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ASX/Media Release

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Scoping Study for Deflector gold deposit confirms robust economics of initial 10-year mine production

Production of 50,000ozpa Gold, 2,000tpa Copper, Cash Operating Cost of \$524 per oz

Key Outcomes

- § Scoping Study completed into development of Deflector deposit in Western Australia, with cost model covering first ten years only
- § Cash surplus of AUD\$427M after payback of AUD\$52M capital cost and State Royalties
- § Annual production of 50,000oz Au, 2,000 tonnes Cu and 34,600oz Ag
- § Cash costs over life of mine estimated at AUD\$524 / oz
- § Contained gold ounces of 578,000oz (including 100,000oz open pit and 478,000oz underground)
- § Estimated average production grade of ore ranges from 4.1 g/t Au to 6.5 g/t Au
- § Gullewa to become processing hub for other company owned gold asset
- § Mutiny Gold planning to commence production from Deflector Project in Q4 2012.

Australian resources company, Mutiny Gold Ltd (ASX: MYG) (“Mutiny” or the “Company”), is pleased to report the outcomes of the recently completed Scoping Study for development of the Deflector deposit, located within the Gullewa Project area in the South Murchison region of Western Australia.

The Scoping Study has confirmed the economic and technical viability of development of the Deflector deposit and has confirmed to the Board of Mutiny that it is a robust, long-life gold operation for Mutiny.

The study has achieved its two primary objectives:

1. To determine that the up-front capital requirements of project development are low; and
2. To increase the level of confidence that the operational and financial outcomes are extremely profitable and robust.

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The study outlines a two-stage operation **with an expected minimum 10 year mine life** over both phases, based on currently identified mineral resources.

Importantly, the study delineates a clear pathway to production for Mutiny, with the capital cost estimated to be AUD\$52 million, including AUD\$19 million for plant upgrade and AUD\$12 million for the first three months working capital.

The studies, based on the current Resources (see Table 1), envisages a 10 year mine life, including 3½ years open pit and at least 6½ years of overlapping underground mining. The underground development program will commence approximately eight (8) months after the commencement of open pit mining, with underground production starting towards the end of the open pit production (i.e. approximately two years after production at the project commences).

The current planned operation would produce approximately **50,000oz of gold per annum** at a competitive **cash operating cost of A\$524/oz** from the Deflector operations. This production profile will establish a strong production profile and pave the way for the longer-term mining operation. The net cash Surplus over the first 10 years is forecast to be \$427m.

Mutiny has taken steps to ensure that the Deflector Deposit Scoping Study will prove to be an accurate reflection of actual production outcomes. To this end, the Company has been cognisant of the need to prepare operating assumptions with an appropriate degree of conservatism so that market participants can have the confidence that anticipated financial outcomes will be met.

Mutiny has also recently announced (refer ASX announcement dated 28 January 2011) that it would be undertaking a significant exploration program, primarily on extensions of the known resource, at the Deflector Deposit to increase the existing JORC resource. It is expected these programs will progressively increase the returns and rate of production of the project. The Company also intends to process high grade concentrates from its White Well Gold Project, located 30km east of Cue in the Tuckabianna Mineral Field in Western Australia's Murchison Goldfields, at the Gullewa processing hub.

Production Profile

The proposed production profile from the Deflector Deposit has been divided into two phases of production. The first phase is based on mineralisation sourced from open pit mining down to a true vertical depth of 100m. The modeled plant feed from the open pit totals 651,000 tonnes grading 4.8g/t gold and 1.3% copper to produce 87,000 ounces of gold and 6,600 tonnes of copper over approximately two years. The open pit strip ratio for the Scoping Study is 16:1.

Open pit production is also expected to increase above the model as the extension drill program along strike is progressed. However, the extensions have not been fully drill tested, there has been insufficient exploration to define further Mineral Resources and it is uncertain if the exploration will result in the further resources being discovered.

The development of the underground portal and drives will commence eight (8) months after commencement of open pit production with production of underground ore scheduled to commence 1½ years later. Importantly, both the metallurgical recovery and gold grades increase at depth. The current study has underground mining down to a line depth of 400m, however as cited in the 28 January 2011 exploration and development announcement, the Company will be testing for additional ore between the 400m and 1000m levels through extensional drilling activities, with the expectations of increasing mine life. The combination of the existing resource and Mutiny's targets gives a total Deflector Deposit target in the order of 9 to 14Mt at grades of between 4 and 8g/t Au and 0.5 to 1% Cu for a total of between 1.65 and 2.5Moz Au and 40,000 to 80,000t Cu.

Based on current estimates the Company is planning to commence production from the Project in Q4 2012.

Gullewa Plant

Feed from the open pit and underground mine, will be processed through an upgraded Gullewa processing facility. Modifications to the existing plant will be the inclusion of a flotation circuit and revamped mill and gravity circuits to provide a plant capacity of 320,000 tonnes per year.

In addition, there is at Gullewa substantial supporting infrastructure including offices, workshops and a 30man camp, all of which are planned to be upgraded.

The project will initially source power from the existing on site diesel fuelled power station. The upcoming Feasibility Study will review the option of drawing from mains power supply.

Metallurgical Recoveries

An earlier Metallurgical test program established the following estimated Metallurgical recoveries:

Circuit	Oxide Ore		Transitional Ore		Primary Ore	
	Gold	Copper	Gold	Copper	Gold	Copper
Gravity	40.0%		50.0%		65.5%	
Flotation	37.8%	58.5%	31.6%	46.5%	26.1%	93.7%
Total	77.8%	58.5%	81.6%	46.5%	91.6%	93.7%

The majority of the mineralisation which will be treated from the Deflector Deposit will be from the primary zone. The Gold and Copper recoveries from this mineralisation are good, however it is believed that these can be improved and a test program is underway to confirm this.

A test program is also underway to improve the recoveries from the oxide and transitional mineralisation zones. As noted the oxide and transitional zones make up only 10% of the total modeled production. The above Metallurgical recoveries have been used in the Scoping Study. Improvements in Metallurgical performance derived from the ongoing test work will enhance the profitability of the operation.

Future Development

Following the positive outcome from the Scoping Study, Mutiny has committed to a Feasibility Study for the project, to be completed by mid 2011.

The Feasibility Study will:

- Review plant and site infrastructure refurbishment;
- Review options for site power supply;
- Provide resource upgrades including the latest exploration results,
- Provide final open pit designs and costs;
- Detail underground development, production and costing; and
- A further financial analysis.

No additional discoveries or extensions to known deposits are required to justify Mutiny's 10 year mine life target. Mutiny believes the additional discovery gold potential is excellent including at Deflector and further nearby exploration targets, including Spanish Galleon and Pieces of Eight.

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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.

The metallurgical information in this report is based on information compiled by Allan Brown, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Brown has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person. Mr Brown is a director of Mutiny Gold Ltd and consultant to the mining industry. This report is issued with Mr Brown's consent as to the form and context in which the metallurgical information appears

Table 1 Deflector Deposit – Total Resources

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)
Measured	930,000	4.3	130,000	1.26	12,000	6.8	200,000
Indicated	570,000	5.7	100,000	0.8	4,500	5.6	100,000
Inferred	1,900,000	6	350,000	0.5	9,000	3	200,000
Totals*	3,400,000	5.4	590,000	0.8	25,500	4.7	510,000

* Note: Totals may appear incorrect due to appropriate rounding

Table 2 Deflector Deposit - Project Key Statistics

Item	Unit	Open Pit	Base Case		Expanded Case	
			U/G	Combined	U/G	Combined
Ore Mined	tonnes	651,228	1,078,757	1,729,985	2,635,704	3,286,932
Mine Life	months	24	41	65	96	120
Metal Produced						
Gold	ounces	86,824	128,987	215,812	412,529	499,353
Silver	ounces	118,378	110,248	228,626	227,721	346,099
Copper	tonnes	6,611	4,322	10,932	13,587	20,198
Financial Performance						
Total Costs	k\$	80,049	135,478	243,727	337,455	445,705
Net Revenue	k\$	178,156	218,756	396,911	694,477	872,633
Net Cash Flow	k\$	98,107	83,277	153,184	357,022	426,929
Unit Operating Costs						
Per tonne Milled	\$/tonne	90.71	99.76	96.35	104.77	101.91
Per ounce Au after Ag & Cu Credits	\$/ounce	464	686	585	539	524
Financial Capital	k\$			52,400		52,400

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Pic 1 Gullewa Plant



Pic 2 Gullewa Plant



Pic 3 – Gullewa Plant Control Room



Pic 4 - Gullewa Camp

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