



Expanded Drill Program at Mutiny's Deflector Deposit

Mutiny Gold Ltd ("Mutiny" or "the Company") is pleased to provide an update to the current drilling program underway at the Company's flagship Deflector deposit. On December 8th 2011 Mutiny Gold commenced a new 12,000m RC & Diamond Drill Program aimed at further increasing the Deflector resource base. Mutiny currently has one RC rig and one diamond rig operating on site full time, with a contingent of eight geologists and field assistants managing and supporting the work. The program includes both extensional and infill drilling at Deflector, as set out in an ASX Announcement on December 16th 2011.

Expansion of Proposed Drilling Program

The Company has recently elected to expand the 12,000 metre program by a further 3,000 meters with two short programs of verification drilling. This drilling addresses two separate areas of the current resource estimate with the view of providing additional support to the Definitive Feasibility Study.

The first is a series of 12 relatively shallow (40-90m) HQ diamond holes in the upper oxide/transition portion of the resource. This drilling will provide resource estimate support for an area of historical drilling which is lacking the original assay data in the database, or is missing copper and/or silver assay data. In addition, this drilling will provide additional sample material for metallurgical testwork.

The second is a series of 12 deeper NQ diamond holes with RC pre-collars, which in-fill a 125m by 100m test panel in a high grade portion of the west lode primary resource from 40x40m to 20x20m pierce point spacing. This drilling will be used to confirm geological and grade continuity assumptions for the DFS resource estimate.

Definitive Feasibility Study Expanded to Include Results from Existing Drilling Program

Mutiny is targeting completion of project finance by June, and this will require a completed Definitive Feasibility Study (DFS). Whilst the DFS was originally targeted for completion in March/April the company is now planning to delay completion so that information from the expanded drill program can be incorporated into the study. The DFS is a complex document and one of the most important in the road to production. The company considers this a positive outcome as the result of delay in the DFS completion by as little as 2-3 months will strengthen the DFS whilst still enabling the company to meet the project finance timetable.

Mutiny believes the mineral resources for Deflector to be robust based on the drilling results completed to date, which have been over a period of some 20 years. Mutiny does not have access to all the historical drilling source data, which is not an uncommon occurrence. This additional drilling is designed to validate the existing database records.

This work reflects Mutiny's determination to 'get it right first time' in regards to the Deflector Resource Estimate, and its DFS.



Progress to Date

Drilling progress to date is shown in Table 1 below. Currently all 12 shallow HQ diamond holes have been drilled and 25% of the samples have been submitted for assay. 11 of the 12 deep NQ infill holes have been drilled and 50% of samples submitted for assay. Significant progress has also been achieved in the West Lode, North and Central Lode drilling areas.

In total, some 5,738m of drilling has been achieved out of a total plan of 15,310m in 30 days. Given that stoppages have been experienced due to lightning this is an excellent drilling rate.

Table 1

Drill Zone	Drill Type	Total meters	Drilled to date	Remaining meters
West Lode - North	Pre-collar	2250	996	1254
	Diamond Tails	1600	165	1435
	RC	650	0	650
Zone 2 – South	Pre-collar	1450	0	1450
	Diamond Tails	700	0	700
	RC	250	0	250
Central	Pre-collar	2000	714	1286
	Diamond Tails	1100	339	761
	RC	1050	314	736
Contacts	Pre-collar	100	0	100
	Diamond Tails	50	0	50
	RC	550	0	550
In-Fill HQ	Diamond	1000	966	Complete
In-Fill NQ	Pre-collar	1760	1444	Complete
	Diamond Tails	800	800	300

Results and Schedule

First assays are expected from the assay laboratory in early February. The infill program assay data is programed to be complete by end February for input into the DFS resource estimate. Remaining resource extension drilling will occur over February-March with results expected to be received by end April.

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

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.

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