

Mutiny Gold Ltd. Completion of Royalty and Project Acquisition for Gullewa Gold Project

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Sydney, Australia (ABN Newswire) - Dec 16, 2011 - Australian gold-copper developer, Mutiny Gold Ltd (ASX:MYG) ('Mutiny' or the 'Company'), is pleased to announce that the Company has now completed the acquisition of the final 30% interest in the Gullewa Gold Project. This includes acquiring the 10% Net Profit Interest Royalty. Mutiny now owns its Gullewa Gold Project 100%.

On October 24th this year Mutiny announced it would proceed to earn a further 30% (aggregate 100%) interest in Gullewa Gold Project by:

- i. Completing a positive Feasibility Study;
- ii. Sole funding all expenditure;
- iii. Paying ATW Gold Corp Australia Pty Ltd (ATW) A\$4 million; and
- iv. Agreeing to pay ATW a 10% net profit interest royalty in respect of minerals derived from the Gullewa Gold Project.

Mutiny has subsequently negotiated with ATW through its 100% parent entity Red Hill Resources Corp ('Red Hill') to move to 100% by the payment of \$4 million and has also acquired the 10% Net Profit Interest Royalty.

The Company views the move to 100% ownership of its Gullewa Gold Project to be of significant importance to share holders at a time when the lead Deflector Project is poised for production startup. Mutiny has acquired the 10% royalty on the net profits of Gullewa (including Deflector) for a consideration of 40,000,000 ordinary shares which are subject to a 15 month escrow period.

Red Hill and Mutiny believe this provides significant value for shareholders of both companies. It stream-lines the finance model and operations at Deflector and enables the shareholders of Red Hill to participate in the upside expected as Deflector moves into production.

Commenting on the purchase of the profit interest, Mutiny's Managing Director, John Greeve, said 'The acquisition of the profit interest is an excellent outcome for Mutiny shareholders. This transaction simplifies the ownership structure of the Gullewa Gold Project and is a strong demonstration by Mutiny of the value of the Gullewa Gold Project and by Red Hill of Mutiny and the Company's portfolio of assets.'

The board of Mutiny welcomes Red Hill as a shareholder and acknowledges the solid working relationship the companies have held.

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.

The Deflector Project 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 tables, please view:
<http://media.abnnewswire.net/media/en/docs/ASX-MYG-571629.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.

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