

Mutiny Gold Limited (ASX:MYG) to Complete 70% Gullewa Gold Project Acquisition Following Further Strategic Funding Initiative

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Perth, Australia (ABN Newswire) - Mutiny Gold Ltd (ASX:MYG) ('Mutiny' or the 'Company'), is pleased to announce it has resolved to make the next A\$2 million installment to move to a 70% interest in its 'Flagship' Gullewa Gold Project. The resolution to move to 70% ownership comes on the back of a successful capital raising which will see Mutiny place approximately 18.2 million new shares to New York based institutional and sophisticated investors to raise A\$1.75 million ('the Placement').

The Placement was priced at 9.6 cents per share with participants receiving one (1) free attaching option for every two (2) shares subscribed for (exercise price 14 cents). This placement was above the prevailing market price of the Company's shares and is on the same basis as the placement completed in August 2011. Money raised pursuant to the Placement will be directed towards the A\$2 million installment required to move to 70% project ownership of the Gullewa Gold Project.

Commenting on the Placement, Mutiny's Managing Director, John Greeve, said 'We are delighted with the support we have received from offshore investors, in spite of the uncertainties that exist in global equity markets.

Completing a placement, at a strong premium to our last traded share price is seen as a strong vote of confidence in Mutiny and the Gullewa Project as we move ahead with developing our exciting Deflector Deposit.'

'While we held back some raising capacity in anticipation of an improvement in market conditions, and had offers of convertible notes, continued capital market uncertainty has made it prudent to accept this strategic placement.

Furthermore, this additional capital ensures that Mutiny can continue its exploration activities at Deflector with the next exploration program scheduled to commence in late October,' Mr Greeve added.

This placement completes the second round of raising as detailed in the Company's 28 April 2011 capital raising update.

Gullewa Project Background

Under the Gullewa farm-in agreement between Mutiny Gold and Redhill Resources Corp. ('Redhill') (formally ATW Gold Corp.) (refer ASX announcement dated 22 July 2010), Mutiny is committed to pay A\$9 million by instalments to earn 70% ownership and has the right to acquire the remaining 30% by paying an additional \$4 million. The final A\$2 million required to move to 70% ownership is due on or before 30 October 2011. Redhill will retain the right to 10% of net profit after capital payback. To date Mutiny has made payments totalling \$7 million.

The Gullewa mining centre is strategically located 450km north of Perth 160km east of the port city of Geraldton.

The Project contains the proposed Deflector mining development, five partially mined open pits, at least five areas of historical underground workings and numerous untested soil geochemistry, gravity and

aeromagnetic anomalies.

Existing infrastructure includes a 300kt pa mill, extensive water bore fields and tailings facilities with ready capacity. The camp contains wet and dry mess and accommodation for 40 workers. The office and workshop facilities are extensive. In addition, there is a fully operational power station on site and haulage roads in good condition.

This infrastructure will play a key role in the development of the Deflector Deposit, which Mutiny recently announced is now proposed to have an initial production rate of 100,000 ounces of gold per annum.

The doubling of the proposed Deflector production levels has come on the back of the Company's highly successful, ongoing exploration program. The drilling campaign, designed to test Northern and Southern resource extensions, has provided the Company with increasing confidence that it is on target to significantly increase the resources at Deflector, in both the open pit and underground segments of the proposed project.

Current pre-feasibility study work has indicated that the doubling of production to 100,000 ounces of gold per annum can be attained by increasing the underground mining rate by from 320,000 tons per annum (tpa) to 500,000 tpa through an increase in strike length. This will provide the opportunity to increase the number of underground mine headings, leading to an increased production rate.

It is expected that increased underground production will be further supported by the addition of new open pit tonnage.

Mutiny is currently completing a resource upgrade for Deflector, which will then be incorporated into the Definitive Feasibility Study, which is expected to be completed by early 2012.

For the complete Mutiny Gold Limited announcement including figures and tables, please view the following link:

<http://media.abnnewswire.net/media/en/docs/ASX-MYG-556561.pdf>

About Mutiny Gold Limited:

Mutiny Gold (ASX:MYG) is a diversified resource company focused on the exploration and development of its flagship Deflector gold / copper project, within the Gullewa tenements located in the South Murchison region of Western Australia.

The Company also has significant nickel tenements in Western Australia as well as iron ore potential at its Gullewa tenements.

Mutiny plans to commence production in 2012 with an open pit mining operation at the Deflector Deposit, followed by underground mining after two years.

Source:

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