QUARTERLY ACTIVITIES REPORT Q4 APRIL – JUNE 2014

KEY POINTS

- **New Directors appointed to the Board**
- **Agreement to acquire an interest in three PNG exploration licences**
- **Goldsmith (Peru) plant functional & underground mine development commenced**
- **EL 8263 granted over the historic Grenfell Goldfield in central NSW**
- **Converting Notes issued to raise $200,000 working capital**

SUMMARY

This quarter has seen great change in Commissioners Gold Limited, with the appointment of a renewed Board of Directors and a new office premise.

The Company is excited about the potential acquisition of a new major gold project in Papua New Guinea, and is encouraged by recent developments in the Company's existing projects: the Peruvian plant and mine appear to be finally nearing production readiness; and the recent granting of a new exploration licence in NSW.

Funds for immediate working capital have been raised by issuing Converting Notes.

Shareholders have seen encouraging positive movement in the CGU share price since the announcement of the potential acquisition in PNG and the appointment of new Directors.

ASX AND MEDIA RELEASE

COMMISSIONERS GOLD LIMITED (ASX: CGU)

Warbag Gold Project (Papua New Guinea)

Commissioners Gold earning 20%

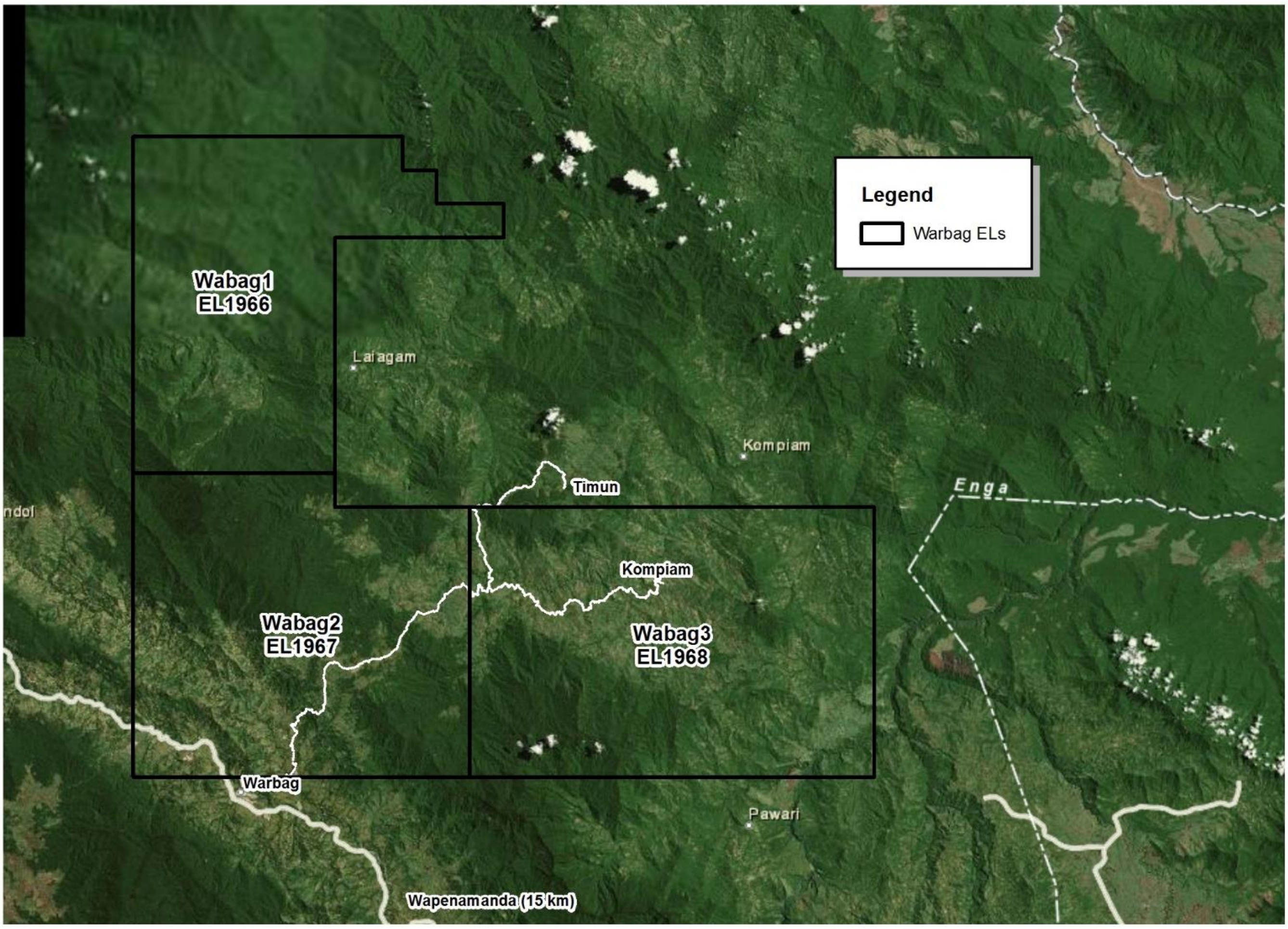
On 30 June 2014, the Company announced it had entered into a binding heads of agreement with Viva No 20 Limited (Viva) to acquire an interest in three exploration licences in Papua New Guinea by acquiring shares in Viva.

Under the agreement, Viva has granted CGU a five month exclusive dealing period in which to undertake due diligence, satisfy various conditions precedent, finalise the Acquisition Agreement, and complete the transaction. In consideration for being granted the exclusive dealing period, CGU has paid to Viva a non-refundable fee of A$75,000.

The Warbag Project is located in the highlands province of Enga, immediately to the NW of the township of Warbag. Warbag town is located some 75km NW of the regional capital of Mt Hagen, and 25km NW of Wapenamanda, which is the closest commercial airfield and is serviced by daily flights from Port Moresby.

The project covers a suite of Miocene intermediate intrusive rocks, related volcanics and younger metasediments of the New Guinea Thrust Belt, a strongly mineralised structural zone which dominates the central-northern highlands of PNG. Intermediate intrusives at Warbag were emplaced during the Maramuni event, a Belt-wide igneous and mineralising event. The geology at Warbag is broadly similar to geology hosting notable prospects such as Frieda, Horse Ivaal, Trukai, North Debom (Cu-Au porphyry) and Nena (high sulphidation epithermal Cu-Au).

Previous exploration has identified gold and platinum anomalies in stream sediments. The most notable prospect in the south is Timun, where around 100kg of alluvial gold, probably shed from adjacent volcanic breccia’s such as the Timun ‘conglomerate’, was recovered since 1948. Timun and Kompiam are accessible by road from Warbag town, making it relatively easy to explore that part of the licence area.



WARBAG GOLD PROJECT

LOCATION MAP

Date: July 2014
Status: Confidential

Disclaimer
Whilst all care has been made in producing this document, the author does not warrant that the information presented here is free from error or omission.

Scale: 1:400,000
Datum: GDA 94
Projection: GCS

0 2.5 5 7.5 10 km

N

Goldsmith Resources SAC (Peru)

Commissioners Gold 18.85%

The Peruvian management team confirms that the Mollehuaca Plant is now functional. The recently appointed residential Plant Manager is overseeing the installation of final non-critical components, recruitment and training of operations personnel, and function testing of plant components.

Mining contractors have commenced work at Eladium, where initial work will focus on widening and extending the crosscut to the main orebody. Stage 1 of the mine camp is complete, including accommodation, mess, offices, heavy vehicle access and explosives magazine.

Completion of the crosscut is expected to take less than three weeks, after which orebody development is scheduled.

EL 8263 Grenfell Granted

Commissioners Gold 100%

On 16 May 2014, the Company announced that EL8263, which covers the historic Grenfell Goldfield in Central West New South Wales, had been granted to the Company.

The new EL covers historic gold mines which were developed on the gold-quartz reefs of the Grenfell Goldfield. The Company's ongoing exploration effort will focus on the location of possible extensions to the known mineralisation below, adjacent to and along strike from the old workings by carefully targeted drilling.

Corporate

Board Renewal

The Board of Commissioners Gold has undergone significant recent change and is now comprised of the following officers:

Mr Graham Kavanagh – Chairman
Mr Mathew Morgan – Non-Executive Director
Mr Sin Pyng "Tony" Teng – Non-Executive Director
Mr Eric Kam – Company Secretary

A number of changes to the structure of the Board have been made over the past two months, including post-30 June 2014:

- Mr Bill Richie Yang appointed as Non-Executive Director on 2 June 2014.
- Mr Graham Kavanagh and Mr Eric Kam were voted in at an Extraordinary General Meeting held on 5 June 2014, and replace Mr Chris Battye and Mr Wes Harder as Non-Executive Directors.
- Mr Matthew Morgan was appointed as Non-Executive Director on 3 July 2014.
- Mr Keith Taylor, Company Secretary, resigned on 8 July 2014.
- Mr Sin Pyng "Tony" Teng was appointed as Non-Executive Director on 9 July 2014.
- Mr Robert Waring resigned as Director on 11 July 2014.
- Mr Bill Richie Yang and Mr Eric Kam both resigned as Directors on 18 July 2014.

The new Board of Directors wishes to thanks departing Directors and Management for their efforts and dedication to the Company and wish them well in future endeavours.

Issue of Converting Notes

On 30 June 2014, the Company announced the issue of 8,000,000 Converting Notes to raise $200,000 for immediate working capital. Subject to Shareholders' approval at a General Meeting, all Notes shall convert into fully paid Ordinary Shares on the basis of $0.025 each per Converting Note.

The Notes have an expiry date of 31 December 2014.

Change of Address

Commissioners Gold Limited announced on 25 June that the Company has moved offices and has a new registered address and contact details, provided below.

Address:	Suite 2501, Level 25 31 Market Street, Sydney, NSW 2000
Telephone:	+61 2 9258 9906
Facsimile:	+61 2 9477 5565
Email:	info@commissionersgold.com.au

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

COMMISSIONERS GOLD LIMITED

ABN	Quarter ended ("current quarter")
79 115 845 942	**30-June-2014**

Consolidated statement of cash flows

	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	(53)	(257)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(166)	(473)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	(11)
1.6	Income taxes paid	-	-
1.7	Other - GST Refunded	17	45
	Net Operating Cash Flows	(202)	(696)
	Cash flows related to investing activities		
1.8	Payment for purchase of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other non current assets	(10)	(10)
1.9	Proceeds from sale of:	-	-
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other non current assets	-	-
1.10	Loans to Goldsmith Resources SAC	-	(121)
1.11	Loans repaid by other entities	-	-
1.12	Other - investment realignment	-	(208)
	Net investing cash flows	(10)	(339)
1.13	**Total operating and investing cash flows (carried forward)**	(212)	(1,035)

Appendix 5B

Mining Exploration Entity Quarterly Report

		Jun quarter $A'000	Year to date (12 months) $A'000
1.13	**Total operating and investing cash flows (brought forward)**	(212)	(1,035)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	280	1,249
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	94
1.17	Repayment of borrowings	(50)	(129)
1.18	Dividends paid	-	-
1.19	Other - Share Issue Costs	(8)	(30)
	Net financing cash flows	222	1,184
	Net increase (decrease) in cash held	10	149
1.20	Cash at beginning of quarter/year	190	51
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter/year (*Note below)**	**200**	**200**

		Current quarter $A'000
	Payments to directors of the entity and associates of the directors **Payments to related entities of the entity and associates of the related entities**	
1.23	Aggregate amount of payments to the parties included in item 1.2	89
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.

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 - Convertible Notes	200	200
3.2	Credit standby arrangements	Nil	Nil

	Estimated cash outflows for next quarter	**$A'000**
4.1	Exploration and evaluation	100
4.2	Development	-
4.3	Production	-
4.4	Administration	75
	Total	175

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	200	190
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)	**200**	**190**

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				

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 (b) Released from escrow (c) Decreases through returns of capital, buy backs				
7.5	Convertible debt securities	8,000,000	-	2.5 cents	2.5 cents
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	8,000,000	-	2.5 cents	2.5 cents
7.7	Options			Exercise Price	Expiry Date
	(description and conversion factor)	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				
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 has 50% interest in the joint venture. The farm-in JV is registered.
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.

Eric Kam
Company Secretary

Date: 29 July 2014

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.