



## QUARTERLY ACTIVITY STATEMENT

### **MARCH 2013 QUARTER HIGHLIGHTS**

#### **Deflector Project Highlights**

- **Deflector 2013 Exploration Programme**
- **Final permitting milestone achieved**
- **Engineering designs and contracts progressing**

#### **Corporate Highlights**

- **Sandstorm Gold Ltd. joins Mutiny Gold share register**

### **INTRODUCTION**

Mutiny Gold Ltd (“Mutiny” or “the Company”) (ASX:MYG) is pleased to provide its Quarterly Activity Report for the quarter ended 31 March 2013.

### **DEFLECTOR PROJECT**

#### **Deflector 2013 Exploration Programme**

Mutiny announced the commencement of exploration activities at the highly prospective Deflector Corridor, within its 100% owned Gullewa Project in Western Australia.

Southern Geoscience (“SGC”) is assisting Mutiny with its Exploration strategic planning by reviewing all geophysical data to consolidate its 80 targets. Work commenced on developing a detailed structural framework to identify regional controls on mineralisation and highlight targets along the highly prospective yet under-drilled Deflector Corridor and extended areas surrounding the Gearless Well Intrusion.

As the Deflector Corridor is blanketed with transported overburden, Mutiny will be employing advanced technologies such as Sub-Audio Magnetics (SAM) to map the regolith under cover. The combination of SAM data and structural framework will provide the basis for vectoring in on prospective blind targets and further unlock the exploration potential of the Gullewa Project



Mutiny committed to an initial 3,000m RC drilling program for testing SAM-generated targets [since expanded to 4,000m of RC and diamond drilling as announced on 10/4/13], aimed at defining high-grade Au-Cu mineralisation amenable to open mining methods with the potential to extend the Life of Mine (“LOM”) of planned open pit operations. Diamond drilling has been designed targeting extensions of Mutiny’s Au-Cu Deflector Deposit later in the year. Expectations are for continuation of high-grade mineralization at depth, including bonanza grade gold and copper intercepts (e.g. 3.6m @ 153 g/t Au and 13.3% Cu) as highlighted in the successful 2012 campaign.

Mutiny Gold’s Managing Director, John Greeve, said continued exploration is an important key to growth during this phase of Mutiny’s transition to a successful and profitable gold producer.

“The Deflector Corridor and Gearless Well areas have seen very little exploration outside of Deflector, and we believe the likelihood of new discoveries is extremely high. This innovative, yet well planned, exploration approach is the best strategy for maximising our exploration budget as we commence construction of the plant and mine”.

“Early success in this exploration program will align with our strategy and allows us to ramp up production to over 100,000 ounces gold equivalent earlier than planned,” said Mr Greeve.

#### Exploration Strategy

Reviewing Mutiny data, SGC noted the aeromagnetic data coverage was suitable for generating a high-resolution structural framework for identifying potential structural controls on mineralisation and therefore structural targets. Mutiny believes this work will assist in identifying structures related to mineralisation, and plan to utilise this work for drill testing.

SGC also noted the conductive nature of the overburden in this area means any form of electrical surveying will struggle to get current penetration into the bedrock. Instead of trying to detect bedrock anomalism, the overburden can be made the primary target; namely mapping out the base of the regolith using the sub-audio magnetics (SAM) method.

The SAM method has proven successful in other conductive environments in the Goldfields for mapping changes in the depth of weathering at the base of the regolith that are associated with structures of interest. One of the key features of the Deflector Deposit is deep oxidisation of sulphides to 50 metres below surface, contrasting with very shallow weathering of the host-basalt.

Mutiny believes SAM surveying, which commenced on 18 April 2013, will allow the exploration team to vector in on prospective targets for drilling by highlighting deeper zones of weathering associated with oxidized sulphide mineralisation. As the Deflector Corridor is highly under-drilled, this ‘Smart Targeting’ strategy will minimise drilling costs associated with section drilling maximising Mutiny’s exploration budget.



Figure 1: Gearless Well/Deflector Corridor - drilling gt 50m

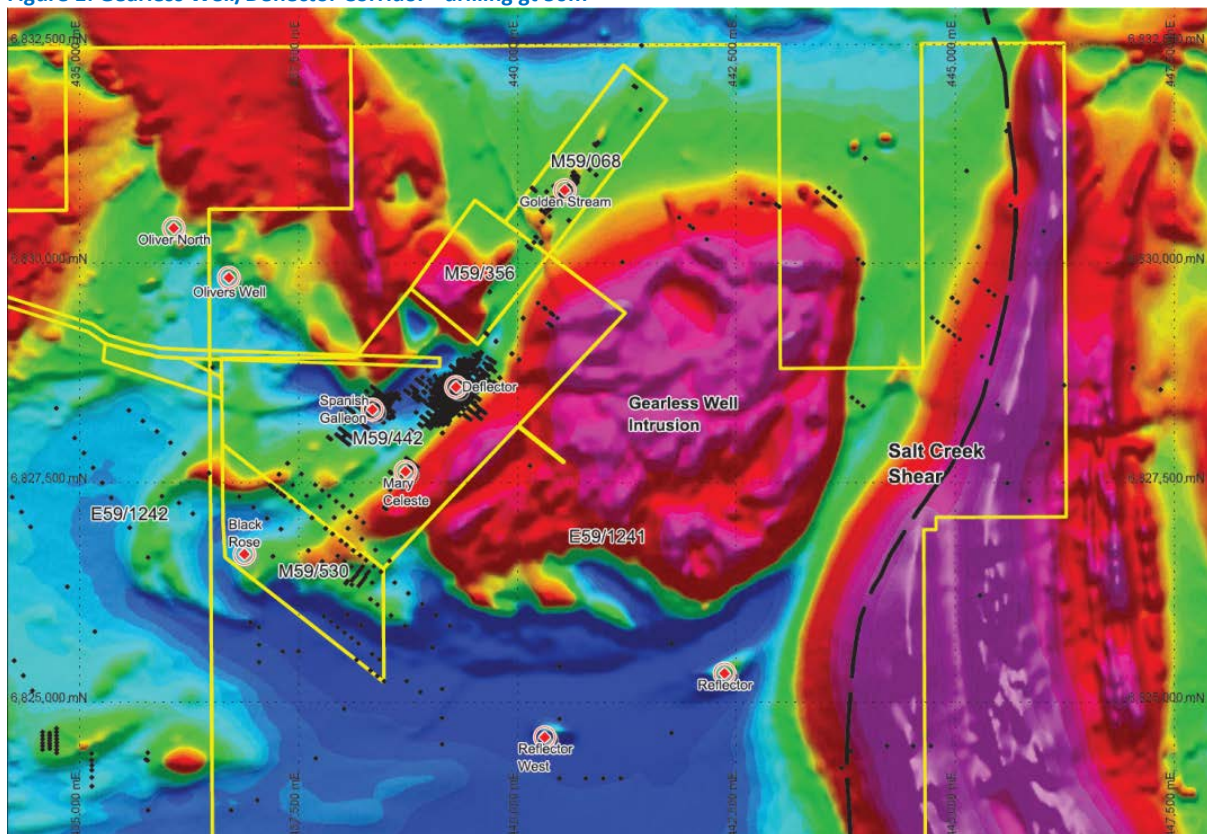


Figure 2: Deflector Stage 1 Drilling Targets

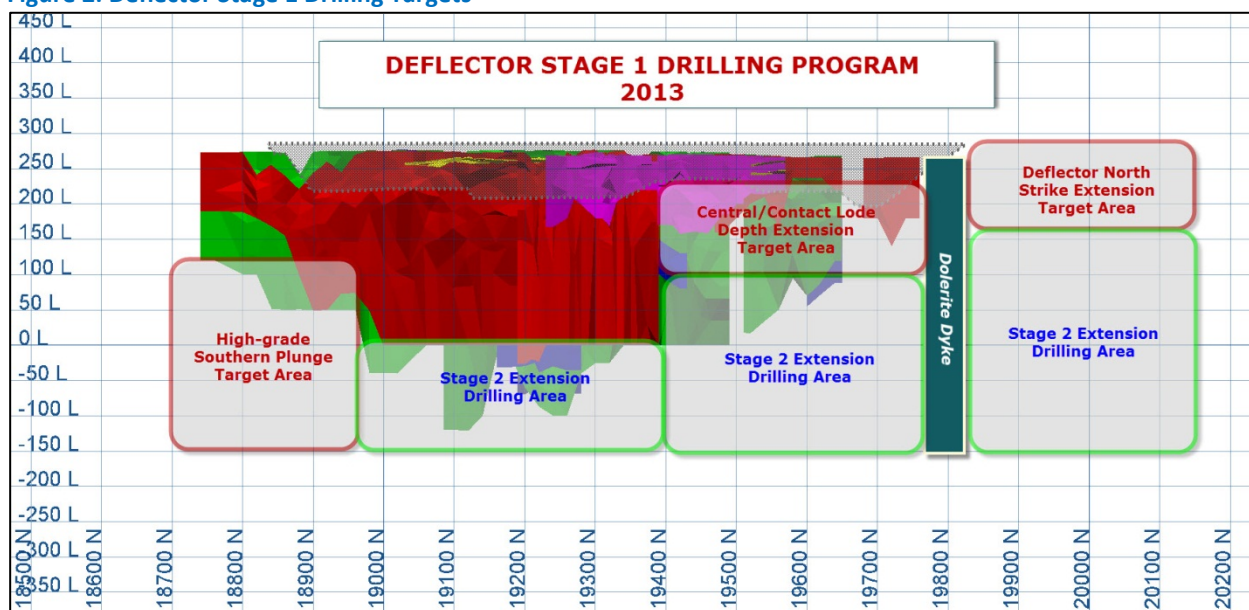




Table 1: Deflector JORC-compliant Resource

DEFLECTOR Resource – ASX November 2012								
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.

### Final permitting milestone achieved

During the quarter, the Mining Proposal for the Deflector Gold-Copper Project was approved subject to the payment of security bonds.

The approval of the Mining Proposal by the WA Department of Mines and Petroleum (DMP) was the last of the key government approvals required for the Deflector Project before the commencement of mining.

Table 2 – Permitting status

Permit / Licence	Regulatory Agency	Submitted	Approved / Current
Works Approval	DEC	Y	Y
Prescribed Premises	DEC	Y	Y
Groundwater Licence	DOW	Y	Y
Clearing Permit	DMP	Y	Y
Mining Proposal	DMP	Y	Y
Project Management Plan – Plant	DMP	Y	Y
Project Management Plan - Mining	DMP	Y	Y
Dangerous Goods	DMP /DoH	Y	Y
Haul Road construction	Shire of Yalgoo	Y	Y
Consent to mine the Gullewa Townsite	DMP	Y	Y



## Engineering designs and contracts progressing

Engineering works and supply contract discussions are progressing well and are on track to be ready for activation with the completion of project finance, which is also progressing well.

Key contracts include the Plant (EPC), mining, village, power and communications. Processing plant design is at an advanced stage, thanks to the early engagement of GR Engineering Services and detailed design of the ball mill from Citic HIC Australia.

The tendering process for the other key components of plant is all but complete, allowing the detailed design to continue.

## CORPORATE

### Sandstorm Gold Ltd joins the Mutiny Share Register

Sandstorm Gold Ltd joined the Mutiny share register with 22m shares being issued in respect of a (USD\$2m) converting loan provided to the Company in November 2012.

Mutiny Gold Managing Director, John Greeve, said the issue of shares recognised a critical milestone in the development of the low cost, high value Deflector gold-copper project in Western Australia,

“At a time when global financial markets were facing historically difficult times and project funding had almost dried up for small miners, to have put together this deal with Sandstorm Gold Ltd was a major success story for Mutiny Gold and its supporters,” Mr Greeve said.

In December 2012 (ASX 6/12/12) Mutiny Gold reached agreement with Canadian firm Sandstorm Gold Ltd for that company’s first Metals Purchase Agreement (‘MPA’) in Australia. The US\$43 (A\$41) million MPA with Sandstorm will fund a significant portion of the Deflector capital costs.

### 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).



## 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 (Table 1) stand at 729,000oz of Equivalent gold including 591,000oz gold, 27,000t of copper and 629,000oz silver, with significant resource expansion targeted through ongoing, systematic exploration at Deflector. In October 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.

### **Competent Persons Statement:**

*The Geological aspects in this report which relates to Mining Resource is 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.*

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For further information, please contact:

John Greeve  
Managing Director  
Mutiny Gold Ltd  
Tel: +61 (0) 8 9368 2722  
Em: [mgl@mutinygold.com.au](mailto:mgl@mutinygold.com.au)

Colin Hay  
PPR Australia Pty Ltd  
Tel: +61 (0) 8 9338 0944  
Mob: +61 (0) 404 683 355  
Em: [colin.hay@ppr.com.au](mailto:colin.hay@ppr.com.au)