



New Drilling Program Commences at Mutiny's Deflector Deposit

Drilling Program Highlights

- **12,000 metre RC and diamond drilling program underway**
- **New drilling program targets strike extensions in the Northern zone of the Deflector Deposit and at depth and along strike at the Central and Contact lodes**
- **Further infill drilling to improve the quality of the resource estimate for use in the expansion phase of scheduled mine production**

Australian gold-copper developer, Mutiny Gold Ltd (ASX:MYG) ("Mutiny" or the "Company"), is pleased to announce the commencement of a new program of drilling at its Deflector Gold-Copper Deposit, the main deposit within its flag ship Gullewa Project in Western Australia. The program is designed to test for further along strike extensions and upgrade existing resources to support the project expansion after completion of the Definitive Feasibility Study (DFS).

Previous drilling results announced in October demonstrated that the high-grade lodes at Deflector extend north and down plunge of the already delineated resources that are currently the subject of a Definitive Feasibility Study into both open pit and underground mining at Deflector.

Mutiny Gold Managing Director, John Greeve, said "This drilling program is planned to further improve the robust nature of the project through further resource extension and upgrades enabling us to expand the life and scale of the mine beyond that being currently planned in the DFS. In addition we will be focusing our Northern Deflector RC Program where we recently encountered a significant (3.6m at 153 g/t Au + 13.3% Cu) gold intersection in Diamond Hole 11DD1A.

Mutiny has a very good handle on the economic parameters for the DFS as demonstrated by the recent strong support from Credit Suisse. The Company's expectation is that the Deflector resource will extend along strike, both to the North, South and at depth. The Company intends to execute ongoing programs to progressively develop the size of Deflector resources, unlocking the projects potential. Given the production capacity being considered as part of the DFS, additions to the resource inventory will enable Mutiny to rapidly expand the production profile as these additional ounces are developed.



Deflector Drilling Program Recommencement

Overview of New Drilling

The new drilling program, which commenced on 13th of December **2011** and will continue into 2012, supports the dual objectives of resource upgrade to support project expansion, and deposit extension exploration. The drilling is in three parts as follows:

1. RC pre-collar holes to enable efficient diamond drill holes.
2. Infill diamond drilling of the central lode (see diagram) mineralisation, to upgrade the resource classification to Measured and Indicated.
3. Further extension exploration drilling north, south and down plunge of the recently discovered extensions to add additional resources to the project.

Details are shown in Table 1 and the drilling locations are shown in plan on Figure 1 and in long section in Figures 2 and 3.

Expected Outcomes

The Company expects the results of drilling to provide further support to an expansion of resources at Deflector, potentially allowing production capacity to be increased beyond 100,000 ounces of gold per annum. As previously announced, Mutiny is targeting total resources of the order of 9 to 14 million tonnes at 4 to 8 g/t gold for 1.6 to 2.5 million ounces of gold, and 40,000 to 80,000 tonnes of contained copper from this and future drilling programs* (ASX Announcement of 28 January 2011, "Mutiny Gold begins Deflector extension drilling targeting new gold deposits.").

** The potential quantity and grade of this exploration target is conceptual in nature and has yet to be fully drill tested. There has been insufficient exploration to define a JORC compliant Mineral Resource and it is uncertain if future exploration will result in the further resources being discovered.*



Details of New Drilling

Details of the current drilling program are presented in Table 1 below.

Table 1. Details of Drilling Program

Area	Type	Drilling	Hole #'s	Total RC m	Total Diamond m	Total m
West Lode – North	Pre collar Resource	RC	15	2250		2250
	Extension Resource	Diamond	15		1600	1600
	Extension Resource	RC	7	650		650
Zone 2	Pre Collar Resource	RC	11	1450		1450
	Extension Resource	Diamond	11		700	700
	Extension Resource	RC	2	250		250
Central	Pre Collar Resource	RC	15	2000		2000
	Extension Resource	Diamond	16		1100	1100
	Extension Resource	RC	12	1050		1050
Contact	Pre Collar Resource	RC	1	100		100
	Extension Resource	Diamond	1		50	50
	Extension Resource	RC	7	550		550
Totals			113	8300	3450	11,750

Background

The Company plans to commence production in late 2012 with an open pit mining operation at the Deflector deposit, followed by underground mining after two years.

The Deflector Gold-Copper deposit contains total Mineral Resources of 3.4Mt @ 4.9 g/t Gold, and 0.85% Copper for **530,000oz gold**, and 29,000t copper, of which Measured and Indicated Resources total 2.1Mt @ 5.2g/t gold and 1.1% copper for 350,000oz of gold, 490,000oz silver and 22,000t of copper (see Table 2 below).



Table 2 Deflector Deposit – Total Resources

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)
Measured	1,040,000	4.6	150,000	1.34	14,000	8.7	290,000
Indicated	1,060,000	5.7	190,000	0.79	8,400	5.9	200,000
Measured + Indicated*	2,100,000	5.2	350,000	1.1	22,000	7.3	490,000
Inferred	1,300,000	4.5	180,000	0.5	6,000	3.2	130,000
Totals	3,400,000	4.9	530,000	0.85	29,000	5.7	620,000

* Note: Totals may appear incorrect due to appropriate rounding

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Competent Persons Statement:

The geological information in this report which relates to Exploration Results and Mineral Resources is based upon information compiled by Mr J.J.G. Doepel, B.Sc (Hons), GradDipForSc, Dip Teach, Principal Geologist of Continental Resource Management Pty Ltd. Mr Doepel is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the style of mineralisation and to the type of deposit under consideration 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 Doepel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Mutiny Gold Limited (Mutiny) are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Mutiny, that could cause Mutiny's actual results to differ materially from the results expressed or anticipated in these statements.

The company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Mutiny does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

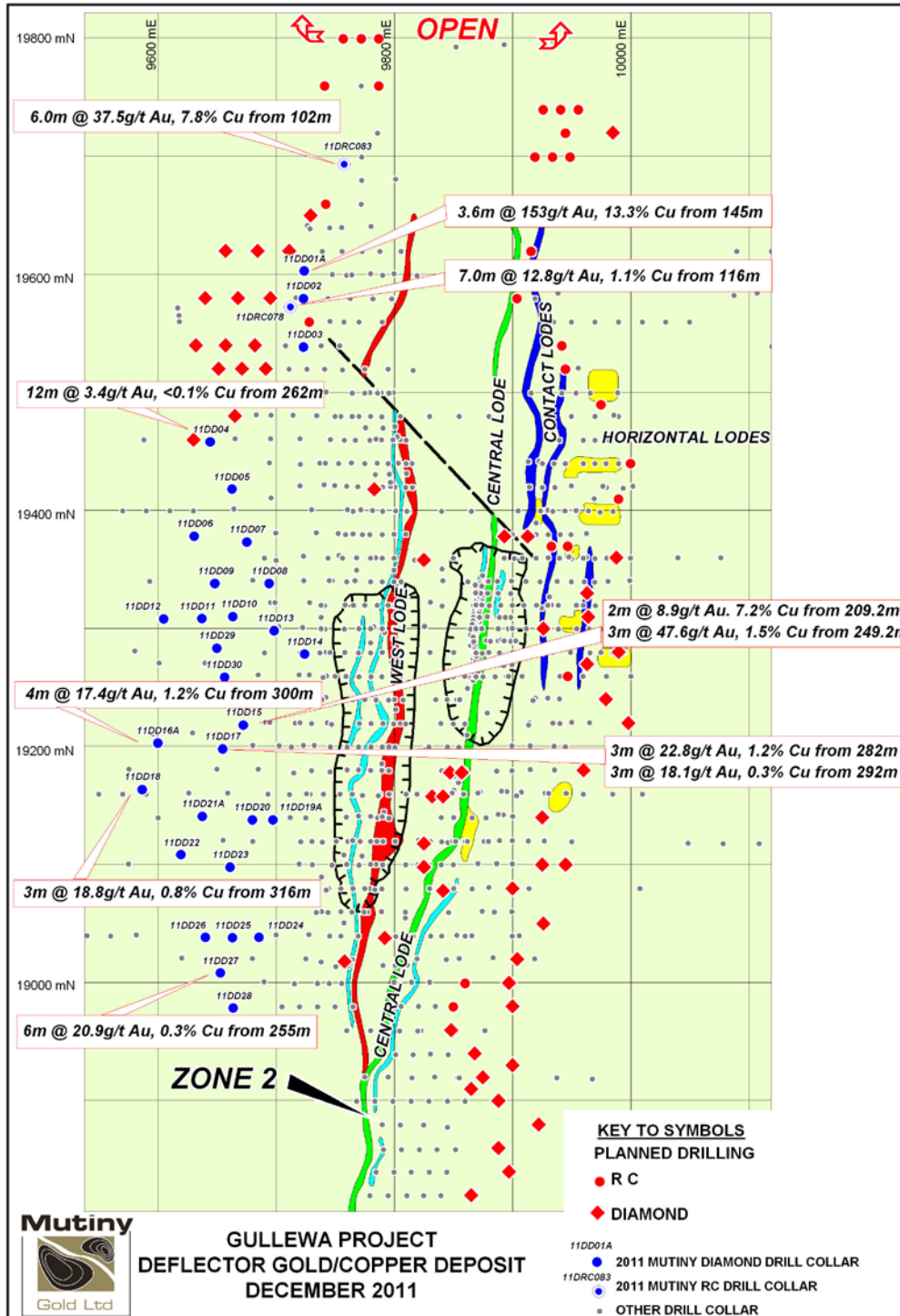


Figure 1 Drill-hole locations

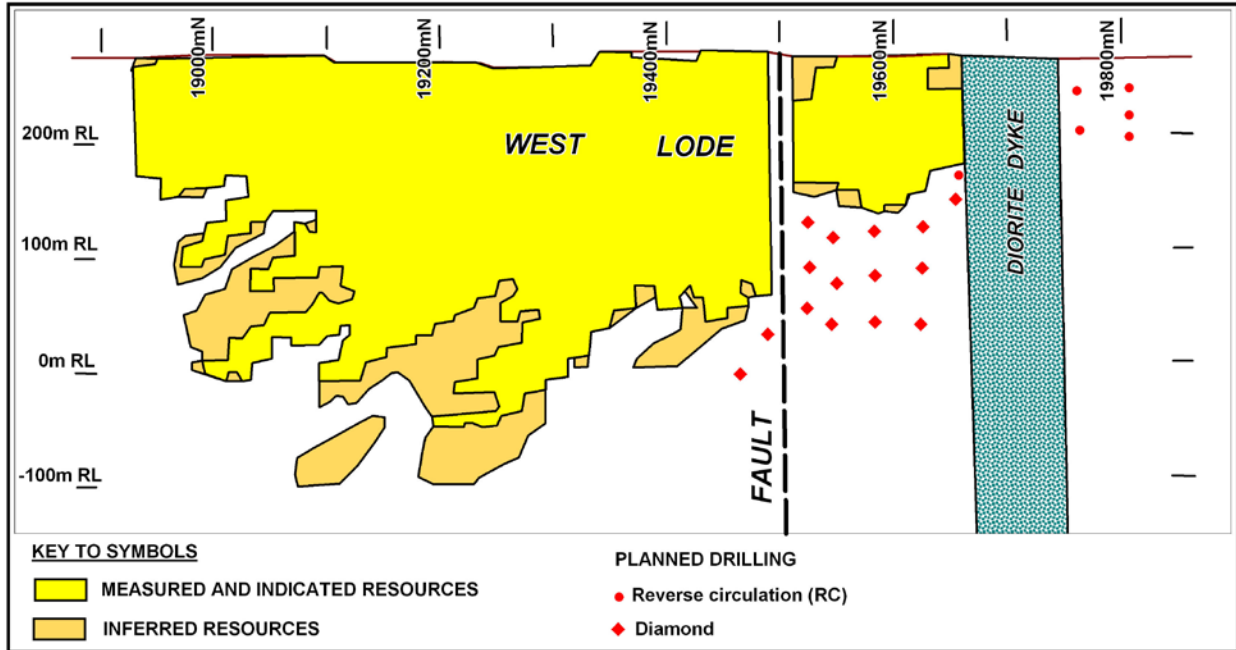


Figure 2 West Lode Resources and planned drilling

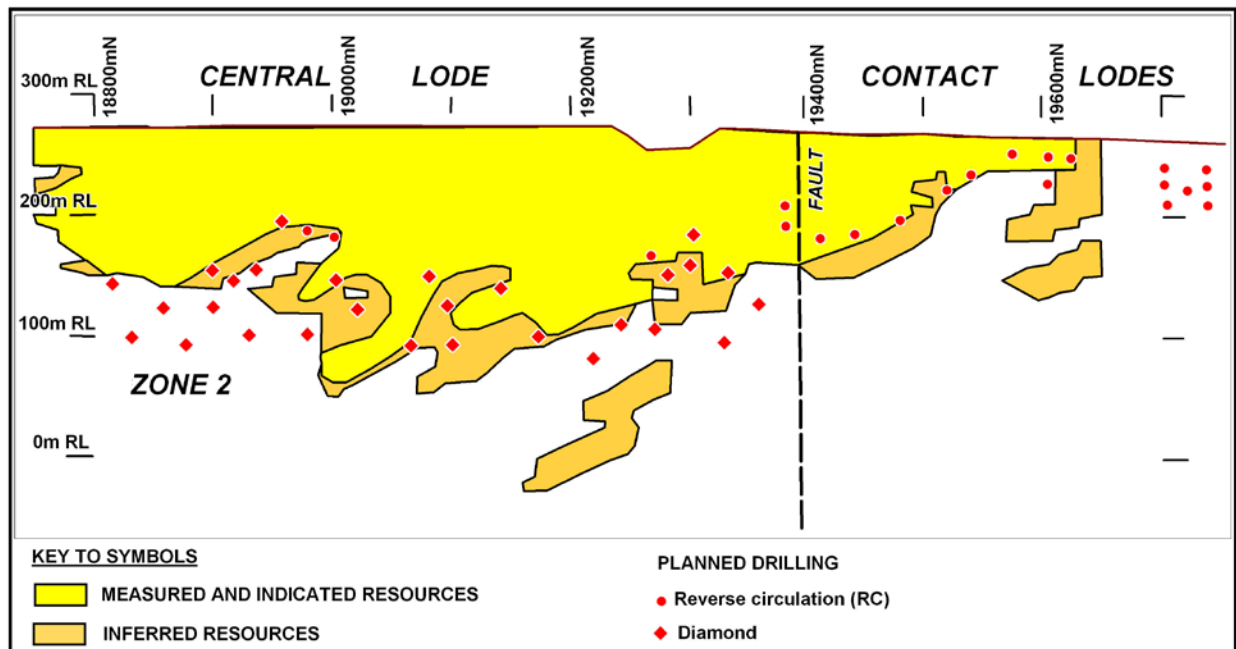


Figure 3 Central and Contact Lode Resources and planned drilling