

Mutiny



A.B.N. 72 101 224 999

AND CONTROLLED ENTITIES

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2013**

This Half-Year Financial Report should be read in conjunction with the 2013 Annual Report

Mutiny Gold Ltd
ABN 72 101 224 999 and Controlled Entities

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Mutiny Gold Ltd ABN 72 101 224 999 and Controlled Entities

DIRECTORS' REPORT

Your Directors submit the financial report for the half-year ended 31 December 2013 of the Group.

Directors

The names of directors who held office during or since the end of the half-year are:

FRANK LAWSON	-	Non Executive Chairman
ROWAN JOHNSTON	-	Director & Acting CEO
JOHN GREEVE	-	Non Executive Director
ALLAN BROWN	-	Non Executive Director
BENEDICT KUSNI	-	Non Executive Director
PAUL WRIGHT	-	Non Executive Director

Principal Activities

There have been no significant changes in the nature of the Group's principal activities, which is the development and exploration of its tenements with focus on becoming a producer at the Deflector Gold Copper Project in the Murchison region of WA.

Review of Operations

The focus of the Group's operations was the evaluation and development of its exploration tenements with emphasis on the high-grade, low cost Deflector Gold-Copper Deposit located within the Company's Gullewa tenements in the Murchison region of Western Australia.

DEFLECTOR GOLD-COPPER PROJECT

Deflector Project Updated Definitive Feasibility Study (DFS)

In September 2013, Mutiny released (ASX announcement 02/09/2013) an updated and upgraded DFS study which confirmed the Project as highly profitable. It defines an operation initially based on a 2 year open pit mining operation and a 5 year underground mining operation, along with milling and processing on site to produce gravity gold doré and gold-copper concentrate, and is based on the life of current mine inventory.

Underground mining will be conducted using Long Hole Open Stopping method via decline access. The Open Pit mining rate will be 480,000 tonnes per annum with underground operating at 380,000 tonnes per annum initially, and increasing to 480,000 tonnes; producing 498,000 oz of Au Eq¹ over an initial 6.25 year Life of Mine.

The purpose of the update was to reassess the Project with a focus on reducing start-up capital whilst maintaining operating costs at the low levels announced in the original DFS (please refer to ASX announcement from 22 October 2012). We will of course continue to review market conditions to ensure the best possible outcome is achieved.

Key outcomes of the updated DFS include:

- Start-up capital reduced \$90M to \$62M this is primarily made up of contract crushing rather than owner operated, the use of an existing camp 80km away and a change in the mining schedule to bring gold production forward.
- Operating costs maintained at industry-low levels, with cash costs of \$638/oz Au equivalent¹ (US\$574/oz Au equivalent¹). All-in sustaining costs² of \$801/oz Au equivalent¹ (US\$721/oz Au equivalent¹).
- Production rates maintained at an average of 80,000oz per annum Au equivalent¹ over the life of mine.
- Net profit after tax of \$180M at current commodity prices³.
- NPV at a discount rate of 8% of \$100M³.

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The start-up capital reductions did not have any negative effects on the production capabilities or output rates for the Project, with production maintained at an average of 80,000oz Au equivalent¹ per annum.

Whilst some operating cost centres will be affected by the above capital cost strategies, overall operating costs have been maintained at industry-low levels on a cost per ounce basis. The low operating costs are due to the high gold grade, excellent mining conditions, increased schedule efficiencies and by reduced mining operating costs, in line with changes in industry rates and market conditions.

Key operating cost data is summarised in Table 1 below:

Table 1 – Summary of LOM Operating Costs

Operating Cost Item	AUD\$/oz Au Equivalent ¹	US\$/oz Au Equivalent ¹
Mining	376	338
Processing	176	158
Concentrate Cartage	13	11
Site Administration and Other	73	67
Total C1 Cash Operating Cost	638	574
Royalties	74	66
Exploration	8	7
Corporate Overheads	21	19
Sustaining Capital	6	6
Underground Development	54	49
All-in-Sustaining Cash Cost²	801	721

Other key changes to the financial model for the Project include:

- Reduced Sandstorm Gold Ltd's share of Au output to 2.6% from 15% increasing Mutiny's revenue share.
- Updated commodity (August 2013) prices of US\$1,400/oz Au, US\$24/oz Ag and US\$7,300/t Cu and AUD:US exchange rate of 0.90 in line with current market conditions.
- Stage 1 mill upgrade introduced in year 3 of operations, lifting production from 380,000tpa of primary ore to 480,000tpa, with a capital cost of \$5M funding from operating cash surplus.

Production Rate Increase to 88,000oz Au Eq

The DFS update has identified an opportunity to increase plant throughput in order to take advantage of the resources potential upside and the underground mining contractor's ability to increase production rates. This strategy also increases marginal utility return on capital. The Stage 1 mill upgrade will incorporate the installation of a second ball mill and additional float cells, which will be commissioned in the third year of production, allowing underground to ramp up to 480,000tpa from 380,000tpa.

The upgrade will increase production rates in the second half of the initial project life from an average of 68,000oz Au equivalent¹ to 88,000oz Au equivalent¹ per annum.

Capital Costs

Capital cost estimates include all on-site components of the project, including those for the construction of processing plant and construction of the mine.

Development costs for the underground mine are funded out of Operating Cash Flow over the initial 6.25 year Life of Mine and are not part of the required start-up capital.

The capital costs for the primary ore upgrades are estimated at \$8 million, with the first upgrade consisting of the primary leach circuit and underground mine powerline, amounting to \$3 million, as stated in the original DFS in October 2012. The second upgrade, consisting of a second ball mill and additional float cells, lifting production from 380,000tpa

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to 480,000tpa, is estimated at approximately \$5 million. Both of these upgrades will be funded from operational cashflow and are not part of the start-up capital.

Operating Costs

Operating costs for the Deflector Gold Copper Project were developed using indicative pricing received from potential mining contractors undertaking the open pit and underground mining operations and with these cost assumptions received and modeled by Mutiny's mining consultants. Processing of mined material is by GR Engineering Services and Mutiny and includes transportation costs related to the refining of copper-gold concentrate.

Geology and Mineral Resources

The Deflector mineralisation is hosted by a series of northeast trending sulphidic quartz lodes that cut basalt and a minor sedimentary unit within the Gullewa Greenstone Belt. Three main steeply dipping lodes sets are present: the West Lode, the Central Lode, and the Contact Lodes. The lodes contain moderately plunging shoots of high-grade gold and gold-silver-copper mineralisation. Three sulphide oxidation domains have been recognised within the lode mineralisation: oxide, transition, and primary. The oxide mineralisation is characterised by the presence of iron oxides and the copper minerals malachite, azurite, chrysocolla, cuprite, and native copper; the transition zone by chalcocite, bornite, covellite, chalcopyrite, and pyrite; and the primary zone by chalcopyrite and pyrite.

Significant mineralisation has been intersected within the West and Central Lodes over a distance of 1,000m, which is also the limit of systematic drilling within the mineralised corridor. The mineralisation is open along strike in both directions. Reported resources within the lodes extend to a maximum depth of 380m below surface, the limit of present drilling. The lodes are open at depth along their entire known lengths.

Table 2 – Deflector Deposit Mineral Resources

Deflector Mineral Resource Statement – ASX release 21 August 2012							
Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)
Measured	1,164,000	5.96	223,000	1.46	17,000	10.87	407,000
Indicated	859,000	6.06	167,000	0.58	5,000	4.14	114,000
Measured & Indicated	2,023,000	6.00	390,000	1.08	22,000	8.02	521,000
Inferred	842,000	7.41	201,000	0.61	5,000	3.96	107,000
Totals	2,865,000	6.41	591,000	0.95	27,000	6.82	628,000

Table 3 – Deflector Deposit LOM Production Inventory Statement by Resource Classification

Deflector LOM Production Inventory – ASX release 18 October 2012							
Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)
Measured	1,239,000	4.7	188,000	1.2	15,000	8.5	339,000
Indicated	876,000	4.4	125,000	0.4	4,000	3.0	85,000
Inferred	731,000	5.5	130,000	0.4	3,000	2.8	65,000
LOM Production Inventory*	2,846,000	4.8	442,000	0.8	22,000	5.3	489,000

**LOM Production Inventory = The LOM Production Inventory total includes Inferred Resources that have been evaluated using all mining modifying factors; however the current drill density for this Inferred Resource does not allow for conversion to Indicated Resource category and subsequently to a Reserve category.*

Note – Totals may appear incorrect due to appropriate rounding.

Metal Prices

At the time of the completion of the updated DFS (August 2013), Mutiny selected the metals prices used in the study based on forecasts by leading banks and advice from industry consultants. For the purposes of this analysis the commodity prices used were US\$1,400/oz Au, US\$24/oz Ag and US\$7,300/t Cu. An exchange rate AUD:US of 0.90 was used.

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DIRECTORS' REPORT

The First Stage of a Much Larger Operation

Mutiny will continue to upgrade both the resource and economics at Deflector, which is really confirming the Company's belief that this is a premium, highly profitable, gold-copper mine – and we will continue to work hard to improve on these already impressive figures.

The updated DFS forecasts that the high grade Mining Inventory and low operating costs are expected to generate strong cash flows and economic outcomes. This gives the Company a strong base from which to grow and the updated study is another example of Mutiny being well on target to achieve a much larger growth picture.

Competent Persons Statement:

The Open Pit mining aspects in this report are based upon work by Mr. Brett Hampel – Resident Manager (former) – Deflector Project. Mr Hampel 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hampel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear..

Competent Persons Statement:

The Geological aspects in this report which relates to Mining Resource are based upon information compiled by Mr. Lynn Widenbar of 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 2012 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.

Competent Persons Statement:

The Metallurgical aspects in this report are based upon information compiled by Mr. Scott Male, Project Coordinator (former), Mutiny Gold Ltd. Mr Male 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Male consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Competent Persons Statement:

The Exploration aspects in this report which relates to Exploration Results and Corporate Exploration Target is based upon information compiled by Mr. Nicholas Jolly, Geology Manager, Mutiny Gold Ltd. Mr Jolly 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Jolly consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

¹The Au equivalent was calculated using commodity prices of US\$1,400/oz, US\$24/oz Ag and US\$7,300/t Cu and an AUD:US currency exchange rate of 0.90:1. Ag recoveries used were 81%, 80% and 80% for the oxide, transitional and primary ores respectively. Cu recoveries used were 55%, 85% and 93% for oxide, transitional and primary ores respectively.

²All-in sustaining costs includes corporate overheads, sustaining capital, exploration expenditure and royalties.

³Commodity prices of US\$1,400/oz, US\$24/oz Ag and US\$7,300/t Cu and an AUD:US currency exchange rate of 0.90:1 were used in the financial modeling.

⁴All costs are given as AUD\$ unless otherwise stated.

⁵Exploration Target

Mutiny is targeting 9 to 14 million tonnes at 4 to 8 g/t gold for 1.65 to 3 million ounces of gold and 40,000 to 80,000 tonnes of copper from future drilling programs. It is stressed that the targets are conceptual in nature and have yet to be fully drill tested. There has not been sufficient exploration to date to define a JORC compliant resource greater than that shown in Table 8 above and it is uncertain if future exploration will result in further resources being defined.

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ROCKSTEADY IRON PROJECT

Drill programme increases Iron Resource Tonnes from 0.65 to 1.15 million tonnes

Rocksteady is located 10km west of Mutiny Gold's Deflector Gold-Copper Project, within the Company's Gullewa Tenement Package (Figure 1)

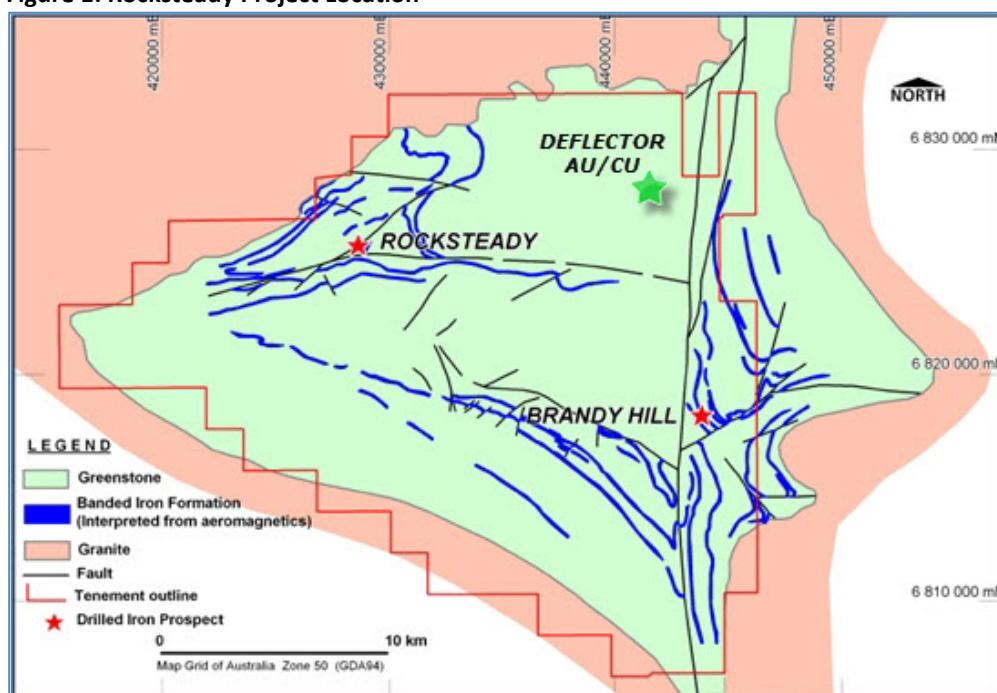
Following a successful drill programme, conducted during the months of October and November, the updated JORC-compliant resource for the Rocksteady Iron Project, located within its Gullewa tenement, is now 1.15 million tonnes at 51.8% Fe, representing a 75% increase in tonnes (Table 4) on the previously reported JORC Resource figure. (Refer ASX Announcement 17/12/13).

Table 4: JORC-Compliant Mineral Resource

ROCKSTEADY IRON JORC RESOURCE - DECEMBER 2013							
Category	Tonnes	Density	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
Indicated	1,098,000	3.65	51.9	14.0	2.4	0.09	6.5
Inferred	55,000	3.54	48.8	19.7	1.5	0.12	5.8
Total	1,153,000	3.64	51.8	14.3	2.3	0.09	6.5

The resource update is the result of a successful 2013 drilling programme comprising 34 Reverse-Circulation drill holes for 2,206m, and 2 Geotechnical-purpose Diamond drill holes for 115.8m.

Figure 1: Rocksteady Project Location



Drilling Results

Drilling was completed on a nominal 40m x 40m local grid, with holes angled at -60 degrees towards grid north to intersect iron mineralisation. The majority of RC drill holes completed in the 2013 campaign intersected hematite-enriched BIF. Table 3 highlights significant intercepts from the 2013 drilling campaign.

All intercepts outlined in Table 5 are based on 1m assays, using a 48% Fe lower cut-off grade and no top cut. All intervals are down hole length, with a minimum length of 3m and up to 2m internal dilution allowed.

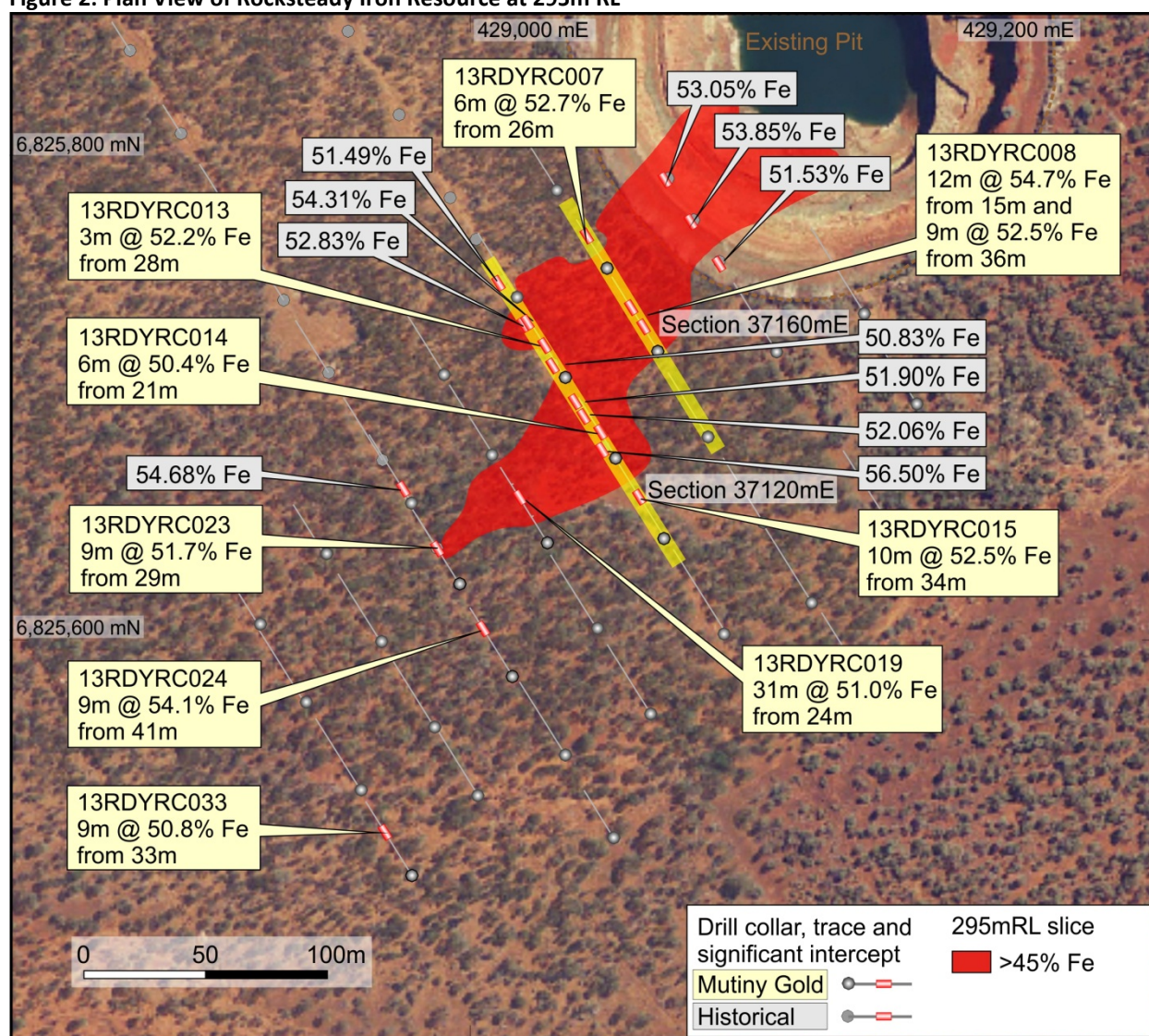
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Table 5: 2013 RC Drilling Significant Intercepts

Hole_ID	From	To	Interval	Fe%	SiO2%	Al2O3%	P%
13RDYRC007	26	32	6	52.7	12.0	3.0	0.04
13RDYRC008	15	27	12	54.7	11.3	3.1	0.03
13RDYRC008	36	45	9	52.5	12.9	1.6	0.13
13RDYRC013	28	31	3	52.2	14.1	3.3	0.04
13RDYRC014	21	27	6	50.4	14.5	4.7	0.02
13RDYRC015	34	44	10	52.5	13.7	1.4	0.18
13RDYRC019	24	55	31	51.0	14.3	3.1	0.04
13RDYRC023	29	38	9	51.7	16.7	1.6	0.05
13RDYRC024	41	50	9	54.1	11.8	1.1	0.07
13RDYRC033	37	46	9	50.8	15.8	1.6	0.14

Figure 2 outlines the plan view of the Rocksteady Resource at 295 m RL (20m below surface), highlighting significant intercepts from Mutiny and historic drilling. The latter results were released by Batavia Mining Limited (now Sherwin Iron Limited) on 22nd June 2007.

Figure 2: Plan View of Rocksteady Iron Resource at 295m RL



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Mutiny confirms that it is not aware of any new information or data that materially affects the information included in this report. In regards to estimates of mineral resources, all material assumptions and technical parameters underpinning the estimates in the previous ASX announcements referred to in this report continue to apply and have not materially changed.

Competent Persons Statement:

The Exploration aspects in this report which relates to Exploration Results and Corporate Exploration Target is based upon information compiled by Mr. Nicholas Jolly, Geology Manager, Mutiny Gold Ltd. Mr Jolly 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Jolly consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Competent Persons Statement:

The Geological aspects in this report which relates to Mining Resource are based upon information compiled by Mr. Lynn Widenbar of 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 2012 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.

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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Operating Results

The net operating loss after tax for the half year ended 31 December 2013 was \$494,095 (31 December 2012: \$429,027).

Events Subsequent to Balance Date

Capital Raising by Placement and Rights Issue

On 19 February 2014, the Company announced that it has received commitments for 92,592,593 shares at an issue price of \$0.027 per share, to raise \$2.5 million from investors before costs, including a strategic placement to Ausdrill Limited. Ausdrill will take a strategic shareholding in the Company and be appointed as Mutiny's preferred Contractor.

In addition to the placement, which was made under the Company's existing placement capacity, Mutiny also launched a 1:10 pro rata non-renounceable entitlement offer to raise up to an additional \$1.65 million (before costs). The entitlement offer closing date is Monday 24 March 2014.

The funds from the placement and entitlement offer will allow the Company to begin drilling numerous high grade, drill ready gold targets at its Deflector Gold-Copper Project at Gullewa, in Western Australia's Mid-West Region.

Executive Management Change

On 10 February the Company announced that Mr John Greeve had stepped down as Managing Director. Mr Rowan Johnston is Acting CEO until a permanent replacement has been sourced.

Significant Transactions

Share issues to contractors

On 4 July 2013, the Company issued 5,335,090 shares to a contractor as payment for services provided. Nominal value of payment was \$176,058.

On 20 September 2013, the Company issued 21,038,603 fully paid ordinary shares, at a price of 3.56 cents per share, to GR Engineering Services Limited as payment for preliminary engineering design work for the Deflector Copper-Gold Project processing facility completed thus far.

Expiry of listed options

On 23 July 2013, 55,776,857 of the listed MYGOA options expired, and on 27 November 2013 89,614,584 listed MYGOB options expired.

Metals Purchase Agreement

On 20 August 2013, Mutiny reported that it had successfully renegotiated a Metal Purchase Agreement (MPA) with Sandstorm Gold Ltd as part of a restructuring of the proposed financing package to commercialise the high grade, low cost Deflector Gold-Copper Project, which is located within the wider Gullewa project area.

Under the amended Metal Purchase Agreement, Mutiny and Sandstorm agreed to decrease the size of the Sandstorm's financing facility from US\$41 million to the US\$6 million already drawn down in exchange for a reduced right to purchase 2.6% of the gold, as compared to a previous figure of 15%.

Options Issue

On 5 August 2013, the Company announced a new options issue and lodged a Prospectus with ASIC. The Company offered existing and new investors of the Company an opportunity to participate in an issue of a new class of options to raise up to \$800,000 before costs (Offer). The new options' issue price was 1 cent each and they are exercisable at 5 cents each on or before 15 August 2015. Up to 80,000,000 options were able to be issued under the Offer. The Offer was partially underwritten to the amount of \$561,218 by sophisticated or professional investors on the basis that a maximum of the first 56,121,858 options to be issued under the Offer were underwritten.

41,025,326 options were issued under Tranche 1 of the Offer from the Company's existing 15% placement capacity under the ASX Listing Rules. The Tranche 1 options were issued on 3 September 2013 raising \$412,253 before costs. The issue of the remaining 38,974,674 options under Tranche 2 of the Offer was conditional upon the shareholders of the

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Company approving the issue at a General Meeting of the Company. At the 4th of September 2013 General Meeting shareholders approved the issue of Tranche 2 options. 80,000,000 Tranche 2 options were issued on 19 September 2013 raising an additional \$800,000 before costs. The options issue was oversubscribed and the Company placed an additional 4,618,116 (\$46,182) options using the 15% placement capacity available under the ASX Listing Rules.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 24 for the half-year ended 31 December 2013.

This report is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to read 'Frank Lawson', with a horizontal line extending from the end of the signature.

Dr Frank Lawson

Chairman

Dated: 12 March 2014

Mutiny Gold Ltd
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Consolidated Group	
	31 Dec 2013	31 Dec 2012
	\$	\$
Other income	43,976	28,006
Employee benefits expense	(475,360)	(1,136,403)
Depreciation expense	(8,706)	(12,140)
Marketing expense	(32,452)	(160,738)
Consulting expense	(102,132)	(240,317)
Occupancy expense	(55,432)	(94,785)
Corporate compliance expense	(84,333)	(100,450)
Legal expense	(22,868)	(497,256)
Travel expense	(9,993)	(70,055)
Unrealised foreign exchange loss	2 (514,248)	(13,348)
Write-off exploration & evaluation expenditure	-	(47,247)
Other expenses	(96,804)	(162,683)
Loss before income tax	(1,358,352)	(2,507,416)
 (Income tax)/benefit	 864,257	 2,078,389
 Loss for the period	 (494,095)	 (429,027)
 Other comprehensive income for the period, net of tax	 -	 -
Total comprehensive loss for the period	(494,095)	(429,027)
 Loss per share		
- Basic (cents per share)	(0.001)	(0.0009)
- Diluted (cents per share)	(0.001)	(0.0009)

The accompanying notes form part of these financial statements.

Mutiny Gold Ltd
STATEMENT OF FINANCIAL POSITION

		Consolidated Group	
		31 Dec 2013	30 June 2013
Current Assets		\$	\$
Cash and cash equivalents		1,668,425	1,650,764
Trade and other receivables		49,076	605,662
Total Current Assets		1,717,501	2,256,426
Non-Current Assets			
Receivables		16,602	16,602
Property, plant and equipment		65,759	75,443
Intangible asset		6,760	6,760
Exploration and evaluation expenditure	3	39,304,276	37,804,492
Total Non-Current Assets		39,393,397	37,903,297
Total Assets		41,110,898	40,159,723
Current Liabilities			
Trade and other payables		247,015	1,348,954
Annual leave entitlements		188,012	183,542
Borrowings		-	6,261,087
Total Current Liabilities		435,027	7,793,583
Non-Current Liabilities			
Borrowings	4	6,775,335	-
Deferred tax liability	5	951,135	951,135
Provisions	6	81,362	57,244
Total Non-Current Liabilities		7,807,832	1,008,379
Total Liabilities		8,242,859	8,801,962
Net Assets		32,868,039	31,357,761
Equity			
Issued capital		39,191,807	38,031,051
Reserves		1,877,158	2,071,578
Accumulated losses		(8,200,926)	(8,744,868)
Total Equity		32,868,039	31,357,761

The accompanying notes form part of these financial statements.

Mutiny Gold Ltd
STATEMENT OF CHANGES IN EQUITY

	Consolidated Group			
	Share Capital Ordinary	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
Balance at 1.7.2012	35,269,236	(14,879,508)	1,622,640	22,012,368
Total comprehensive loss for the period	-	(429,027)	-	(429,027)
Transfer from Option Reserve	-	78,335	(78,335)	-
Share based payment to related party	-	-	542,661	542,661
Issue of share capital, net of costs	449,750	-	-	449,750
Balance at 31.12.2012	35,718,986	(15,230,200)	2,086,966	22,575,752
Balance at 1.7.2013	38,031,051	(8,744,868)	2,071,578	31,357,761
Total comprehensive loss for the period	-	(494,095)	-	(494,095)
Issue of options to unrelated parties	-	-	846,181	846,181
Transaction costs	-	-	(58,581)	(58,581)
Transfer to/(from) Option Reserve	-	1,038,037	(982,020)	56,017
Issue of share capital, net of costs	1,160,756	-	-	1,160,756
Balance at 31.12.2013	39,191,807	(8,200,926)	1,877,158	32,868,039

The accompanying notes form part of these financial statements.

Mutiny Gold Ltd
STATEMENT OF CASH FLOWS

	Consolidated Group	
	31 Dec 2013	31 Dec 2012
Cash Flow from Operating Activities	\$	\$
Payments to suppliers and employees	(962,986)	(1,758,746)
R & D Refund	864,257	-
Interests received	28,472	19,521
Net cash flows (used in) operating activities	(70,257)	(1,739,225)
Cash Flow from Investing Activities		
Refunds from environmental bonds	403,552	-
Payments for plant and equipment	(985)	(5,310)
Payments for exploration and evaluation expenditure	(1,132,268)	(2,441,099)
Net cash flows (used in) investing activities	(729,701)	(2,446,409)
Cash Flow from Financing Activities		
Proceeds from issue of equities	863,431	415,000
Costs of equity issue	(45,812)	-
Proceeds from short term borrowings	-	1,925,760
Interest paid	-	(259,309)
Net cash flows from financing activities	817,619	2,081,451
Net (decrease)/increase in cash and cash equivalents	17,661	(2,104,183)
Cash and cash equivalents at the beginning of the period	1,650,764	4,251,094
Cash and cash equivalents at the end of the period	1,668,425	2,146,911

The accompanying notes form part of these financial statements.

Mutiny Gold Ltd
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporation Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Mutiny Gold Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the half-year, and to the date of this report.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's 2013 annual financial report for the financial year ended 30 June 2013. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

We have made an assessment of the consolidated entity's ability to continue as a going concern when preparing the financial statements.

The Group has incurred a net loss after tax of \$494,095 for the half-year ended 31 December 2013 (2012: \$429,027) and incurred a net cash outflow from operating activities of \$70,257 (2012: \$1,739,225).

The half-year financial report has been prepared on a going concern basis. The Group's ability to continue as a going concern and develop its projects at the planned rate is dependent upon successfully raising additional project finance and further working capital.

The half-year financial report does not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity be unable to continue as a going concern.

Significant Transactions

Share issues to contractors

On 4 July 2013, the Company issued 5,335,090 shares to a contractor as payment for services provided. Nominal value of payment was \$176,058.

On 20 September 2013, the Company issued 21,038,603 fully paid ordinary shares, at a price of 3.56 cents per share, to GR Engineering Services Limited as payment for preliminary engineering design work for the Deflector Copper-Gold Project processing facility completed thus far.

Expiry of listed options

On 23 July 2013, 55,776,857 of listed MYGOA options expired, and on 27 November 2013 89,614,584 listed MYGOB options expired.

Metals Purchase Agreement

On 20 August 2013, Mutiny reported that it had successfully renegotiated a Metal Purchase Agreement (MPA) with Sandstorm Gold Ltd as part of a restructuring of the proposed financing package to commercialise the high grade, low cost Deflector Gold-Copper Project, which is located within the wider Gullewa project area.

Under the amended Metal Purchase Agreement, Mutiny and Sandstorm agreed to decrease the size of the Sandstorm's financing facility from US\$41 million to the US\$6 million already drawn down in exchange for a reduced right to purchase 2.6% of the gold, as compared to a previous figure of 15%.

Mutiny Gold Ltd
NOTES TO THE FINANCIAL STATEMENTS

Options Issue

On 5 August 2013, the Company announced a new options issue and lodged a Prospectus with ASIC. The Company offered existing and new investors of the Company an opportunity to participate in an issue of a new class of options to raise up to \$800,000 before costs (Offer). The new options' issue price was 1 cent each and they are exercisable at 5 cents each on or before 15 August 2015. Up to 80,000,000 options were able to be issued under the Offer. The Offer was partially underwritten to the amount of \$561,218 by sophisticated or professional investors on the basis that a maximum of the first 56,121,858 options to be issued under the Offer were underwritten.

41,025,326 options were issued under Tranche 1 of the Offer from the Company's existing 15% placement capacity under the ASX Listing Rules. The Tranche 1 options were issued on 3 September 2013 raising \$412,253 before costs. The issue of the remaining 38,974,674 options under Tranche 2 of the Offer was conditional upon the shareholders of the Company approving the issue at a General Meeting of the Company. At the 4th of September 2013 General Meeting shareholders approved the issue of Tranche 2 options. 80,000,000 Tranche 2 options were issued on 19 September 2013 raising an additional \$800,000 before costs. The options issue was oversubscribed and the Company placed an additional 4,618,116 (\$46,182) options using the 15% placement capacity available under the ASX Listing Rules.

Mutiny Gold Ltd
NOTES TO THE FINANCIAL STATEMENTS

CONSOLIDATED GROUP

	31 December 2013	31 December 2012
	\$	\$
Note 2: Expenses		
Unrealised foreign exchange loss	514,248	13,348
<i>This loss has arisen as a result of the revaluation of a \$US6m non-current liability – refer note 4</i>		

	31 December 2013	30 June 2013
	\$	\$
NOTE 3: Exploration and Evaluation Expenditure		
Exploration & evaluation expenditures carried forward in respect of mining areas of interest.		
- At cost	39,304,276	37,804,492
	39,304,276	37,804,492

Reconciliation

Balance at beginning of period	37,804,492	32,628,557
Exploration/evaluation expenditure incurred	1,499,784	5,223,112
Exploration expenditure written off	-	(47,177)
	39,304,276	37,804,492

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of respective mining areas of interest.

Mutiny Gold Ltd**CONSOLIDATED GROUP**

31 December 2013

30 June 2013

\$

\$

Note 4: Financial Liabilities

Current Borrowings

Unsecured liability

- Non-interest bearing loan

—

6,261,087

—

6,261,087

Non-Current Borrowings

Unsecured liability

- Fair value of non-interest bearing loan

a

6,775,335

—

6,775,335

—

- (a) On the 20th of August 2013, Mutiny reported that it had successfully renegotiated a Metal Purchase Agreement (MPA) with Sandstorm Gold Ltd as part of a restructuring of the proposed financing package to commercialise the high grade, low cost Deflector Gold-Copper Project, which is located within the wider Gullewa Project area.

Under the amended Metal Purchase Agreement, Mutiny and Sandstorm agreed to decrease the size of the Sandstorm's financing facility from US\$41 million to the US\$6 million already drawn down by in exchange for a reduced right to purchase 2.6% of the gold, as compared to a previous figure of 15%.

In relation to the loans made to Mutiny by Sandstorm, under the terms of the amended Agreement, no principal or interest is required to be repaid until 16 April 2015. Until that date interest will accrue at 10%pa, calculated monthly. Upon Mutiny notifying Sandstorm, at any time before the 16th of April 2015, that in the opinion of Mutiny, acting reasonably, it has sufficient capital in hand in order to construct and develop the Deflector Gold-Copper Project, the loan will be converted into a Metals Purchase Stream where Sandstorm is entitled to 2.6% of the gold production. In the case of Mutiny not being in a position to provide the notice as described above, the principal and accrued interest will fall due on the 16th of April 2015.

Note 5: Deferred tax liability

Non-current

Deferred tax liability

a

951,135

951,135

951,135

951,135

- (a) Mutiny has recognised deferred tax liabilities in the amount of \$951,135. The recognition is a result of declining tax losses due to the claiming of Research and Development tax incentive offsets. The Board recognise that there is uncertainty regarding the exact timing and the amount that the liability will ultimately be payable. The deferred tax liability is based on best estimates and information available as at 30 June 2013.

Mutiny Gold Ltd
NOTES TO THE FINANCIAL STATEMENTS

CONSOLIDATED GROUP

	31 December 2013	30 June 2013
	\$	\$
Note 6: Provisions		
Non-Current Provisions		
Provision for Long Service Leave	81,362	57,244
	81,362	57,244

NOTE 7: Issued and paid up Capital

	\$	Number of Shares
<i>Movements in ordinary shares on issue</i>		
Balance at 1 July 2013	38,031,051	492,713,820
Issued during the period:		
4 July 2013 – as payment for services	154,717	5,335,090
23 July 2013 – exercise of listed options (MYGOA)	17,250	345,000
20 September 2013 – as payment for services	988,789	21,038,603
Balance at 31 December 2013	39,191,807	519,432,513

NOTE 8: Options

	Number of Options
	31 December 2013
Balance at 1 July 2013	176,581,441
Exercised during the period:	
MYGOA Listed Options	(345,000)
Expired during the period:	
MYGOA Listed Options	(55,776,857)
MYGOB Listed Options	(89,614,584)
Granted & Issued during the period:	
MYGO Listed Options	84,618,116
Balance at 31 December 2013	115,463,116

NOTE 9: Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on this basis.

Reportable segment disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and also similar with respect to the geographical location of the mineral development, exploration and evaluation projects.

Types of products and services by segment

Mineral development, exploration and evaluation:

Gullewa Gold Project in the Murchison region of WA

White Well Project in the Tuckabianna region of WA

Widgie South Project in the Widgiemooltha region of WA

Basis of accounting for the purposes of reporting by operating segment

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Some corporate charges may be allocated to reporting segments based on the segments overall proportion of tenement expenditure within the Group. The Board of Directors believes this is representative of likely consumptions of head office expenditure that should be used in assessing segment performance and cost recoveries.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Cash and debtors;
- Fixed assets;
- Fund raising costs;
- Corporate charges not related to mineral exploration and evaluation; and
- Retirement benefits obligations.

Mutiny Gold Ltd
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: Operating Segments cont.

(i) Segment performance

Six months ended 31.12.2013	Gullewa	WW	Donnellys	Widgie	All Other Segments	Total
Revenue						
Other revenue	-	-	-	-	15,585	15,585
Inter segment sales	-	-	-	-	-	-
Interest revenue	-	-	-	-	28,391	28,391
Total segment revenue		-	-	-	43,976	43,976
<i>Reconciliation of segment revenue to group revenue</i>						
Unallocated items:						
Inter segment elimination						-
Total group revenue						43,976
Segment net (loss) before tax	-	-	-	-	(1,349,646)	(1,349,646)
<i>Reconciliation of segment results to group net (loss) before tax</i>						
i. Amounts not included in segment result but reviewed by the Board						
- Corporate charges	-	-	-	-	-	-
- Depreciation and amortisation	-	-	-	-	(8,706)	(8,706)
- Write off of exploration expenditure	-	-	-	-	-	-
- Impairment of property plant and equipment	-	-	-	-	-	-
ii. Unallocated items:						
- Finance cost						-
- Other						-
Net (loss)before tax from						(1,358,352)
Six months ended 31.12.2012	Gullewa	WW	Donnellys	Widgie	All Other Segments	Total
Revenue						
Other revenue	-	-	-	-	8,485	8,485
Inter segment sales	-	-	-	-	-	-
Interest revenue	-	-	-	-	19,521	19,521
Total segment revenue		-	-	-	28,006	28,006

Mutiny Gold Ltd
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: Operating Segments cont.

Reconciliation of segment revenue to group revenue at 31.12.2012

	Gullewa	WW	Donnellys	Widgie	All Other Segments	Total
Unallocated items:						
Inter segment elimination						-
Total group revenue						28,006
Segment net (loss) before tax	-	-	-	-	(2,446,756)	(2,446,756)

Reconciliation of segment results to group net (loss) before tax

i. Amounts not included in segment result but reviewed by the Board

- Corporate charges	-	-	-	-	-	-
- Depreciation and amortisation	-	-	-	-	(12,140)	(12,140)
- Write off of exploration expenditure	-	-	(48,520)	-		(48,520)
- Impairment of property plant and equipment	-	-	-	-	-	-
ii. Unallocated items:						
- Finance cost						-
- Other						-
Net (loss)before tax from						(2,507,416)

Segment assets	Gullewa	WW	Donnellys	Widgie	All Other Segments	Total
Opening Balance 1 July 2013	35,764,308	1,624,486	-	415,698	2,355,231	40,159,723
Segment assets increases/(decreases) for the period						
Additions	1,482,297	14,323	-	3,164		1,499,784
Disposals	-		-	-	(548,609)	(548,609)
	37,246,605	1,638,809	-	418,862	1,806,622	41,110,898

Mutiny Gold Ltd
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: Commitments and Contingencies

Expenditure Commitments

Under the requirements of the Western Australian Department of Mining and Petroleum, the Company has an annual minimum expenditure commitment of \$869,200 on granted tenements. As at 31 December 2013 the Company had met the minimum expenditure requirement on its granted tenements or successfully applied for expenditure waivers from the Department of Minerals and Petroleum (WA).

Tenement	Date Acquired	Annual Expenditure Commitment
		\$
M20/54	27/03/2009	63,400
E15/1025	20/01/2010	20,000
Gullewa Gold Project	20/07/2010	<u>785,800</u>
	TOTAL	<u>869,200</u>

In order to retain the rights of tenure to its granted tenements, the Company is required to meet the minimum statutory expenditure requirement but may reduce these at any time by reducing the size of the tenements. The figure quoted below assumes that no new tenements are granted and that only compulsory statutory area reductions are made.

	\$
Not later than 1 year	869,200
Later than 1 year but not later than 5 years	2,658,646
Later than 5 years	<u>2,572,884</u>
TOTAL	<u>6,100,730</u>

Contingent Liabilities

The Company has a \$16,602 Bond in place for the 29 Charles Street, South Perth office lease which is secured with a bank guarantee.

NOTE 11: Events Subsequent to Balance Date

Capital Raising by Placement and Rights Issue

On 19 February 2014, the Company announced that it has received commitments for 92,592,593 shares at an issue price of \$0.027 per share, to raise \$2.5 million from investors before costs, including a strategic placement to Ausdrill Limited. Ausdrill will take a strategic shareholding in the Company and be appointed as Mutiny's preferred Contractor.

In addition to the placement, which was made under the Company's existing placement capacity, Mutiny also launched a 1:10 pro rata non-renounceable entitlement offer to raise up to an additional \$1.65 million (before costs). The entitlement offer closing date is Monday 24 March 2014.

The funds from the placement and entitlement offer will allow the Company to begin drilling numerous high grade, drill ready gold targets at its Deflector Gold-Copper Project at Gullewa, in Western Australia's Mid-West Region.

Executive Management Change

On 10 February the Company announced that Mr John Greeve had stepped down as Managing Director. Mr Rowan Johnston is Acting CEO until a permanent replacement has been sourced.

Mutiny Gold Ltd
DIRECTORS' DECLARATION

The directors of Mutiny Gold Limited (the Company) declare that:

1. The financial statements and notes as set out on pages 10 to 22:
 - (a) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Dr Frank Lawson
Chairman

Dated: 12 March 2014



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Mutiny Gold Ltd
29 Charles Street
South Perth WA 6151

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2013 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 12/3/2014



Chartered Accountants



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

Independent Review Report to the Members of Mutiny Gold Ltd

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Mutiny Gold Ltd for the half-year ended 31 December 2013.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2013 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Mutiny Gold Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Mutiny Gold Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2013 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Graham R Swan
Partner

Dated

12 / 3 / 2014



Chartered Accountants