



PERSONAL  
FORUM

**Highlights:**

- **\$11m profit on strategic gold transaction**
- **Bank Credit approval gained for half Project Loan**
- **Expanded drill programme outlined**
- **Project Update**
- **Negotiations on Off-Take Agreements for floatation concentrate close to finalisation**

Mutiny Gold Ltd (ASX: MYG) is pleased to provide the market with an update on funding and drilling activities.

**HEDGING RATIONALISATION**

The Company has booked a profit of \$11m following a recent strategic gold transaction.

Taking advantage of the recent weakness in gold prices, Mutiny, in conjunction with adviser Noahs Rule and a \$75m gold buying facility provided by Credit Suisse, traded in the gold market of the London Metals Exchange and purchased 50,000oz of gold at an average price of \$1,491/oz.

The strategic acquisition will enable Mutiny to deliver the recently acquired gold into the current 50,000oz hedge put in place in December 2011 (ASX Announcement 05/12/11) resulting in Mutiny achieving a total gain of \$11m.

This profit will be used to repay an existing \$11m short-term Credit Suisse loan.

The three key considerations behind the Mutiny Directors' decision to take this course of action were:

1. The Company believed that the 2011 hedges had served their purpose and Mutiny had maximised their value;
2. Ongoing economic instability in Europe and America - plus the growing potential for a resumption of hostilities on the Korean Peninsula and the impact these would have on global market sentiment - are expected to see the gold price rally from its current low levels; and
3. The Company has an opportunity to use the profit to reduce short-term debt and simplify its balance sheet as part of completing its project financing agreements.



Mutiny's Managing Director John Greeve said the short-term loan provided by Credit Suisse had provided important momentum for the Company.

"The \$11m loan allowed us to complete the purchase of the Deflector Gold project from ATW Gold Corporation Ltd and fund the highly successful drill programmes and Feasibilities Studies at Deflector."

"The hedge developed in December 2011 was an important component of the facility agreement with Credit Suisse and it is strategically significant that the Company has improved its balance sheet in anticipation of securing a Senior Debt Funding Agreement for project financing."

"We believe that the value of the Deflector Gold project has increased significantly since we negotiated our initial short term loan, and hedging position. By using the profits from this transaction to retire our short term debt, we have an opportunity to simplify our funding arrangements and reduce the level of financial exposure to our lenders."

## PROJECT FUNDING

Mutiny is pleased to advise that it has made substantial progress in attaining bank approval for a Senior Debt Funding Agreement. One bank has received credit approval for its 50% share of the debt funding package, two banks are very close to reaching agreement on commercial terms, whilst an additional bank has expressed interest in participating in the financing agreement.

The project finance loans are in addition to the previously announced US\$43m Metals Purchase Agreement funding from Canadian institution Sandstorm Gold Ltd.(ASX 06/12/2012), who remain fully supportive of the project and the Company.

## DEFLECTOR DRILLING PROGRAMME

Mutiny is pleased to announce that it intends to significantly expand the scope of its 2013 Deflector drilling programme. The expanded programme is aimed at increasing the ounces to support a potential increase of gold production from 70,000oz per annum to over 105,000oz per annum by year three.

"We are confident that we can boost our gold resources by conducting step out drilling to identify new areas of gold mineralisation close to the mine. Our objective by expanding our 2013 drilling programme is to enable the Company to support a larger, longer life and more economically robust gold mining operation at Deflector", Mr Greeve said.

Supported by the previously announced structural interpretation studies and a planned Sub Audio Magnetic ("SAM") survey exploration programme, the proposed drill programme will target an increase to the current Deflector Deposit resource of 2.86mt at 6.4g/t gold, 6.8g/t silver and 0.9% copper for 591,000 ounces gold,



629,000 ounces silver and 27,000 tonnes of copper. That resource (Table 1) to date has been defined over 900 metre of strike length, and is interpreted to be open at depth and along strike.

The 2013 expanded drilling programme will include 4,000m of diamond and reverse-circulation drilling, up from the 3,000m announced in February 2013, to target high-grade grade extensions of Deflector, which the Company believes have the potential to provide significant increases to the current resource base.

The three priority target (Figures 1 and 2) areas are:

**High-Grade Southern Plunge Extension** – new drilling will target the high-grade southern plunge down to 0mRL (280m below surface), which also aligns with planned development. Drilling will also target potential intersecting splays located to the west which have previously demonstrated bonanza-grade gold and copper values including 3m@48.3g/t Au and 1.5% Cu and 2m@26.9g/t Au and 2.4% Cu.

**Central & Contact Lode Depth Extensions** – Mutiny will test an under-drilled panel 200m in length to the 100mRL (180m below surface). Exploration success should lead to an increase of open pit and underground life of mine.

**Deflector North Strike Extensions** – new drilling will follow up RC intersections from the 2012 campaign including: 1m @ 13g/t from 51m and 1m@8.9g/t from 43m, which indicated mineralisation continues north of the dolerite dyke. Drilling will target shallow oxide mineralisation to ascertain open pit potential.

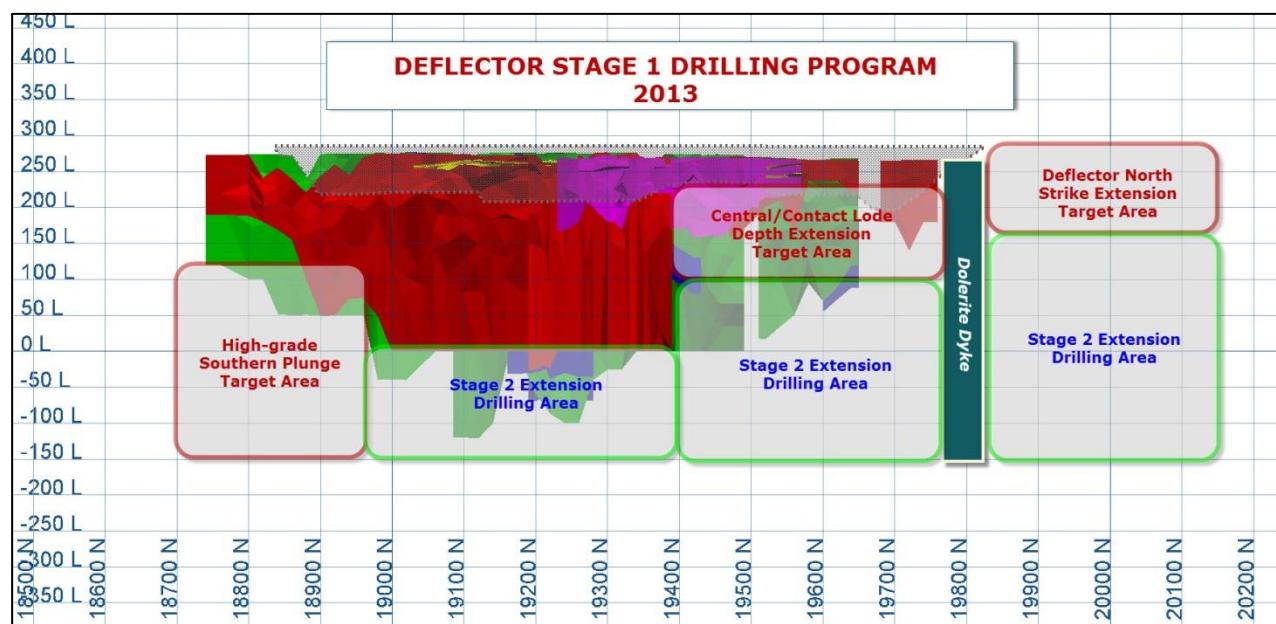


Figure 1: Deflector Stage 1 Drilling Programme – Long Section



The Geophysical interpretation of the Deflector Corridor and Greater Gearless Well area is near completion with preliminary work providing targeting for the inaugural SAM survey.

Gap Geophysics has been contracted to provide a SAM survey crew, which is scheduled to mobilise to site late-April. The SAM survey area covers 3km<sup>2</sup> including the Deflector Deposit, and nearby prospects Pieces of Eight and Spanish Galleon (figure 3).

Mutiny Gold has completed a Programme of Works (POW) clearance for activities within the proposed Deflector drilling zone, and plans for drilling to commence shortly after the completion of the processing of SAM survey data.

**Table 1: Deflector JORC-compliant resource**

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)	Au Eq (oz)
Measured	1,164,000	6.0	223,000	1.5	17,000	10.9	407,000	310,000
Indicated	1,043,000	7.3	246,000	0.6	7,000	4.2	140,000	279,000
<b>Measured &amp; Indicated</b>	<b>2,207,000</b>	<b>6.6</b>	<b>469,000</b>	<b>1.1</b>	<b>24,000</b>	<b>7.7</b>	<b>547,000</b>	<b>589,000</b>
Inferred	658,000	5.8	122,000	0.5	3,000	3.9	82,000	140,000
<b>Totals</b>	<b>2,865,000</b>	<b>6.4</b>	<b>591,000</b>	<b>0.9</b>	<b>27,000</b>	<b>6.8</b>	<b>629,000</b>	<b>729,000</b>

*The Gold Equivalence Calculation represents total metal value for each metal assuming 100% recovery, summed and expressed in equivalent gold grade or ounces.*

*The AUD metal prices used in the calculation were \$1,700/oz Au, \$8,000/t Cu, \$27.0/oz Ag.*

*Note – Totals may appear incorrect due to appropriate rounding.*

## PROJECT UPDATE

Engineering works, supply contracts and floatation concentrate off-take agreement are on track to be ready for activation upon completion of project finance.

Key contracts include:

- Process plant (Engineering, Procurement and Construction (“EPC”))
- Mining
- Ore haulage
- Village construction and servicing
- Power
- Communications



There has been a high level of interest from providers of these key contracts and this has allowed Mutiny to be selective in the discussions with qualifying tenderers.

As a result of Mutiny's early engagement of GR Engineering Services (ASX 30/11/2012) the processing plant design and the detailed design of the ball mill from Citic HIC Australia are at an advanced stage. Plant procurement commitments are ready to be issued at the announcement of project financing.

Negotiations on Off-take Agreements for Mutiny's flotation concentrate have been in progress for a number of months and Mutiny is close to settling the final terms.

Mutiny's project and technical team have been progressing the above key contracts as well as finalising Project Implementation Management Plans and Schedules so that the project is now ready to be activated.

## About Mutiny Gold

Mutiny Gold Ltd is a diversified resource company focused on the exploration and development of its gold, copper and nickel tenements in Western Australia. The Company's lead project is the Deflector Gold/Copper Deposit which is within the Gullewa tenements located in the South Murchison region of Western Australia. The Company intends to become a significant gold producer with a focus on commencing production at its Deflector and White Well Deposits. Currently Deflector Deposit, resources stand at 729,000oz of Equivalent gold including 591,000oz gold, 27,000t of copper and 629,000oz silver (Table 1), with significant resource expansion targeted through ongoing, systematic exploration at Deflector. In June 2012 the Company successfully completed a Definitive Feasibility Study on the Deflector Deposit showing robust economics. Mutiny Gold through a balanced mix of exploration and development is on track to become a significant gold and copper producer for the benefit of all stakeholders.

## About Sandstorm Gold

Sandstorm Gold Ltd. (NYSE MKT: SAND, TSX: SSL) is a gold streaming company. Sandstorm provides upfront financing for gold mining companies that are looking for capital. In return, Sandstorm receives a gold streaming agreement. This agreement gives Sandstorm the right to purchase a percentage of the life of mine gold produced, at a fixed price. Sandstorm is a non-operating gold mining company with a portfolio of nine gold streams, five of which are producing gold, and three NSR royalties. Sandstorm plans to grow and diversify its low cost production profile through the acquisition of additional gold streams. Sandstorm is focused on low cost operations with excellent exploration potential and strong management teams. Sandstorm has completed gold purchase or royalty agreements with Brigus Gold Corp., Colossus Minerals Inc., Donner Metals Ltd., Luna Gold Corp., Magellan Minerals Ltd., Metanor Resources Inc., Mutiny Gold Ltd., Santa Fe Gold Corp., SilverCrest Mines Inc., Rambler Metals and Mining plc and Solitario Exploration & Royalty Corp.

For more information visit: [www.sandstormgold.com](http://www.sandstormgold.com).



## **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.

### **Competent Persons Statement:**

The Geological aspects in this report which relates to Mineral Resources are based upon information compiled by Mr. Lynn Widenbar, Principal Consultant – Widenbar and Associates. Mr Widenbar 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 Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

End

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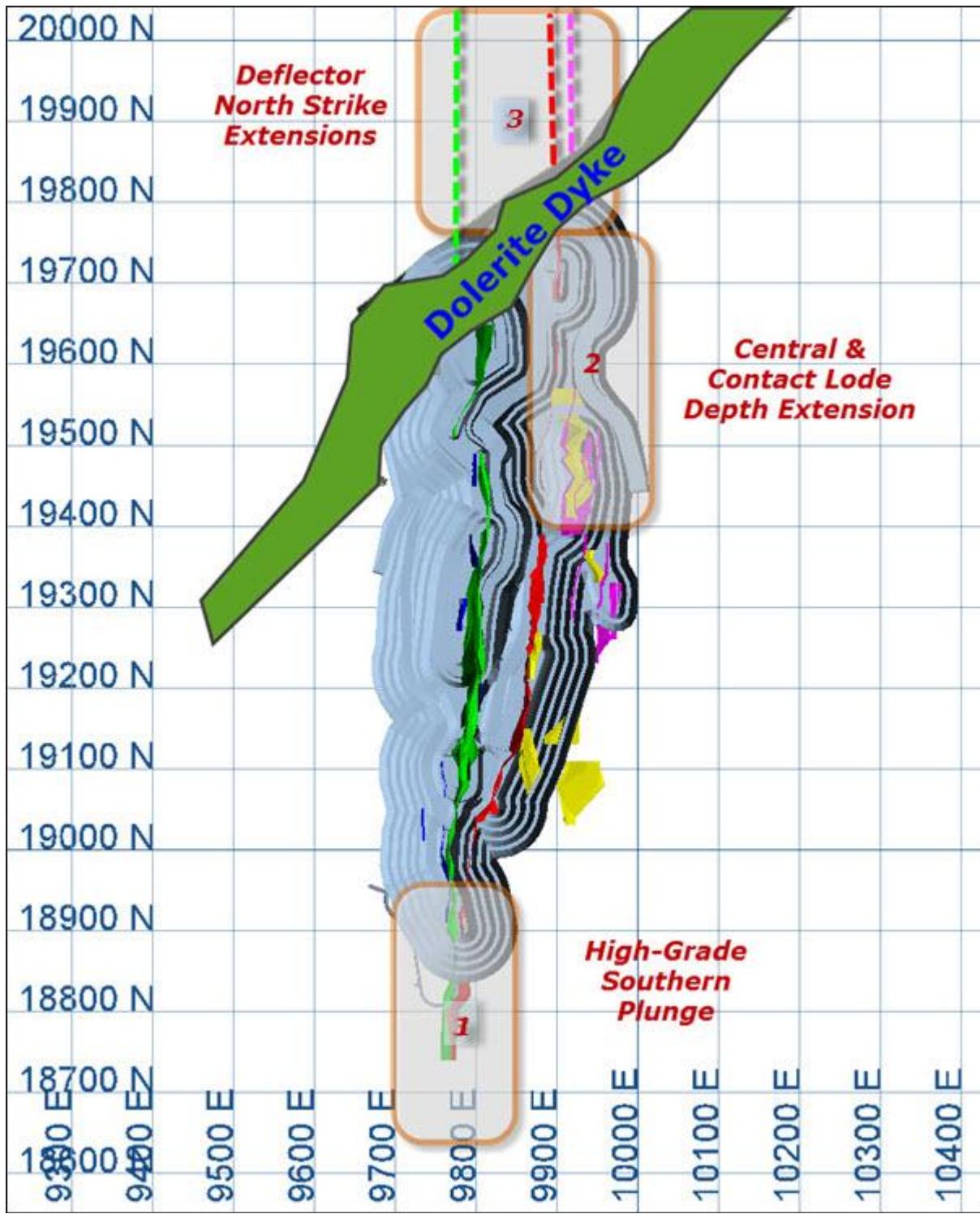


Figure 2: Deflector Stage 1 Drilling Programme - Plan View



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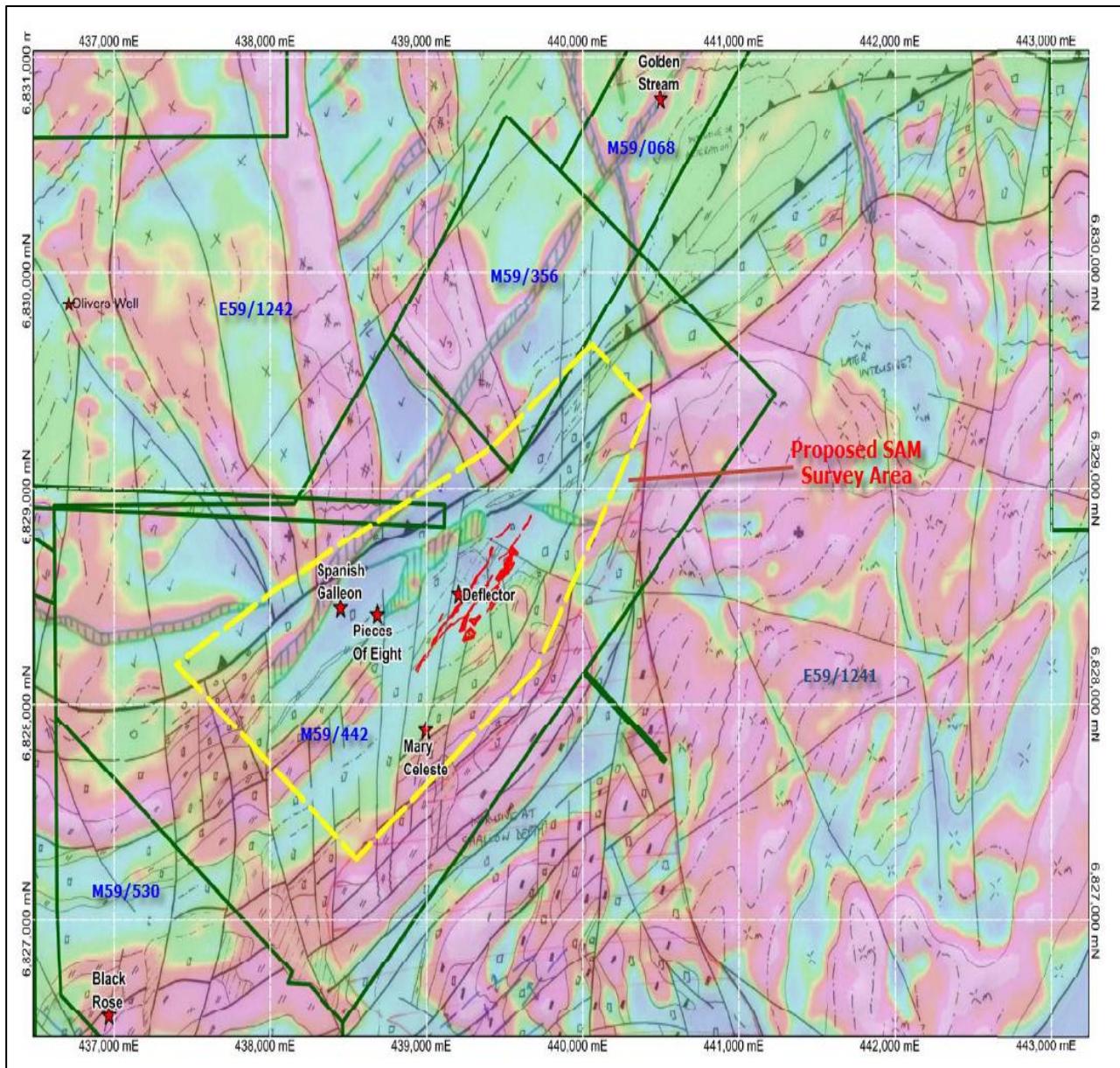


Figure 3: Deflector Corridor Proposed SAM Survey Area