an expiry date of 31 May 2015.

In total, the Placement of the Shortfall raised \$919,902 for the Company.

Conversion of Notes

In the March 2014 quarter, two Convertible Note holders requested early conversion of their Notes of \$150,000 and acquired 6,000,000 new Shares at the conversion price of \$0.025 per share.

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

COMMISSIONERS GOLD LIMITED

ABN

79 115 845 942

Quarter ended ("current quarter")

31-March-2014

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	(127)	(204)
(b) development	-	-
(c) production	-	-
(d) administration	(217)	(307)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(6)	(11)
1.6 Income taxes paid	-	-
1.7 Other - GST Refunded	28	28
Net Operating Cash Flows	(322)	(494)

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 Goldsmith Resources SAC	(74)	(121)
1.11 Loans repaid by other entities	-	-
1.12 Other - investment in Goldsmith Resources SAC	(246)	(208)
Net investing cash flows	(320)	(329)
1.13 Total operating and investing cash flows (carried forward)	(642)	(823)

Appendix 5B

Mining Exploration Entity Quarterly Report

	Mar quarter \$A'000	Year to date (9 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(642)	(823)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	840	969
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	94
1.17 Repayment of borrowings	(25)	(79)
1.18 Dividends paid	-	-
1.19 Other - share issue costs	(12)	(22)
Net financing cash flows	803	962
Net increase (decrease) in cash held	161	139
1.20 Cash at beginning of quarter/year	29	51
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter/year	190	190

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 | 67 |
| 1.24 Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

Payment for consulting services and reimbursement of travel expenses to Peru.

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	40
4.2 Development	-
4.3 Production	-
4.4 Administration	50
Total	90

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	190	29
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other - Bills and Bank Term Deposits	-	-
Total: cash at end of quarter (item 1.22)	190	29

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				
6.2 Interests in mining tenements acquired or increased	Grenfell NSW ELA 4976	-	Nil	100%

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	117,868,987	117,868,987	Fully Paid	Fully Paid
7.4	Changes during quarter				
	(a) Increases through issues	33,995,084	33,995,084	2.0 cents	2.0 cents
	(b) Released from escrow	6,000,000	6,000,000	2.5 cents	2.5 cents
	(c) Decreases through returns of capital, buy backs				
7.5	Convertible debt securities	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted	6	-	\$25,000	\$25,000
7.7	Options (description and conversion factor)			Exercise Price	Expiry Date
		500,000	-	18 cents	31-Dec-14
		750,000	-	30 cents	31-Dec-15
		500,000	-	7 cents	31-Dec-16
		27,733,455	-	4 cents	31-May-15
7.8	Issued during quarter - Rights Issue	24,497,542	-	4 cents	31-May-15
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.12	Unsecured notes (totals only)				

Appendix 5B

Mining Exploration Entity Quarterly Report

Pursuant to Listing Rule 5.3.3, a schedule of the Company's leases and interests therein is provided as follows:

Schedule of Tenements as at 31 March 2014			
Tenement Name	Number	Holder	Comments
Cowarra, NSW	EL 5939	Capital Mining Limited	CGU registered 50% interest, CGU earning 85% under farm-in.
Oberon, NSW	EL 7702	Central West Gold NL	CGU earning 70% under farm-in.
Dalton, NSW	EL 6922	Commissioners Gold Limited	CGU 100%
Grenfell, NSW	ELA 4976	Commissioners Gold Limited	CGU 100%

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 Battye – Executive Chairman

15 April 2014

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.