

Mutiny Gold Limited (ASX:MYG) Reports Significant Deflector Resource Upgrade

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Perth, Australia (ABN Newswire) - Australian Gold-Copper resources company, Mutiny Gold Limited (ASX:MYG) is pleased to announce a significant upgrade in the Company's gold resources at its flagship Deflector Project in Western Australia.

The upgrade follows Mutiny's highly successful 2011 drilling campaigns into the Deflector deposit that delineated extensions of significant mineralisation both to the north and south of the previous resource, and which enabled an upgrade of significant portions of the deeper West Lode mineralisation from Inferred to Indicated status.

The drill programs in 2011 focused on proving up an appropriate quantity of Measured and Indicated resources so as to improve the Resource quality to a standard that would attract the interest of a first tier international bank, and to ensure a robust resource capable of delivering a strong conversion to Reserves and to prove-up an initial mine life. Mutiny recently announced that it has entered into a Project Finance Facility with Credit Suisse following a no-fatal flaws review by the bank (see ASX announcement 10 November, 2011).

The upgraded resources detailed in the Table 1 below represent a 50% increase in the gold Measured plus indicated Resources from 230,000oz Au to 350,000oz Au (the previous 1,500,000 tonnes at 4.8g/t Au has been upgraded to 2,100,000 tonnes at 5.2g/t Au). The Measured plus Indicated Resources also contain an additional 6,000 tonnes of copper metal.

Upgrade of Resource to Reserve Now in Progress

This upgrade of a significant portion of the Deflector resources to the higher confidence categories of Measured and Indicated Resources, has met the Company's objectives and completes an important development step for the Deflector Project.

'Importantly the upgrade provides Mutiny with increased levels of confidence in the geology and grade of the deeper resources to the extent that a significant portion of them is eligible for conversion to reserves as part of the ongoing Definitive Feasibility Study' Mutiny Gold Managing Director, John Greeve, said.

It is anticipated the Reserve upgrade will be completed by mid February 2012.

Resource Growth and Development Ongoing

Mutiny has formulated drill programs for 2012 and onwards aimed at increasing the mine life and gold ounces in line with the previously announced target of 1.6M to 2.4Moz of gold.

Deflector Deposit Resource Estimation

The Deflector Deposit resources were re-estimated to incorporate the results of Mutiny's 2011 RC and diamond drill programs. The resources were estimated by Mutiny's independent geological consultant, Continental Resource Management Pty Ltd. The estimation employed inverted distance squared weighting and used appropriate top cuts.

The resources are reported in accordance with the JORC Code above a block-cut off grade of 0.7g/t Au

Equivalent. The Au Eq formula is dependent upon ore type (for which RL was used as a proxy) according to the following:

- more than 240m RL: $Au\ Eq\ g/t = Au\ g/t + (1.54 * Cu\ \%)$;
- 200m - 240m RL: $Au\ Eq\ g/t = Au\ g/t + (1.67 * Cu\ \%)$;
- less than 200m RL: $Au\ Eq\ g/t = Au\ g/t + (1.91 * Cu\ \%)$.

About Deflector

The Deflector Gold Copper Project is located 450 km north of Perth, in Western Australia, 160 km east of the Port of Geraldton, within the Greenstone Belt, in the Murchison Province of the Archean Yilgarn Block.

Deflector is on target for commencement of production in late 2012.

It contains identified mineral resources total 530,000oz of gold and 29,000t of Copper.

The company has entered into a Project Finance Facility with Credit Suisse to fund Deflector into production. The first phase of the facility was a drawdown of \$11m. Use of funds includes completion of reviewing studies and further drilling.

A Scoping Study was completed in February 2011 (ASX announcement dated 14 February 2011) and the Company is now completing a Definitive Feasibility Study, targeted for completion in late February 2012 prior to activation of the mining phase.

The Scoping Study anticipates two and a half years of open pit mining followed by six and a half years of overlapping underground mining over a total project mine life of approximately ten years with gold recovery of 216,000 ounces of gold. The Scoping Study also recognised the high likelihood of expanding the production levels and extending the mine life.

The Company currently plans to commence production with an open pit mining operation at the Deflector Gold Copper Project in Quarter 4, 2012, followed by underground mining after two years.

The currently known Deflector Gold Copper Project contains Mineral Resources of 3.4Mt @ 4.9g/t gold, 5.7g/t silver and 0.85% copper for 530,000oz gold, 620,000oz silver and 29,000t copper, of which Measured and Indicated Resources total 2.1Mt @ 5.2g/t gold, 7.3g/t silver and 1.1% copper for 350,000oz of gold, 490,000oz of silver and 22,000t of copper.

For the complete announcement including figures, please view:
<http://media.abnnewswire.net/media/en/docs/ASX-MYG-570237.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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