COMMISSIONERS GOLD LIMITED

ANNUAL REPORT 2012

ABN 79 115 845 942

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

Suite 605, 1 Railway Street,

CHATSWOOD NSW 2067 Australia

Telephone: +61 2 9410 3445

Facsimile: +61 2 9410 0458

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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

LETTER TO SHAREHOLDERS

Dear Shareholder

I am pleased to present the Annual Report of Commissioners Gold Limited for the year ended 30 June 2012.

This first year since listing on the ASX has been a busy one for Commissioners. We have committed to, and achieved, a number of significant milestones including:

- Listed on the Australian Securities Exchange (ASX:CGU) on 2 September 2011
- Cowarra drilling programme completed
- Dalton drilling programme completed
- Engaged a full time senior geologist as Exploration Manager
- Embarked on a Peru project JV

In October 2011, a diamond drilling programme was completed at the Company's flagship project Cowarra (EL 5939), near Cooma in south eastern NSW, just 2 months after we listed on the ASX. In total, 4 diamond holes were drilled for 982m which intersected zones of high grade mineralisation in the Victoria, Independent and Ambassador lodes. Expenditure during this programme brings Commissioners interest in the project to 50%, with a remaining $350,000 to be spent to earn 85%.

In March 2012, Commissioners completed an RC drilling programme at Dalton (EL 6922) west of Goulburn in southern NSW. Eight holes were drilled for a total of 918m. Drilling returned encouraging results, including a best intersection of 1m at 35.5g/t gold (DAL008, 54-55m). Unfortunately flooding in the area at the time halted the drilling planned to test an area immediately to the north of the best gold intersections. More work is currently being planned for the Dalton prospect.

In recent months, Commissioners has entered into a joint venture with Peru-based unlisted Australia Gold Corporation to acquire projects in mineral rich Peru. The objective of this JV is to acquire projects with short to near term production and cash flow potential. Already the team has identified a number of very exciting projects with both near term potential and scope for significant long term upside.

The move to acquire projects offshore has not been taken lightly. The decision to enter into production ready assets in Peru has been undertaken with the objective of funding longer term development of our other assets, including the former BHP gold mine at Cowarra in NSW.

Commissioners has also grown during the year, with the appointment of a full time Exploration Manager. We welcome geologist Jason Needham, who brings a deep and diverse background in resource exploration and development to our team.

Finally, I'd like to direct your attention to our updated website which provides a better information gateway for our shareholders and other stakeholders. Please visit us at **www.commissionersgold.com.au** and register to receive news updates.

On behalf of the Directors and Management of Commissioners Gold, I'd like to thank all shareholders for your valuable support during the year. Despite the tough market environment over the past 12 months your Company has achieved some significant strides forward and is fully committed to increasing value for its shareholders. I hope you'll continue to show your support in the coming year, forecast to be a busy and exciting period for Commissioners Gold.

Yours sincerely,

Chris Battye

Chris Battye

Executive Chairman

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DIRECTORS' REPORT

Your Directors submit the annual financial report of Commissioners Gold Limited for the financial year ended 30 June 2012. In order to comply with the provisions of the Corporations Act, the Directors' report as follows:

Directors

The names of Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

- Christopher Battye (appointed 19 August 2005)
- Robert McCauley (appointed 10 February 2011, not re-elected at the AGM held 12 December 2011)
- Wesley Harder (appointed 17 February 2010)
- Robert J Waring (appointed 29 November 2010)

Names, qualifications, experience and special responsibilities

Christopher Battye

Executive Chairman

Qualifications: *BLegS*

Chris Battye provided the impetus in founding Commissioners Gold Limited in 2005 as a New South Wales focused gold exploration company. He worked as a machine sapphire miner on the Anakie Field, Queensland before admission as a solicitor in 1984. Chris has worked for a major law firm in Sydney as well as regional law firms in Bathurst and Ballina. In the late eighties he purchased one of the oldest Sydney practices, transforming it into a low cost high volume retail conveyancing business with five outlets.

Wesley Harder

Non-Executive Director

Qualifications: *BSc. Dip SIA. MAusIMM*

Wes Harder is a former gold analyst with Jackson Ltd Stockbrokers and has also worked as a gold, mining and resource analyst with stockbrokers Ord Minnett and Frank Renouf. He has also worked as a field exploration geologist for some 15 years in Australia and its near neighbours including Sumatra, Irian Jaya in Indonesia, New Britain and mainland Papua New Guinea, Solomon Islands and Fiji. In Australia, he has worked in New South Wales, Queensland, the Northern Territory and Tasmania. He has worked in tropical and temperate (both wet and dry) climates, searching for a range of mineral commodities including gold, copper, uranium and coal for major companies such as Placer Prospecting, Newmont Mining Inc., and Pancontinental Mining Limited. He was a founding Director and CEO of Zinico Resources NL and its successors for a period of seven years and has conducted his own consultancy firm for many years.

Robert Waring

Non-Executive Director

Qualifications: *BEc (Sydney), CA, FCIS, FFin, MAusIMM, FAICD*

Rob Waring's experience has been gained over 35 years in financial and corporate roles including over 20 years in company secretarial roles for ASX listed companies and 16 years as a Director of ASX listed companies. Rob has had over 30 years' experience in the mining industry and prior to that, nine years with an international firm of chartered accountants. He is a Director of the Oakhill Hamilton Limited, a group which provides corporate advisory and company secretarial services to a range of listed and unlisted companies. He was a Director of ASX listed PlatSearch NL for 15 years up until 31 December 2010.

Keith Taylor

Company Secretary

Qualifications: *MCom, MBA, CPA, FCIS, F Fin.*

Keith Taylor is an experienced company secretary having previously served ASX listed company Boards and a number of private companies. Keith is a consultant for Novus Capital Limited, a licensed dealer in securities. His previous positions have included work at the Australian Securities Commission and eight years with an Australian Merchant Bank providing advice on mergers and acquisitions, tax effective funding and corporate restructuring.

Jason Needham

Exploration Manager

Qualifications: *BSc (Hons), MAIG*

A geologist with more than 12 years' experience in the resource exploration industry, Jason Needham's career has spanned a range of gold, mineral sands, coal, gas and geothermal projects in eastern Australia, principally in New South Wales. He was most recently Exploration Manager for an international gas company in Australia, and has worked for listed resources entities, exploration and engineering consultancies and the Geological Survey of NSW.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

Directors' Shareholdings

The number of ordinary shares in the Company held by each Director of the Company as at the date of this report is as follows:

30 June 2012	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
Chris Battye	8,000,000	-	-	-	8,000,000
Robert McCauley [1]	800,000	-	-	-	800,000
Wesley Harder	450,000	-	-	-	450,000
Robert Waring [2]	40,000	-	-	35,000	75,000
Total	**9,290,000**	**-**	**-**	**35,000**	**9,325,000**

30 June 2011	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
Chris Battye	8,000,000	-	-	-	8,000,000
Robert McCauley [1]	-	-	-	800,000	800,000
Wesley Harder	-	-	-	450,000	450,000
Robert Waring [2]	-	-	-	40,000	40,000
Total	**8,000,000**	**-**	**-**	**1,290,000**	**9,290,000**

1. Not re-elected at the 2011 AGM held 12 December 2011.
2. Refer to Note 19 of the financial statements.

No ordinary shares were issued by the Company during or since the end of the financial year as a result of the exercise of an option. There are no unpaid amounts on the shares issued.

Directors' Options and Rights Holdings

The following relevant interests in options of the Company were held by the Directors as at the date of this report.

30 June 2012	Balance at beginning of period	Granted as remuneration	Options exercised or Vested	Net change Other	Balance at end of period
Chris Battye	-	-	-	-	-
Robert McCauley [1]	1,500,000	-	-	-	1,500,000
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Total	**1,500,000**	**-**	**-**	**-**	**1,500,000**

30 June 2011	Balance at beginning of period	Granted as remuneration	Options exercised or vested	Net change Other	Balance at end of period
Chris Battye	-	-	-	-	-
Robert McCauley [1]	-	1,500,000	-	-	1,500,000
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Total	**-**	**1,500,000**	**-**	**-**	**1,500,000**

1. Not re-elected at the 2011 AGM held 12 December 2011.

Dividends

No dividends have been paid or declared since the start of the financial year and/or the Directors do not recommend the payment of a dividend in respect of the financial year.

OPERATIONS REPORT

Principal Activities

The principal activity of the Company during the year was the exploration for mineral resources, in particular gold.

Review of Operations

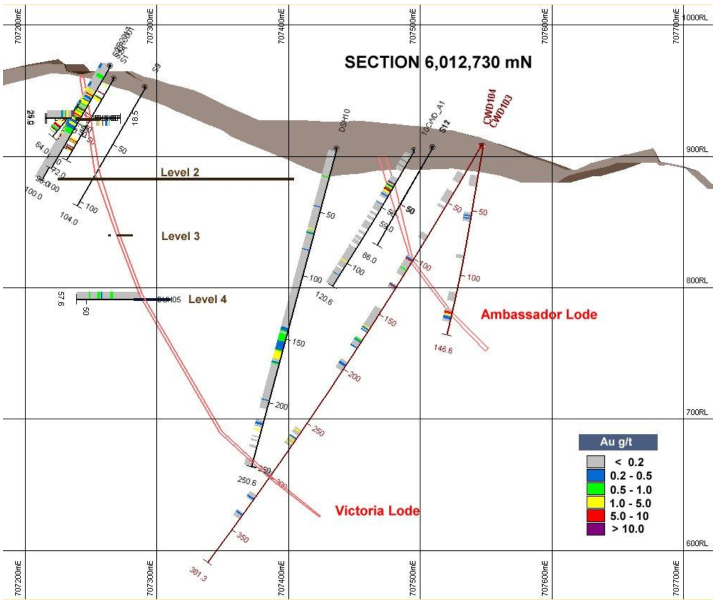
Cowarra Drilling Programme

A four hole 982m diamond drilling programme, including 304.5m of HQ core drilling and 677.5m of NQ core drilling, was completed at the Cowarra project in EL5939 during September-October 2011. The programme aimed to test for extensions of mineralised zones defined by mine workings and previous drilling.

All drill holes intersected narrow high-grade gold mineralisation associated with quartz-pyrite-arsenopyrite veins and shear zones. The results indicate that the main lodes at Cowarra continue to depth, but are generally narrower and lower grade than historical results closer to the old workings.

Significant drill intersections include:

Hole	From (m)	To (m)	Width (m)	Au (g/t)
CWD101	97.22	98.22	1.00	**6.54**
CWD101	122.00	122.55	0.55	2.48
CWD101	159.70	160.70	1.00	2.34
CWD101	201.50	202.50	1.00	3.04
CWD101	209.40	210.40	1.00	**11.95**
CWD101	279.50	282.50	3.00	4.38
includes:	*280.50*	*281.50*	*1.00*	***9.85***
CWD102	67.90	70.00	2.10	1.49
CWD103	102.13	103.00	0.87	**7.37**
CWD103	125.76	126.42	0.66	**7.20**
CWD103	258.00	259.00	1.00	1.19
CWD103	266.23	267.23	1.00	3.16
CWD103	269.00	270.00	1.00	1.70
CWD103	300.00	301.00	1.00	1.56
CWD104	128.68	130.44	1.76	**8.70**



Drill section 6,012,730 mN, CWD103 & CWD104

Dalton Drilling Programme

In early 2012, Commissioners completed its maiden drilling at Dalton (EL 6922) west of Goulburn. 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 lode which is hosted by a northerly trending en echelon shear structure with a strike length greater than 6 km.

Drilling at Dalton intersected interbedded slate, siltstone and 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.

Intersections with greater than 1 g/t Au include:

Hole	From (m)	To (m)	Width (m)	Au (g/t)
DAL002	43	44	1	2.55
DAL004	114	115	1	2.67
DAL008	54	55	1	**35.5**

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.

Oberon JV

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.

Peru JV

In July 2012, Commissioners Gold 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 will run for an initial six months to 31 December 2012, and has already identified an initial pool of substantial projects spanning the country.

The focus of the JV is to acquire majority equity in high grade and scalable precious and base metals projects with capacity for near term production and cash flow.

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.

Initial project pool in Peru

On-Going Programme

The Company has an ongoing resource evaluation programme for the next year, which includes:

- Continuation of the Peru project acquisition JV in Peru until at least December 2012. The initial project pool will be refined and focused to deliver a group of high class production and exploration projects. Work has already commenced on geological, engineering and legal due diligence on a number of profitable projects targeted to provide early cash flow to the JV partners.

- At Cowarra in south eastern NSW, further field work will be undertaken to better understand this belt of high grade mineralisation. Soil/rock geochemical sampling, mapping and drill planning are scheduled for the coming year at Cowarra.

- Also at Cowarra, feasibility studies are progressing to recover and toll treat a bulk sample of ore from the Ambassador Lode. A number of options are being considered to recover the bulk sample via the 240N Winz level.

- Geochemical survey and an on going drilling programme for “Black Bullock” at Oberon to evaluate porphyry style mineralisation in the east and orogenic gold mineralisation in the west of the licence area.

Operating results for the year

The loss of the Company for the financial year, after providing for income tax amounted to $935,084 (2011: Loss $298,175).

Review of financial conditions

The Company currently has $513,888 in cash assets which the Directors believe puts the Company in an adequate financial position with sufficient capital for the next 6 months to complete existing work in progress (refer note 1r).

Risk management

Details of the Company's Risk Management policies are contained within the Corporate Governance Statement in the Directors' Report.

Corporate Governance

Details of the Company's Corporate Governance policies are contained within the Corporate Governance Statement in the Directors' Report.

Subsequent events after balance date

As announced to the ASX on 2 July, 2012, the Company has established a Joint Venture with Lima–based unlisted resource junior, Australia Gold Corporation Limited (AGC). The Joint Venture, a 50:50 partnership, is focusing on resource project acquisition in Peru and will run initially for six months. AGC will manage the due diligence process across potential Peruvian mineral exploration projects, from its existing headquarters in Lima.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Environmental legislation

The Company is subject to significant environmental and monitoring requirements in respect of its natural resource exploration activities. The Directors are not aware of any significant breaches of these requirements during the period.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related entity) that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Options

During the year, the Company granted 500,000 Options to its Exploration Manager in accordance with his Executive Employment Agreement on the following terms and conditions:

I. 500,000 options each to acquire one fully paid ordinary share in the Company at an exercise price of $0.18 and an exercise period expiry date of 31 December 2014; and

II. The Company will not apply for official quotation on ASX of the Options.

No other options over issued shares or interest in the Company were granted during or since the end of the financial year.

RENUMERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and Key Management Personnel of Commissioners Gold Limited (the "Company") for the financial year ended 30 June 2012.

The following persons acted as Directors during or since the end of the financial year:

- Christopher Battye
- Robert McCauley (to 12/12/2011)
- Wesley Harder
- Robert J Waring

The term 'Key Management Personnel' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Christopher Battye
- Robert McCauley (to 12/12/2011)
- Wesley Harder
- Robert J Waring
- Keith Taylor
- Jason Needham

Remuneration Philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the Senior Management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration Structure

In accordance with best practice Corporate Governance, the structure of Non-Executive Director and executive remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of $300,000 per annum. The Directors have resolved that non-executive directors' fees will be $35,000 per annum.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Director is entitled to receive a fee for being a Director of the Company. The Company and Messrs Chris Battye and Wes Harder have agreed to defer payment of Directors fees of $35,000 per annum each from 2 September 2011, the date the Company listed on the Australian Securities Exchange (ASX) until such time as the Company is able to make these payments. The amount deferred is expensed and recognised as a non current liability.

The remuneration of Non-Executive Directors for the year ended 30 June 2012 is detailed in the Remuneration of Directors and named executives section of this report on the following page of this report.

Senior Manager and Executive Director Remuneration

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition to the Company employees and Directors, the Company has contracted key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Independent Directors' Committee (which assumes the role of the Remuneration Committee). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the six most highly remunerated Company executives is detailed in Table 1.

Employment Contracts

The Company and Mr Robert McCauley were parties to an Executive Employment Agreement dated 10 February 2011 by which the Company employed Mr McCauley as an executive director from the day that the Company's shares were listed on ASX on 2 September 2011. Mr McCauley worked for the Company an average minimum of three days each week. The Company paid Mr McCauley a remuneration package of $135,000 per annum, plus superannuation. Mr McCauley was not re-elected as a director at the 2011 AGM held 12 December 2011and a termination settlement amount was mutually agreed and paid in 2012.

The Company and Mr Jason Needham are parties to an Executive Employment Agreement dated 1 March 2012 by which the Company has employed Mr Needham as an exploration manager from 1 March 2012. Mr Needham works for the Company on a full time basis. The Company pays Mr Needham a remuneration package of $200,000 per annum, plus superannuation. The Company will review Mr Needham's performance annually.

Remuneration of Directors and named executives

Table 1: Directors' and named executives remuneration for the year ended 30 June 2012

	Short-term employee benefits			Post-employment benefits		Equity		Other	Total	%
	Salary & Fees	Bonuses	Non-Monetary Benefits	Superannuation	Prescribed Benefits	Options	Shares	Deferred Benefits		Performance Related
Christopher Battye	-	-	-	-	-	-	-	35,000	35,000	-
Robert McCauley [1]	101,770	-	-	4,117	-	-	-	-	105,887	-
Wesley Harder	-	-	-	-	-	-	-	35,000	35,000	-
Robert Waring [2]	43,230	-	-	-	-	-	-	-	43,230	-
Keith Taylor[3]	20,417	-	-	-	-	-	-	-	20,417	-
Jason Needham [4]	66,667	-	-	5,258	-	17,700	-	-	89,625	-
Total	**232,084**	**-**	**-**	**9,375**	**-**	**17,700**		**70,000**	**329.159**	**-**

1. Not re-elected at the 2011 AGM held 12 December 2011.

2. Paid to Spencer Hamilton Limited for corporate advisory services of which Mr Waring is a director and shareholder.

3. Paid to Davington Advisory Pty Ltd for secretarial services of which Mr Taylor is a director and shareholder.

4. Commenced employment on 1 March 2012.

Table 2: Directors' and named executives remuneration for the year ended 30 June 2011

	Short-term employee benefits			Post-employment benefits		Equity		Other	Total	%
	Salary & Fees	**Bonuses**	**Non-Monetary Benefits**	**Superannuation**	**Prescribed Benefits**	**Options**	**Shares**	**Deferred Benefits**		**Performance Related**
Christopher Battye	-	-	-	-	-	-	-	-	-	-
Robert McCauley [1]	10,000	-	-	-	-	50,025	400	-	60,425	-
Wesley Harder	-	-	-	-	-	-	200	-	200	-
Robert Waring [2]	14,924	-	-	-	-	-	-	-	14,924	-
Keith Taylor	-	-	-	-	-	-	200	-	200	-
Jason Needham [3]	-	-	-	-	-	-	-	-	-	-
Total	**24,924**	**-**	**-**	**-**	**-**	**50,025**	**800**	**-**	**75,749**	**-**

1. Not re-elected at the 2011 AGM held 12 December 2011.

2. Paid to Spencer Hamilton Limited for corporate advisory services of which Mr Waring is a director and shareholder.

3. Commenced employment on 1 March 2012.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

	Director Meetings	
Director	**Attended**	**Eligible to Attend**
Christopher Battye	7	7
Wesley Harder	6	7
Robert Waring	7	7
Robert McCauley [1]	2	2

1. Not re-elected at 2011 AGM held on 12 December 2011

In addition, one circular resolution was signed by the Board during the period.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 52 and forms part of this Directors' report for the year ended 30 June 2012.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 22 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence..

Signed in accordance with a resolution of the Directors.

Chris Battye

Christopher Battye

Executive Chairman

Dated this 25th day of September 2012

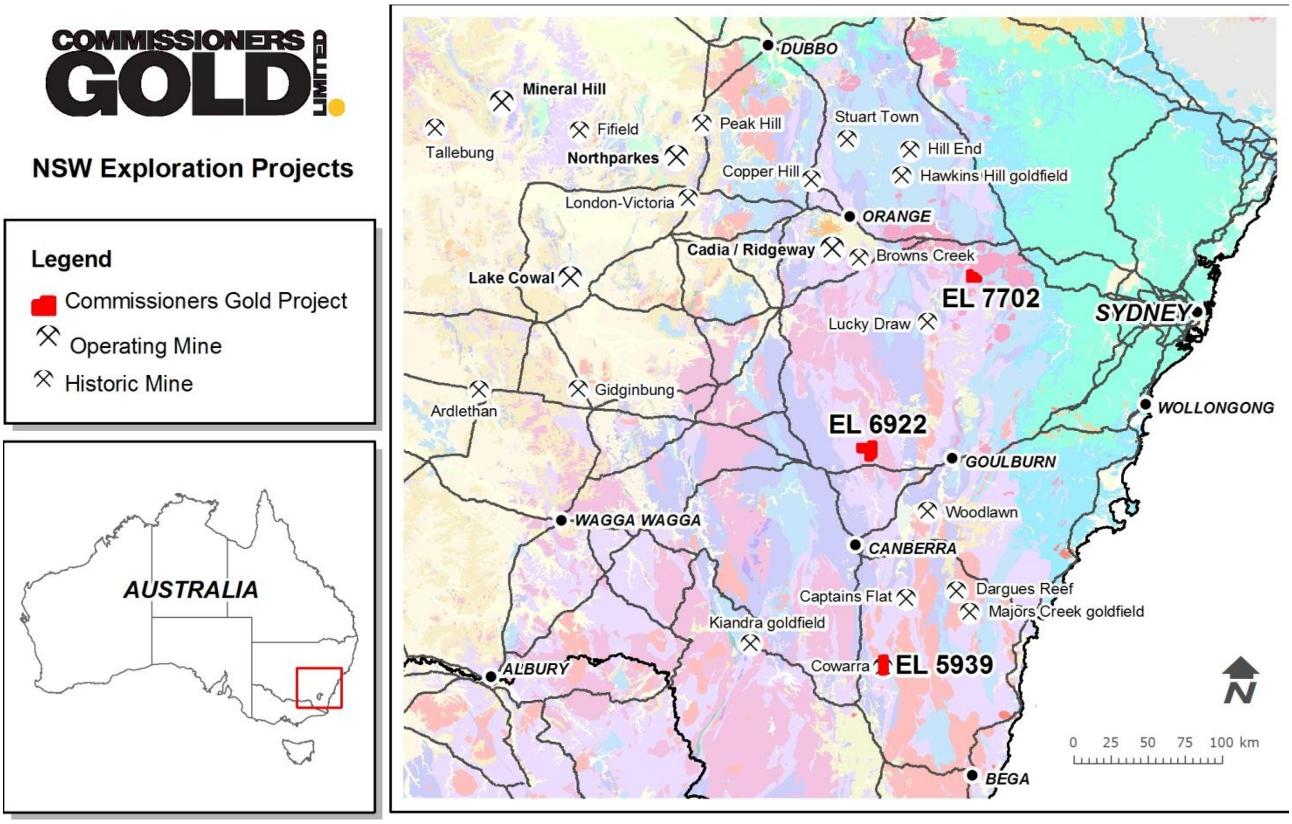
SCHEDULE OF TENEMENTS

Tenement Number	Name	Status	Percentage Interest
EL 5939 [1]	Cowarra	Granted	50%, earning 85%
EL 7702 [2]	Oberon	Granted	Earning 70%
EL 6922	Dalton	Granted	100%

Notes:

1. EL 5939 is held in the name of Capital Mining Limited on behalf of the joint venture.

2. EL 7702 is held in the name of Central West Gold NL on behalf of the joint venture.



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.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Commissioners Gold Limited is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council (‘CGC’) published guidelines as well as its corporate governance principles and recommendations.

The Board monitors the business and affairs of Commissioners Gold on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board draws on relevant best practice principles, particularly those issued by the ASX Corporate Governance Council in August 2007 with 2010 amendments (including the June 2010 recommendations on diversity). At a number of its meetings the Board examines the Commissioners Gold corporate governance practices and the progress towards a review of its practice compared to the best practice principles proposed by the ASX Corporate Governance Council. While Commissioners Gold is attempting to adhere to the principles proposed by the ASX, it is mindful that there may be some instances where compliance is not practicable for a company of Commissioners Gold's size.

The August 2007 ASX Corporate Governance Council publication “Corporate Governance Principles and Recommendations” second edition, is referred to for guidance purposes, however all listed companies are required to disclose the extent to which they have followed the recommendations, to identify any recommendations that have not been followed and reasons for not doing so. The Company’s Board of Directors has reviewed the recommendations.

In many cases the Company was already achieving the standard required. In other cases the Company will have to consider new arrangements to enable compliance. In a limited number of instances, the Company may determine not to meet the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a company of this size.

The Commissioners Gold Corporate Governance Committee, consisting of Messrs Waring (Committee Chairman), and Harder, meets as and when required, including prior to the finalisation of the Annual Report. A summary of the Company’s written policies on corporate governance matters has been prepared and included in the Corporate Governance section of the Commissioners Gold website. The following paragraphs set out the Company’s position relative to each of the eight principles contained in the ASX Corporate Governance Council’s report.

Principle 1: Lay solid foundations for management and oversight

The Company has formalised and disclosed the functions reserved to the Board and those delegated to management, and has processes in place for evaluating the performance of senior executives. However, the Company has a small Board of three Directors (two Non-Executive Directors and the Executive Chairman) and a small team of staff, so roles and functions have to be flexible to meet specific requirements.

Principle 2: Structure the Board to add value

The Company complies with most of the recommendations within this area however, the Chairman is the only Executive Director following the non re-election of the former Managing Director. The Company also complies with the recommendation that a majority of Directors are independent however, the Executive Chairman, Mr Chris Battye, is a substantial shareholder. Two of the Company’s three Directors are Non-Executives and a company associated with one of the Non-Executives, Mr Robert Waring, provides accounting, taxation and corporate advice for the Company. Mr Waring is considered an independent director as this work is a small part of the Spencer Hamilton operations The Company has a Board Nomination Committee. An internal performance evaluation of the Board was carried out during the year and the mix of skills and diversity were discussed and will remain under review.

Each Director of the Company has the right to seek independent professional advice at the expense of the company. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

Principle 3: Promote ethical and responsible decision-making

The Company has a policy concerning trading in its securities by Directors, management, staff and significant consultants, which is summarised below. The Company has a formal code of conduct.

The Company has established a policy regarding Diversity that will be reviewed at least every 12 months to examine progress on the achievement of diversity objectives. The Company does not have any women on the Board and the company's only full time senior executive/employee, the Exploration Manager is a male. In accordance with the adopted Diversity Policy, the objective is to address this matter as the Company grows in size.

Principle 4: Safeguard integrity in financial reporting

At this stage the Company's financial statements are prepared by a contract accountant who confirms to the Audit Committee in writing that the Company's financial reports represent a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with relevant accounting standards. The Executive Chairman and Company Secretary review and approve the financial statements before they are submitted to the Audit Committee and also meets with and confirms this in writing to the Board. They also comment on whether the financial reports are based on a sound system of risk management and internal control, and whether the system is operating efficiently and effectively.

The Company has an Audit and Risk Management Committee which consists of the two Non-Executive Directors: Messrs Waring (Committee Chairman) and Harder. These Directors have applicable expertise and skills, and are suitably qualified for this Committee. This structure meets the ASX's guidance regarding independence, in that it has a majority of independent directors. The Audit and Risk Management Committee reports to the Board after each Committee meeting. In conjunction with the full Board, the Committee meets with and reviews the performance of the external auditors (including scope and quality of the audit).

Principle 5: Make timely and balanced disclosure

The company, its Directors and consultants are very aware of the ASX's continuous disclosure requirements, and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. The Company has adopted formal written policies regarding disclosure. It uses strong informal systems underpinned by experienced individuals. The Company maintains a register of matters considered for possible market disclosure.

Principle 6: Respect the rights of shareholders

All significant information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's website. Written procedures have also been established for reviewing whether any price-sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

The Company has a communications strategy to promote effective communication with shareholders and communicates regularly with shareholders.

The Company has requested the external auditor to attend general meetings and this has been supported by the company's audit partner at K.S. Black & Co. Chartered Accountants.

Principle 7: Recognise and manage risk

The Company is a small exploration company and does not believe that at this stage there is significant need for formal policies on risk oversight and management of material business risks, although these issues are actively considered at all times in the Company's activities. Risk management arrangements are the responsibility of the Board of Directors and senior management collectively. The Company has an Audit and Risk Management Committee of Messrs Waring (Committee Chairman) and Harder that meets as and when required, including prior to the finalisation of the Annual Report. The Company has also established a Risks Register. Risk Factors are an agenda item for each Board meeting and the senior management will periodically report to the Board in writing on risk management and internal controls. The Company has an Occupational Health and Safety policy with which all of the company's staff, contractors and consultants must comply.

Principle 8: Remunerate fairly and responsibly

The Company has a Remuneration and Board Nomination Committee of Messrs Harder (Committee Chairman) and Battye that meets as and when required, to review performance matters and remuneration. There has been an internal performance evaluation of the Board during the past financial year, and its composition will be reviewed at a Board meeting at least annually by the Remuneration and Board Nomination Committee. The Directors work closely with management and have full access to all the Company's files and records.

Directors believe that the size of the Company makes individual salary and consultant negotiations more appropriate than formal remuneration policies. The Remuneration Committee will seek independent external advice and market comparisons as necessary. In accordance with Corporations Act requirements, the Company discloses the fees or salaries paid to all Directors, plus the highest paid officers. The Company has an Employee Share Option Plan.

Ethical standards

The Board's policy is for the Directors and management to conduct themselves with the highest ethical standards.

All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Securities trading and trading windows

Directors, employees and key consultants must consult with the Chairman of the Board or the Managing Director before dealing in shares of the Company. Purchases or sales in the Company's shares by Directors, employees and key management personnel may not be carried out in a closed period, but only in the "window" being the period commencing two days after and ending 30 days following the date of announcement of the Company's annual or half-yearly results, its quarterly reports or a major announcement leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling the Company's shares at any time if they are aware of price-sensitive information that has not been made public.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
Other income	3	**28,627**	12,114
		28,627	12,114
Administration costs	4	**(261,816)**	(107,595)
Employment costs	4	**(249,708)**	-
Exploration expense	4	**(334,899)**	(116,874)
Interest expense	4	**(2,150)**	(400)
Marketing expense	4	**(97,438)**	(35,395)
Options expense	4	**(17,700)**	(50,025)
Loss before income tax expense		**(935,084)**	(298,175)
Income tax expense	5	**-**	-
Net loss for the year		**(935,084)**	(298,175)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(935,084)**	(298,175)
Loss per share			
Basic loss per share (cents)		**(2.80)**	(1.62)
Diluted loss per share (cents)		**(2.80)**	(1.62)

The statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	2012 $	2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**513,888**	1,343,844
Trade and other receivables	7	**36,036**	68,621
Other assets	8	**-**	430,912
TOTAL CURRENT ASSETS		**549,924**	1,843,377
NON-CURRENT ASSETS			
Deferred exploration and evaluation expenditure	9	**880,313**	-
Other assets	8	**50,000**	70,000
Intangible assets	10	**-**	120,000
TOTAL NON-CURRENT ASSETS		**930,313**	190,000
TOTAL ASSETS		**1,480,237**	2,033,377
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**77,078**	172,715
Borrowings	12	**-**	10,967
Other liabilities	13	**-**	1,327,880
TOTAL CURRENT LIABILITIES		**77,078**	1,511,562
NON CURRENT LIABILITIES			
Other liabilities	13	**70,000**	-
TOTAL NON CURRENT LIABILITIES		**70,000**	
TOTAL LIABILITIES		**147,078**	1,511,562
NET ASSETS		**1,333,159**	521,815
EQUITY			
Issued capital	14	**3,148,178**	1,419,450
Reserves	15	**67,725**	50,025
Accumulated losses	16	**(1,882,744)**	(947,660)
TOTAL EQUITY		**1,333,159**	521,815

The statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2012

	Share Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2010	1,108,650	-	(649,485)	459,165
Total comprehensive income/(loss)	-	-	(298,175)	(298,175)
Total comprehensive income/(loss) for the year	-	-	(298,175)	(298,175)
Transactions with owners in their capacity as owners				
Issue of share capital	310,800	-	-	310,800
Issue of options at fair value	-	50,025	-	50,025
Total transactions with owners in their capacity as owners	310,800	50,025	-	360,825
Balance at 30 June 2011	1,419,450	50,025	(947,660)	521,815
Balance at 1 July 2011	**1,419,450**	**50,025**	**(947,660)**	**521,815**
Total comprehensive income/(loss)	**-**	**-**	**(935,084)**	**(935,084)**
Total comprehensive income/(loss) for the year	**-**	**-**	**(935,084)**	**(935,084)**
Transactions with owners in their capacity as owners				
Issue of share capital	**2,669,358**	**-**	**-**	**2,669,358**
Share issue costs	**(940,630)**	**-**	**-**	**(940,630)**
Issue of options at fair value	**-**	**17,700**	**-**	**17,700**
Total transactions with owners in their capacity as owners	**1,728,728**	**17,700**	**-**	**1,746,428**
Balance at 30 June 2012	**3,148,178**	**67,725**	**(1,882,744)**	**1,333,159**

The statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASHFLOWS FOR YEAR ENDED 30 JUNE 2012

	Note	**2012 $**	2011 $
Cash flows from operating activities			
Interest received		**28,627**	12,114
Payments to suppliers and employees		**(680,024)**	(208,268)
Finance costs		**(2,150)**	(400)
Net cash (used in) provided by operating activities	26	**(653,547)**	(196,554)
Cash flows from investing activities			
Receipts from release of security deposits		**25,450**	-
Payments for exploration and evaluation		**(1,033,618)**	(10,000)
Net cash (used in) provided by investing activities		**(1,008,168)**	(10,000)
Cash flows from financing activities			
Proceeds from issue of shares		**1,429,250**	310,800
Proceeds from unallocated shares		**-**	1,327,880
Payments for IPO and share issue costs		**(586,524)**	(374,096)
Repayment of related party loan accounts		**(10,967)**	10,967
Net cash provided by (used in) financing activities		**831,759**	1,275,551
Net (decrease)/increase in cash and cash equivalents		**(829,956)**	1,068,997
Cash and cash equivalents at beginning of financial year		**1,343,844**	274,847
Cash and cash equivalents at end of financial year	6	**513,888**	1,343,844

The statement of cashflows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

This financial report includes the financial statements and notes of Commissioners Gold Limited.

Number	Notes to the Financial Statements
1	Summary of significant accounting policies
2	Operating segments
3	Revenue & other income
4	Expenses
5	Income tax expense
6	Current assets - Cash and cash equivalents
7	Current assets - Trade and other receivables
8	Current and Non Current assets - Other assets
9	Non-current assets – Deferred exploration and evaluation exependiture
10	Non-current assets - Intangible assets
11	Current liabilities – Trade and other payables
12	Current liabilities – Borrowings
13	Current and Non Current liabilities – Other liabilities
14	Contributed equity
15	Reserves
16	Accumulated losses
17	Tax
18	Related party disclosures
19	Key management personnel disclosures
20	Loss per share
21	Financial Risk Management
22	Auditor’s remuneration
23	Commitments and contingencies
24	Dividends
25	Events subsequent to reporting date
26	Cash flow information

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

b. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

c. Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with original maturities of three months or less.

e. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

f. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

g. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

h. Exploration and Development Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

h. Exploration and Development Expenditure (continued)

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

i. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of goods and services tax (GST).

j. Earnings (Loss) per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

(i) costs of servicing equity (other than dividends);

(ii) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

(iii) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(k) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%-32%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

m. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

m. Financial Instruments (continued)

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company’s intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

m. Financial Instruments (continued)

Classification and subsequent measurement (continued)

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

n. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one (1) year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one (1) year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest one dollar ($1).

q. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

(i) *Impairment*

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgments

(i) *Exploration and evaluation expenditure*

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

r. Going concern

The financial statements have been prepared on the going concern basis, the validity of which depends upon the positive cash position. The company's existing projections show that further funds will be required to be generated, either by capital raisings, sales of assets or other initiatives, to enable the Company to fund its currently planned activities for at least the next 12 months from the date of signing these financial statements. Should new opportunities present that require additional funds the Directors will take action to reprioritise activities, dispose of assets and or raise further funds.

Notwithstanding this issue, accordingly the Directors have prepared the financial statements of the Company on a going concern basis. In arriving at this position, the Directors have considered the following pertinent matter:

- Australian Accounting Standard, AASB 101 "Accounting Policies", states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

In the Directors' opinion, at the date of signing the financial report, there are reasonable grounds to believe that the matters set out above will be achieved and therefore the financial statements have been prepared on a going concern basis.

s. Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Commissioners Gold Limited.

u. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2012. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations are that they will have no material effect.

Note 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

During the year, the Company operated principally in one business segment being mineral exploration and in one geographical segment being Australia.

Note 3: REVENUE AND OTHER INCOME

	2012 $	2011 $
a. **Revenue**		
Other income		
– Interest received [1]	**28,627**	12,114
Total other income	**28,627**	12,114
[1]. Interest received from:		
– Bank	**28,627**	12,114

Note 4: EXPENSES

	2012 $	2011 $
Loss before income tax includes the following specific expenses:		
a. **Expenses**		
Administration costs	**261,816**	107,595
Employment expense	**179,708**	-
Exploration expense	**364,899**	116,874
Interest expense	**2,150**	400
Marketing expense	**97,438**	35,395
Options expense	**17,700**	50,025
Total expenses	**923,711**	310,289

Note 5: INCOME TAX EXPENSE

	2012 $	2011 $
The prima facie tax on the loss before income tax is reconciled to income tax as follows:		
Loss before income tax expense	**(935,084)**	(298,175)
Prima facie tax benefit on the loss before income tax at 30% (2011: 30%)	**(280,525)**	(89,453)
Add:		
Tax effect of:		
– Other non-allowable items	**109,918**	50,029
	(170,607)	(39,424)
Less:		
Tax effect of:		
– Other deductible expenses	**(84,371)**	(17,886)
Future tax benefits not brought to account	**254,978**	57,310
Income tax attributable to the Company	**-**	-

The Company has tax losses arising in Australia of $1,268,517 (2011: $418,590) that are available indefinitely to offset against future taxable profits.

Note 6: CASH AND CASH EQUIVALENTS

	2011 $	2011 $
Cash at bank	**10,819**	15,642
Short-term bank deposits	**503,059**	1,328,202
	513,888	1,343,844

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	**513,888**	1,343,844
	513,888	1,343,844

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

Note 7: TRADE AND OTHER RECIEVABLES

	2012 $	2011 $
Other receivables	**36,036**	68,621
Total current trade and other receivables	**36,036**	68,621

Note 8: OTHER ASSETS

	2012 $	2011 $
Current		
Prepaid Initial Public Offering Costs	**-**	430,912
	-	430,912
Non Current		
Performance bonds	**50,000**	70,000
	50,000	70,000

Note 9: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2012 $	2011 $
Assets in Development		
Balance at the beginning of the year	**-**	-
Expenditure incurred	**1,113,344**	-
Exploration licenses transferred in from intangible assets	**120,000**	-
Tenements relinquished	**(85,175)**	-
Impairment loss on existing tenements	**(267,856)**	-
Net carrying value	**880,313**	-

The recoupment of costs carried forward in relation to expenditure in the exploration and evaluation phase are dependent on the successful development and commercial exploitation or sale of the respective areas.

Note 10: INTANGIBLE ASSETS

	2012 $	2011 $
Exploration licenses:		
Cost	**-**	120,000
Net carrying value	**-**	120,000
Total intangibles	**-**	120,000

Year ended 30 June 2012		
Balance at the beginning of the year	**120,000**	120,000
Transferred to deferred exploration and evaluation expenditure	**(120,000)**	-
	-	120,000

Exploration licence expenditure requirements

In order to maintain the company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. It is likely that the granting of new licences and changes in licence areas at renewal or expiry, will change the expenditure commitment to the Company from time to time.

Note 11: TRADE AND OTHER PAYABLES

	2012 $	2011 $
Current		
Unsecured liabilities:		
Trade payables and accrued expenses	**69,090**	142,638
Amounts payable to Director and related entities	**7,988**	30,077
	77,078	172,715

Note 12: BORROWINGS

	2012 $	2011 $
Current		
Unsecured liabilities:		
Amounts payable to Director and related entities	**-**	10,967
Total current borrowings	**-**	10,967

Note 13: OTHER LIABILITIES

	2012 $	2011 $
Current		
Other liabilities:	**-**	1,327,880
Total other liabilities	**-**	1,327,880
Non Current		
Other liabilities:		
Accrued Directors Fees	**70,000**	-
	70,000	-

The Company and Messrs Chris Battye and Wes Harder have agreed to defer payment of directors fees of $35,000 per annum each affective from the date the Company listed on the Australian Securities Exchange (ASX) on 2 September 2011 until such time as the Company is in a stronger position to make these payments. The amount deferred is expensed and recognised as a non current liability.

Note 14: CONTRIBUTED EQUITY

	2012 $	2011 $
34,849,692 (2011: 20,980,000) ordinary shares	**4,088,808**	1,433,550
Share issue costs	**(940,630)**	(14,100)
Total issued capital	**3,148,178**	1,419,450

		2012 No.	2011 No.
a.	**Ordinary Shares**		
	At the beginning of the reporting period:	**20,980,000**	16,080,000
	Shares issued during the year		
	– 800,000 ordinary shares issued at 0.001 cents each	**-**	800,000
	– 4,000,000 ordinary shares issued at 7.5 cents each	**-**	4,000,000
	– 100,000 ordinary shares issued at 10 cents each	**-**	100,000
	– 12,713,550 ordinary shares issued at 20 cents each	**12,713,550**	-
	– 956,142 ordinary shares issued at 0.001 cents each	**956,142**	-
	– 200,000 ordinary shares issued at $Nil cents each	**200,000**	-
	At the end of the reporting period	**34,849,692**	20,980,000

On 5 August 2011, 12,713,550 shares at 20 cents each were issued prior to the subsequent listing on the Australian Securities Exchange on 2 September, 2011.

On 5 August 2011, 956,142 fully paid shares were issued at 0.001 cents each to the following entities as consideration for services rendered in preparation for listing on the Australian Securities Exchange (ASX): McCauley Super Pty Ltd, a superannuation fund associated with Mr R McCauley, the former managing director – 200,000 shares; Spencer Hamilton Limited, a company associated with Mr Robert Waring – 250,000 shares;

On 5 August 2011, 506,142 shares were issued to Novus Capital Limited and its nominees for no consideration for services rendered in assisting the Company to list on the Australian Securities Exchange on 2 September 2011.

During the year 200,000 shares were issued for no consideration to Mr Alan Shepherd, a former director, for future services to the company.

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. **Options**

During the year, the Company granted 500,000 Options to its Exploration Manager, or his Nominee, in accordance with his Executive Employment Agreement on the following terms and conditions:

I 500,000 options each to acquire one fully paid ordinary share in the Company at an exercise price of $0.18 and an exercise period expiry date of3 I December 2014; and

Iii The Company will not apply for official quotation on ASX of the Options.

c. **Capital Management**

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, budgeting and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

Note 15: RESERVES

	2012 $	2011 $
Reserves		
Share Based Payments Reserve	**67,725**	50,025
	67,725	50,025
Movement in Reserves		
Balance at beginning of year	**50,025**	-
Recognition of options issued at fair value	**17,700**	50,025
Balance at end of year	**67,725**	50,025

Nature and purpose of reserves

The share based payments reserve records the value of options issued by the company.

Note 16: ACCUMULATED LOSSES

	2012 $	2011 $
Balance at beginning of the financial year	**(947,660)**	(649,485)
Net loss attributable to members of the company	**(935,084)**	(298,175)
Balance at end of financial year	**(1,882,744)**	(947,660)

Note 17: TAX

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(g) occur.

Note 18: RELATED PARTY DISCLOSURES

Related Parties

a. **The company's main related parties are as follows:**

i. *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise), are considered key management personnel.

The directors and KMP in office during the year were as follows:

Christopher Battye	Appointed 19 August 2005
Robert J. McCauley	Appointed 10 February 2011, until 12 December 2011
Wesley Harder	Appointed 17 February 2010
Robert J. Waring	Appointed 29 November 2010
Jason Needham E Manager)	Appointed 1 March 2012

For details of disclosures relating to key management personnel, refer to Note 19: Key Management Personnel (KMP) Disclosures.

b. **Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2012 **$**	2011 $
i. *Other related parties:*		
Purchase of goods and services:		
Corporate advisory fees paid to Spencer Hamilton Ltd, a company associated with Mr Robert Waring a director and shareholder.	**73,440**	39,192
Provision of office space at no rental charge and administrative assistance at cost to the Company by The Conveyancing Shop, a company associated with Mr Chris Battye, a director of the company.	**-**	427

c. **Amounts payable to related parties:**

Trade and other payables:

Amounts payable to Directors and related entities, as follows:

	2012	2011
Directors fees	**-**	2,000
Reimbursement of expenses	**-**	27,650
Corporate advisory services	**7,988**	16,417
Total trade and other payable related party amounts	**7,988**	46,067

Borrowings:

Unsecured, at-call loans are provided by directors on an arm's length basis. Interest is charged at 0% (2011: 0%) is repayable monthly within the next 12 months.

i. *Loans from key management personnel related entities:*

	2012	2011
Beginning of the year	**10,967**	-
Loans advanced	**15,000**	17,326
Loan forgiven	**-**	(6,359)
Loans repaid	**(25,967)**	-
Interest charged	**-**	-
End of the year	**-**	10,967

Note 19: KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the company's key management personnel for the year ended 30 June 2012. The totals of remuneration paid to KMP of the Company during the year are as follows:

Remuneration of Directors and named executives

Table 1: Directors' and named executives remuneration for the year ended 30 June 2012

	Short-term employee benefits			Post-employment benefits		Equity		Other	Total	%
	Salary & Fees	Bonuses	Non-Monetary Benefits	Superannuation	Prescribed Benefits	Options	Shares	Deferred Benefits		Performance Related
Christopher Battye	-	-	-	-	-	-	-	35,000	35,000	-
Robert McCauley[1]	101,770	-	-	4,117	-	-	-	-	105,887	-
Wesley Harder	-	-	-	-	-	-	-	35,000	35,000	-
Robert Waring [2]	43,230	-	-	-	-	-	-	-	43,230	-
Keith Taylor [3]	20,417	-	-	-	-	-	-	-	20,417	-
Jason Needham [4]	66,667	-	-	5,258	-	17,700	-	-	89,625	-
Total	**232,084**	**-**	**-**	**9,375**	**-**	**17,700**	**-**	**70,000**	**329.159**	**-**

1. Not re-elected at the 2011 AGM held 12 December 2011.

2. Paid to Spencer Hamilton Limited for corporate advisory services of which Mr Waring is a director and shareholder.

3. Paid to Davington Advisory Pty Ltd for secretarial services of which Mr Taylor is a director and shareholder.

4. Commenced employment on 1 March 2012.

Note 19: KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (Continued)

Table 2: Directors' and named executives remuneration for the year ended 30 June 2011

	Short-term employee benefits			Post-employment benefits		Equity		Other	Total	%
	Salary & Fees	Bonuses	Non-Monetary Benefits	Superannuation	Prescribed Benefits	Options	Shares	Deferred Benefits		Performance Related
Christopher Battye	-	-	-	-	-	-	-	-	-	-
Robert McCauley[1]	10,000	-	-	-	-	50,025	400	-	60,425	-
Wesley Harder	-	-	-	-	-	-	200	-	200	-
Robert Waring [2]	14,924	-	-	-	-	-	-	-	14,924	-
Keith Taylor	-	-	-	-	-	-	200	-	200	-
Jason Needham [3]	-	-	-	-	-	-	-	-	-	-
Total	**24,924**	**-**	**-**	**-**	**-**	**50,025**	**800**	**-**	**75,749**	**-**

1. Not re-elected at the 2011 AGM held 12 December 2011.

2. Paid to Spencer Hamilton Limited for corporate advisory services of which Mr Waring is a director and shareholder.

3. Commenced employment on 1 March 2012.

Note 19: KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (Continued)

KMP Options and Rights Holdings

The number of options over ordinary shares held by each KMP of the Company during the financial year is as follows:

30 June 2012	Balance at beginning of period	Granted as remuneration	Options exercised or vested	Net change Other	Balance at end of period
Chris Battye	-	-	-	-	-
Robert McCauley [1]	1,500,000	-	-	-	1,500,000
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Keith Taylor	-	-	-	-	-
Jason Needham [2]	-	500,000	-	-	500,000
Total	**1,500,000**	**500,000**	**-**	**-**	**2,000,000**

1. Not re-elected at the 2011 AGM held 12 December 2011.

2. Commenced employment on 1 March 2012.

30 June 2011	Balance at beginning of period	Granted as remuneration	Options exercised or vested	Net change Other	Balance at end of period
Chris Battye	-	-	-	-	-
Robert McCauley [1]	-	1,500,000	-	-	1,500,000
Wesley Harder	-	-	-	-	-
Robert Waring	-	-	-	-	-
Keith Taylor	-	-	-	-	-
Total	**-**	**1,500,000**	**-**	**-**	**1,500,000**

1. Not re-elected at the 2011 AGM held 12 December 2011.

Note 19: KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (Continued)

KMP Shareholdings

The number of ordinary shares in the Company held by each KMP of the Company during the financial year is as follows:

30 June 2012	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
Chris Battye	8,000,000	-	-	-	8,000,000
Robert McCauley [1]	800,000	-	-	-	800,000
Wesley Harder	450,000	-	-	-	450,000
Robert Waring	40,000	-	-	35,000	75,000
Keith Taylor	427,764	-	-	-	427,764
Jason Needham [2]	-	-	-	-	-
Total	**9,717,764**	**-**	**-**	**35,000**	**9,752,764**

1. Not re-elected at the 2011 AGM held 12 December 2011.

2. Commenced employment on 1 March 2012.

30 June 2011	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
Chris Battye	8,000,000	-	-	-	8,000,000
Robert McCauley [1]	-	-	-	800,000	800,000
Wesley Harder	-	-	-	450,000	450,000
Robert Waring	-	-	-	40,000	40,000
Keith Taylor	-	-	-	427,764	427,764
Total	**8,000,000**	**-**	**-**	**1,717,764**	**9,717,764**

1. Not re-elected at the 2011 AGM held 12 December 2011.

2. Mr Waring is a director and shareholder of Spencer Hamilton Limited, a company which owns 260,000 shares in Commissioners Gold. Mr Waring does not control Spencer Hamilton and does not have a relevant interest in these shares.

Note 19: KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (Continued)

Other KMP Transactions

The Company and Messrs Chris Battye and Wes Harder have agreed to defer payment of directors fees of $35,000 per annum each affective from the date the Company listed on the Australian Securities Exchange (ASX) on 2 September 2011 until such time as the Company is in a stronger position to make these payments. The amount deferred is expensed and recognised as a non current liability.

The Company has established the Commissioners Gold Limited Employee Share Option Plan (ESOP) and a summary of the terms and conditions of the Plan are set out below:

i. All employees (full time and part time) will be eligible to participate in the Plan.

ii. Options are granted under the Plan at the discretion of the board and if permitted by the board, may be issued to an employee's nominee.

iii. Each option is to subscribe for one ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue provided all relevant vesting conditions, if applicable, have been met. Options will be issued free. The exercise price of options will be determined by the board. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the company's issued share capital.

iv. If, prior to the expiry date of options, a person ceases to be an employee of the Company for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 30 days from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.

v. Options cannot be transferred other than to the legal personal representative of a deceased option holder.

vi. The Company will not apply for official quotation of any options.

vii. Shares issued as a result of the exercise of options will rank equally with the company's previously issued shares.

viii. Option holders may only participate in new issues of securities by first exercising their options.

ix. Options are granted under the plan for no consideration.

x. Each share options converts into one ordinary shares of Commissioners Gold Limited.

The Board may amend the terms and conditions of the plan subject to the requirements of the Listing Rules.

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 18: Related Party Disclosures.

Note 20: LOSS PER SHARE

		2012 $	2011 $
a.	**Basic Loss per share**		
I	Basic Loss (cents per share)	**(2.80)**	(1.62)
ii.	Net loss used to calculate basic loss per share	**(935,084)**	(298,175)
	Loss used to calculate basic EPS from continuing operations		
		No.	No.
iii.	Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	**33,409,242**	18,433,425
b.	**Diluted loss per share**		
	The company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.	**Not applicable**	Not applicable

Note 21: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties, bills and leases. The following table details the expected maturities for the company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

Financial Risk Management Policies

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below. The Finance Risk and Audit Committee (FRAC) has been delegated responsibility by the Board of Directors for, among other issues, monitoring and managing financial risk exposures of the company. The FRAC monitors the company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk.

The FRAC's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. This note presents the information about the company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the company, credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the FRMC has otherwise cleared as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Company has no significant concentrations of credit risk with any single counterparty or company of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 7.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

c. **Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's income or value of the holdings of financial instruments. The Company is exposed to movements in market interest rates on short term deposit. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term debt, and therefore this risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

d. **Interest rate risk**

The Company is exposed to interest rate risk as the Company deposits the bulk of its cash reserves in Term Deposits. The risk is managed by the Company by maintaining an appropriate mix between short term and medium-term deposits. The company's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity

At 30 June 2012, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	2012 **$**	2011 $
Increase in interest rate by 1%	**5,030**	13,282
Decrease in interest rate by 1%	**(5,030)**	(13,282)

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2012 $	2011 $
Financial assets			
Cash and cash equivalents	6	**513,888**	1,343,844
Trade and other receivables	7	**36,036**	68,621
Other financial assets	8	**50,000**	70,000
Total financial assets		**569,924**	1,482,465
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	11	**77,078**	172,715
– borrowings	12	**-**	10,967
– other financial liabilities	13	**70,000**	1,327,880
Total financial liabilities		**147,078**	1,511,562

The following table details the expected maturities for the company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	%	$	$	$	$	$
2012						
Non-interest bearing	**-**	**4,700**	**-**	**-**	**50,000**	**-**
Variable interest rate instruments	**-**	**9,188**	**-**	**-**	**-**	**-**
Fixed interest rate instruments	**5.5**	**-**	**500,000**	**-**	**-**	**-**
Receivables	**-**	**36,036**	**-**	**-**	**-**	**-**
		49,924	**500,000**	**-**	**50,000**	**-**
2011						
Non-interest bearing	-	15,642	-	-	70,000	-
Variable interest rate instruments	4.5	1,328,202	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
Receivables	-	68,621	-	-	-	-
		1,412,465	-	-	70,000	-

The following tables detail the company's remaining contractual maturities' for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	%	$	$	$	$	$
2012						
Non-interest bearing:	**-**	**-**	**-**	**-**	**-**	**-**
- Trade and other payables	**-**	**77,078**	**-**	**-**	**-**	**-**
- Borrowings	**-**	**-**	**-**	**-**	**-**	**-**
- Other liabilities	**-**	**70,000**	**-**	**-**	**70,000**	**-**
		147,078	**-**	**-**	**70,000**	**-**
2011						
Non-interest bearing:	-	-	-	-	-	-
- Trade and other payables	-	172,725	-	-	-	-
- Borrowings	-	-	-	10,967	-	-
- Other liabilities	-	-	-	1,327,880	-	-
		172,715	-	1,338,847	-	-

Note 22: AUDITORS RENUMERATION

	2012 **$**	2011 $
Remuneration of the auditor of the Company for:		
– auditing or reviewing the financial statements	**21,245**	29,805

Note 23: COMMITMENTS AND CONTINGENCIES

Remuneration Commitments

The Company and Mr Jason Needham are parties to an Executive Employment Agreement dated 1 March 2012 by which the Company will employ Mr Needham as an exploration manager from 1 March 2012. Mr Needham works for the Company on a full time basis. The Company pays Mr Needham a remuneration package of $200,000 per annum, plus superannuation. The Company will review Mr Needham's performance annually.

Guarantees

Commissioners Gold Limited did not commit to nor make guarantees of any form as at 30 June 2012.

Contingent liabilities

There are no contingent liabilities as at 30 June 2012.

Exploration licence expenditure requirements

In order to maintain the company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence of $10,000 per annum per licence area. It is likely that the granting of new licences and changes in licence areas at renewal or expiry, will change the expenditure commitment to the Company from time to time.

Note 24: DIVIDENDS

The Directors of the Company have not declared any dividends for the year ended 30 June 2012.

Note 25: EVENTS SUBSEQUENT TO REPORTING DATE

As announced to the ASX on 2 July, 2012, the Company has established a Joint Venture with Lima–based unlisted resource junior, Australia Gold Corporation Limited (AGC). The Joint Venture, a 50:50 relationship, is focusing on resource project acquisition in Peru and will run initially for six months. AGC will manage the due diligence process across potential Peruvian mineral exploration projects, from its existing headquarters in Lima.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Note 26: CASH FLOW INFORMATION

	2012 $	2011 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss	**(935,084)**	(298,175)
Non-cash flows in profit:		
– Exploration expenditure written-off	**267,856**	-
– Capitalised expenditure	**-**	(66,817)
– Options expense	**17,700**	50,025
Changes in assets and liabilities		
– (Increase)/decrease in trade and term receivables	**32,585**	(54,302)
– Increase/(decrease) in trade payables and other payables	**(95,637)**	172,715
– Increase/(decrease) in borrowings	**(10,967)**	-
– Increase/(decrease) in deferred expenditure	**70,000**	-
Cash flow from operations	**(653,547)**	(196,554)

DIRECTORS' DECLARATION

In the opinion of the Directors of Commissioners Gold Limited (the company):

1. The financial statements and notes thereto, as set out on pages 17 to 44 are in accordance with the Corporations Act 2001 including:
    a. giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year then ended; and
    b. complying with Accounting Standards and Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

This declaration is signed in accordance with a resolution of the Board of Directors.

Chris Battye

Chris Battye

Executive Director

25th September 2012

AUDITORS INDEPENDENCE DECLARATION

Level 6
350 Kent Street
Sydney NSW 2000

K.S. Black & Co.

ABN 57 446 398 808

Level 1, 460 Church Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

AUDITOR'S INDEPENDENCE DECLARATION

Declaration of independence to the Directors of Commissioners Gold Limited

As lead auditor of Commissioners Gold Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Commissioners Gold Limited.

KS Black & Co
Chartered Accountants

Faizal Ajmat
Partner

Sydney, 25 September 2012

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Chartered Accountants

Level 6
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Sydney NSW 2000

K.S. Black & Co.
ABN 57 446 398 808

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North Parramatta NSW 1750

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMMISSIONERS GOLD LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Commissioners Gold Limited (the company) which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accompanying policies, other explanatory notes and the directors' declaration of the company.

We have also audited the remuneration disclosures contained in the Directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of Directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124: Related Party Disclosures, under the heading "Remuneration Report" in the Directors' report and not in the financial report.

Director's Responsibility for the Financial Report and the Remuneration Report contained in the Directors' Report

The Directors of Commissioners Gold Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report comprising the financial statement and notes, complies with IFRS.
The Directors of the company are also responsible for the remuneration report contained in the Directors' Report in accordance with s300A of the Corporations Act 2001.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration report in the Directors' Report is in accordance with Australian Auditing Standards.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' report.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMMISSIONERS GOLD LIMITED (Cont'd)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Commissioners Gold Limited would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

(a) the financial report of Commissioners Gold Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report of the company also comply with IFRS as disclosed in note 1.

Auditor's opinion on the Remuneration Report contained in the Directors' Report

In our opinion, the remuneration disclosures that are contained on pages 11 to 14 of the Directors' Report comply with S300A of the Corporations Act 2001.

Significant Uncertainty Regarding Going Concern

For the financial year ended 30 June 2012, the company incurred a net loss after tax of $935,084 (2011: loss $298,175). The company generated negative cash flows from operating activities for the year of $653,547 (2011: negative $196,554).

Note 1(r) to the financial report indicates that the cash flow forecasts project that the company will continue to be able to meet its liabilities and obligations as and when they fall due for a period of at least 12 months from the date of signing of this financial report. The cash flow forecast is dependent upon the generation of sufficient cash flows from capital raising, sales of assets or other initiatives to enable the company to fund its planned activities and be able to meet its liability and obligations as and when they fall due for at least the next 12 months from the date of signing of this financial report.

KS Black & Co
Chartered Accountants

Ajmat

Faizal Ajmat
Partner

Sydney, 25 September 2012

ADDITIONAL SHAREHOLDER INFORMATION AS AT 13 SEPTEMBER 2012

A. Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained within the Director's Report.

B. Shareholding

1. Substantial Shareholders

	Shareholders	Substantial Holding	% of Issued Capital
1	CHRIS BATTYE	8,000,000	22.956
2	HARDIE OCEANIC PTY LIMITED <HARDIE SUPER FUND A/C>	6,950,000	19.943

2. Number of holders in each class of equity securities and the voting rights attached (as at 13 September 2012)

Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options

There were three holders of options at 13 September, 2012.

3. Distribution schedule of the number of holders in each class of equity security as at close of business on 13 September 2012.

Fully Paid Ordinary Shares

Spread of Holdings	Holders	Units	% of Issued Capital
1 - 1,000	1	1	0.000
1,001 - 5,000	3	8,649	0.025
5,001 - 10,000	165	1,645,327	4.721
10,001 - 100,000	119	4,151,300	11.912
100,001+	45	29,044,415	83.342
TOTAL ON REGISTER	**333**	**34,849,692**	**100.00**

4. Marketable Parcel

There are 180 non marketable parcels at 13 September 2012.

5. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 13 September 2012) is as follows:

Ordinary Shares Top 20 holders and percentage held

	Shareholders	Holding	% of Issued Capital
1	CHRIS BATTYE	8,000,000	22.956
2	HARDIE OCEANIC PTY LTD <HARDIE SUPER FUND A/C>	6,950,000	19.943
3	XIAODAN LIN	1,250,000	3.587
4	DRILLEAST CONTRACTING PTY LTD	1,080,000	3.099
5	MR JINTING XU	1,000,000	2.869
6	MCCAULEY SUPER PTY LTD	600,000	1.722
7	LEI SHI	600,000	1.722
8	MR DAVID MICHAEL HARATSIS	500,000	1.435
9	MR DAMIEN HANNES <DOUBLE D INVESTMENT A/C>	500,000	1.435
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	400,000	1.148
11	XUE YING HOU	400,000	1.148
12	MR ZHAOHUI XU	400,000	1.148
13	SHIYONG GU	400,000	1.148
14	LUCY CONG SUPER FUND	400,000	1.148
15	CUEFUCHS PTY LTD <CUEVAS FUCHSLOCHER FAMILY AC>	340,000	0.976
16	HYSETEE PTY LTD	300,000	0.861
17	JIAO COMPANY PTY LTD	299,250	0.859
18	NOVUS CAPITAL LTD	278,378	0.799
19	SPENCER HAMILTON LIMITED	260,000	0.746
20	ELIZABETH ANN STEPHEN	254,000	0.729
	TOP 20 TOTAL	**24,211,628**	**69.474**
	Other shareholders	10,638,064	30.526
	TOTAL ISSUED CAPITAL	**34,849,692**	**100.000**

6. Company Secretary

The name of the Company Secretary is Keith Taylor.

Address and telephone details of the Company's registered administrative office and principal place of business:

Suite 605, 1 Railway Street, CHATSWOOD NSW 2067 Australia

Telephone: +61 2 9410 3445

Facsimile: +61 2 9410 0458

Address and telephone details of the office at which a registry of securities is kept:

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

Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Securities Exchange – code CGU.

Restricted Securities

Ordinary Shares

Number	Restriction Date
10,106,142	Restricted for 24 months from the date of quotation – restricted until 2 September 2013.

Options

Number	Strike	Expiry	Restricted until
750,000	$0.25	31 December 2013	2 September 2013
750,000	$0.30	31 December 2015	2 September 2013
500,000	$0.18	31 December 2014	-

Review of Operations

A review of operations is contained in the Directors' Report on page 8 of this Annual Report.

Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily exploration for natural resources and acquisition of resource based projects. The Company believes it has used its cash in a consistent manner to which was disclosed under the prospectus dated 23 March 2011.

Schedule of Tenements

The Company's Schedule of Tenements is on page 16 of this Annual Report.

COMMISSIONERS GOLD LIMITED