



## QUARTERLY ACTIVITY STATEMENT

### DECEMBER 2013 QUARTER HIGHLIGHTS

#### Deflector Gold Project

- Planning and approvals for 2014 drill programme well advanced
- Workshop of industry experts supports company's capital funding plans
- New Structured Finance initiative commenced

#### Rocksteady Iron Project:

- Over 2,700 metres of RC and Diamond drilling completed
- Iron Resource Tonnes increased from 0.65 to 1.15 million tonnes
- 95% of Resource now converted to JORC Indicated Resource category

#### Corporate Highlights

- Annual General Meeting held

### INTRODUCTION

Mutiny Gold Ltd ("Mutiny" or "the Company") (ASX:MYG) has continued to strive towards its goal of becoming a significant and profitable minerals producer by completing an updated DFS for its Deflector Gold-Copper Project and a scoping study for the Rocksteady Iron Project within its Gullewa tenement package in the Murchison Region of Western Australia.

The Deflector studies again demonstrate it is a high grade and low cost mine with considerably high profit margins. (Per ASX announcement 02/09/13). Following completion of a workshop on Deflector during the December 2013 Quarter, the Company commenced a new Structured Finance initiative for the Project. The workshop also supported the guideline for the proposed 2014 Deflector drill strategy with the objectives of increasing gold resources to support extended life of mine, maintaining and improving the project's low cost/high grade advantages and potentially increasing the proposed rate of production.

Based on the positive scoping study, ASX announcement 30/08/13, Mutiny also advanced its plans for the Rocksteady Iron Project. A drilling programme was conducted in October/November and the results of the successful programme - as announced on the 17<sup>th</sup> of December 2013 - was a substantial 75%



increase in the resource (Table 2). This supports Mutiny's aim of deriving cash flow from Rocksteady by early production or a potential sale of the project to support and achieve shareholder value whilst the Company continues pursuing funding options for its flagship high-grade Deflector Gold-Copper Project.

## **DEFLECTOR GOLD-COPPER PROJECT – WA**

### **Workshop on project funding**

Mutiny's Managing Director, John Greeve, chaired a workshop of industry experts from disciplines including finance, construction, metallurgy, mining, geology, legal, broking and banking.

The workshop included an overview of the Company's updated Definitive Feasibility Study and a number of capital funding models. A key focus was risk minimisation aimed at maintaining a strong and sustainable operating margin based on Deflector's high grade gold resource of 6.4g/t Au (ref Table 1), and low all in sustaining costs at \$801/oz Au (per ASX announcement 02/09/13). The strategy included a detailed dynamic Hedging Programme and flexible structured finance modeling. The outcome was the strong support for the Company to commence executing its strategy. Mutiny is now in detailed discussion with a number of large investment funds, including several from overseas. The programme is being supported by a leading bank. The Company advises timing of outcomes is on a predetermined pathway, but is subject to variation due to amongst other factors, the fluctuations in gold metrics and currency values.

### **Planning 2014 Deflector drill programme**

- Following on from the successful Sub-Audio Magnetics ("SAM") survey over Deflector in 2013, Mutiny has prepared an initial 2014 drilling programme, and applications for regulatory approval to drill have been lodged and approved.
- An in-house workshop relating to the exploration strategy and associated operational costs for the Deflector project for 2014 was conducted by Mutiny geology personnel and consultants.
- Mutiny is currently finalizing the 2014 drilling programme including budgeting and tendering of the drilling contracts.

Successful exploration activities in May 2013 identified significant extensions to the mineralised host structure of the high-grade Deflector gold-copper deposit, more than doubling the previously known footprint. These significant discoveries were confirmed by Southern Geoscience ("SGC") using SAM technology to successfully map the weathering profile under cover, along with developing a detailed structural framework based on existing high-resolution magnetics data.

The SAM method has proven successful for discovering blind gold deposits in conductive environments in the Goldfields, such as the Songvang Gold Mine near Agnew which - like Deflector, was hosted in basalt and had no surface geochemical signature because of thick transported overburden. This method and its ensuing success at Deflector, has generated considerable interest from other companies with similar geological settings.



The 2014 drilling programme will focus on targets in close proximity to the Deflector mine infrastructure. The Deflector Resource is open in both directions along strike and at depth. The aim of this programme is a culmination in increased JORC resources and extensions to the Deflector Life of Mine (LOM) and/or production rates for both open pit and underground operations.

The programme is being designed to target high-grade extensions of known mineralisation, as well as testing compelling near-mine targets highlighted by the SAM survey (see Mutiny's 21<sup>st</sup> of May 2013 ASX announcement). Mutiny will provide a detailed presentation of the finalised programme plan shortly.

**Figure 1. Deflector Resource correlation with SAM interpretation**

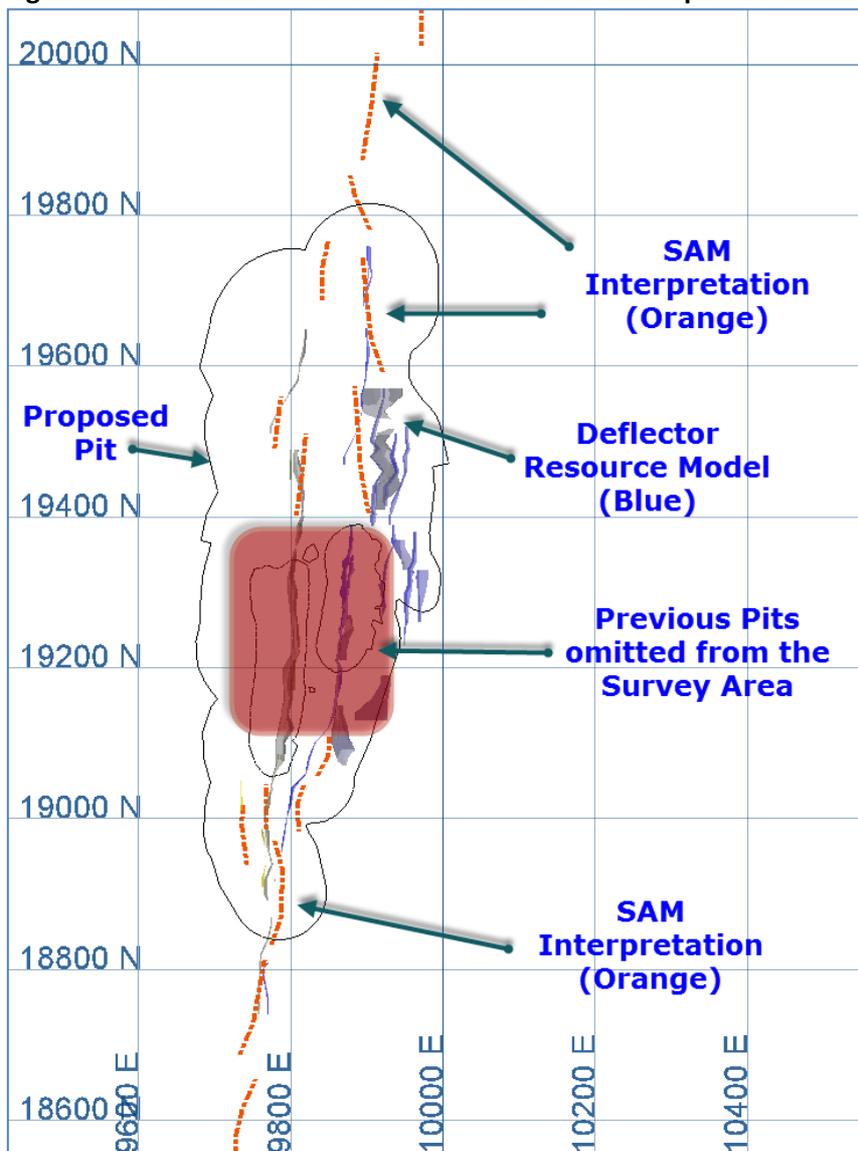




Table 1 Deflector Deposit Mineral Resources

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
<b>Measured &amp; Indicated</b>	<b>2,023,000</b>	<b>6.00</b>	<b>390,000</b>	<b>1.08</b>	<b>22,000</b>	<b>8.02</b>	<b>521,000</b>
Inferred	842,000	7.41	201,000	0.61	5,000	3.96	107,000
<b>Totals</b>	<b>2,865,000</b>	<b>6.41</b>	<b>591,000</b>	<b>0.95</b>	<b>27,000</b>	<b>6.82</b>	<b>628,000</b>



## ROCKSTEADY IRON PROJECT

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

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 2) on the previously reported JORC Resource figure. (Refer ASX Announcement 17/12/13).

**Table 2: JORC-Compliant Mineral Resource**

<b>ROCKSTEADY IRON JORC RESOURCE - DECEMBER 2013</b>							
<b>Category</b>	<b>Tonnes</b>	<b>Density</b>	<b>Fe %</b>	<b>SiO2 %</b>	<b>Al2O3 %</b>	<b>P %</b>	<b>LOI %</b>
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
<b>Total</b>	<b>1,153,000</b>	<b>3.64</b>	<b>51.8</b>	<b>14.3</b>	<b>2.3</b>	<b>0.09</b>	<b>6.5</b>

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. The latter holes also providing important hydrological and metallurgical data for the ongoing Rocksteady scoping study.

John Greeve, Managing Director of Mutiny Gold, said: "The tonnage increase is a very pleasing result, and validates our exploration programme. In addition, 95% of resources are now in the high confidence Indicated category, allowing for a mining reserve to be estimated. Based on these results, we believe the project is robust, with the resource supporting our ongoing off-take discussions and we are progressing towards all necessary permitting.

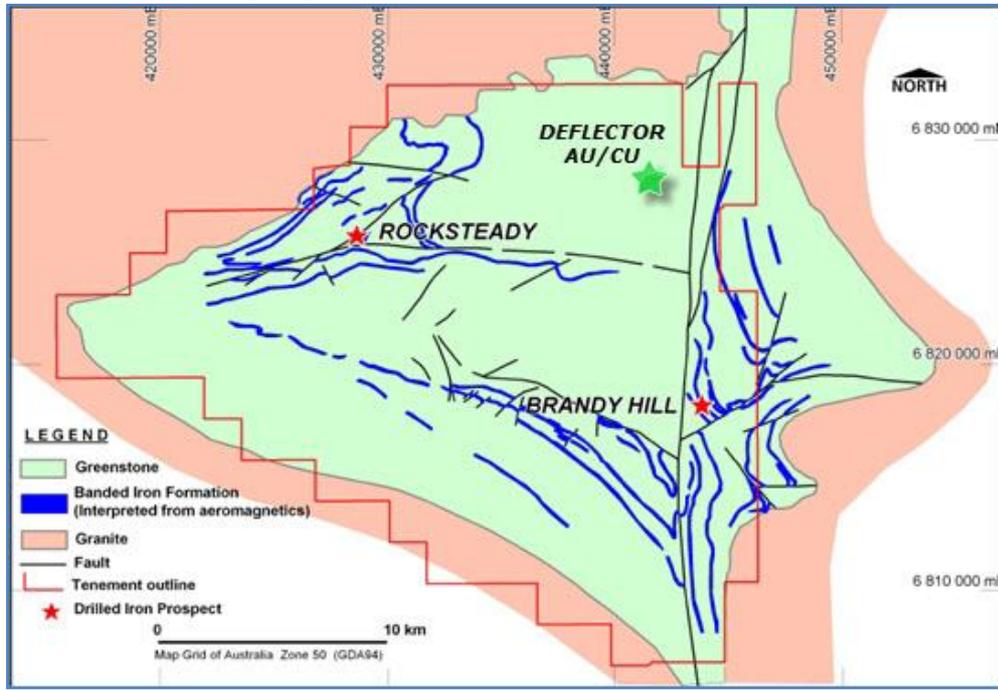
"Critically, the resource upgrade and expansion not only demonstrates the robust nature of the Rocksteady Iron Project, but also indicates that Mutiny's Gullewa tenements have significant prospectivity for further discoveries and development opportunities. Whilst our primary focus remains on our flagship high grade, low cost Deflector Gold-Copper Project, the opportunity to increase the wealth of the Company and shareholders through further development of additional minerals is compelling," said Mr Greeve.

### **The Rocksteady Iron Project**

Rocksteady is located 10km west of Mutiny Gold's Deflector Gold-Copper Project, within the Company's Gullewa Tenement Package (Figure 2) and is part of the Company's multi-mine strategy. It offers a low cost start up and early cash-flow opportunity for Mutiny or as a potential capital raising asset.



Figure 2: 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 3 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.

Table 3: 2013 RC Drilling Significant Intercepts

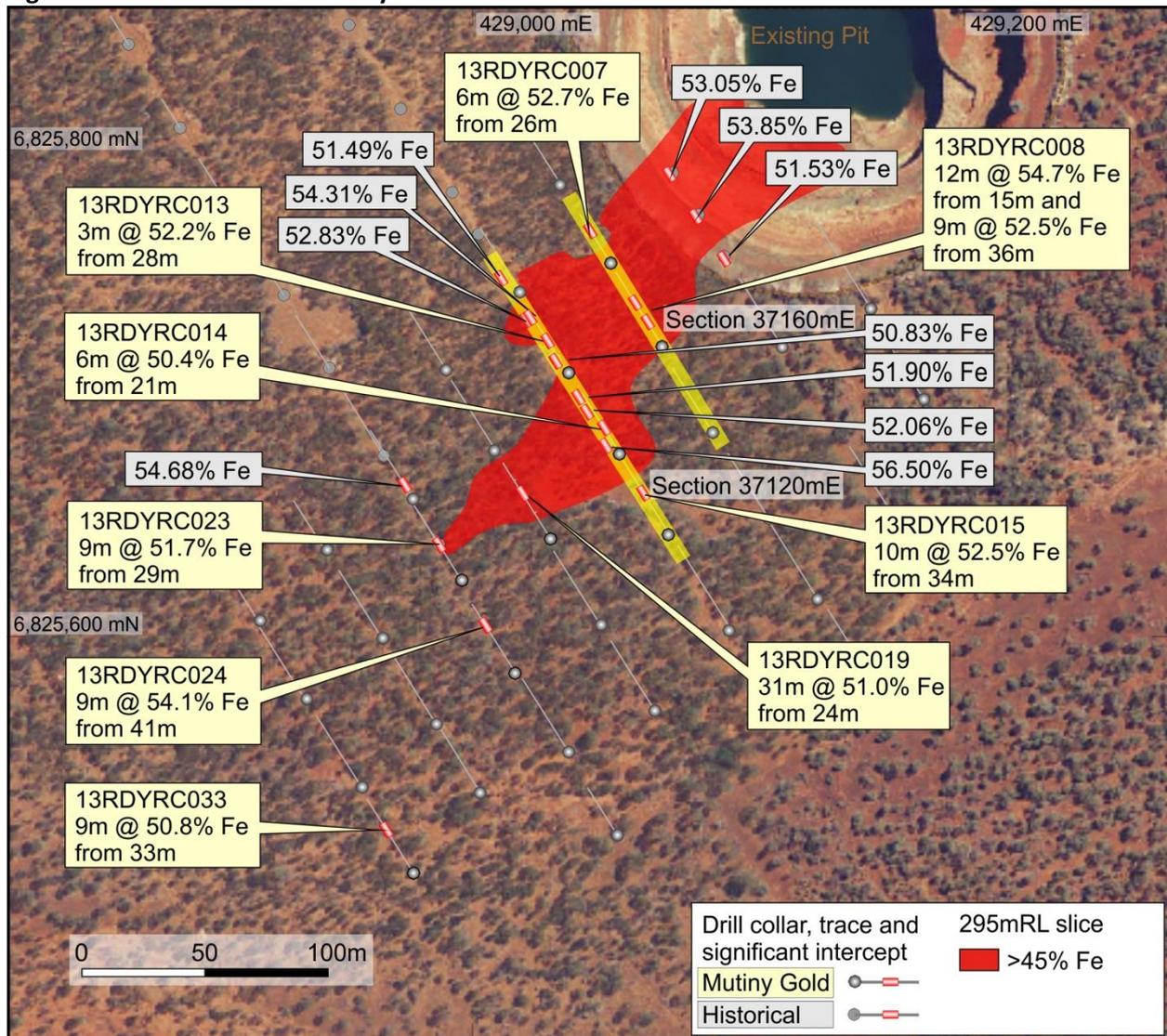
Hole_ID	From	To	Interval	Fe%	SiO2%	Al2O3%	P%
13RDYRC007	26	32	6	52.7	12.0	3.0	0.04
13RDYRC008	15	27	12	54.7	11.3	3.1	0.03
13RDYRC008	36	45	9	52.5	12.9	1.6	0.13
13RDYRC013	28	31	3	52.2	14.1	3.3	0.04
13RDYRC014	21	27	6	50.4	14.5	4.7	0.02
13RDYRC015	34	44	10	52.5	13.7	1.4	0.18
13RDYRC019	24	55	31	51.0	14.3	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 3 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 22<sup>nd</sup> June 2007.

Figures 4 and 5 outline schematic cross-sections through the deposit in a local grid. The location of each cross-section is shown in Figure 3.

**Figure 3: Plan View of Rocksteady Iron Resource at 295m RL**





**Exploration Upside**

A project review of the Rocksteady Iron Deposit by Mutiny in conjunction with Continental Resource Management (CRM) points to potential for further resource upside and extensions.

CRM proposed that further drilling along the boundaries of the resource could yield additional upside to the resource, given the current 40m x 40m spaced drilling density. In addition, given the trend of regional mineralisation, there is potential for extensions of iron mineralisation northeast of the Rocksteady Pit.

Importantly CRM has also provided support for Mutiny’s exploration strategy for the discovery of additional Iron Deposits within the Gullewa tenement package which contains 170km of prospective Banded Iron Formation.

**Figure 4: Cross Section 37,160E**

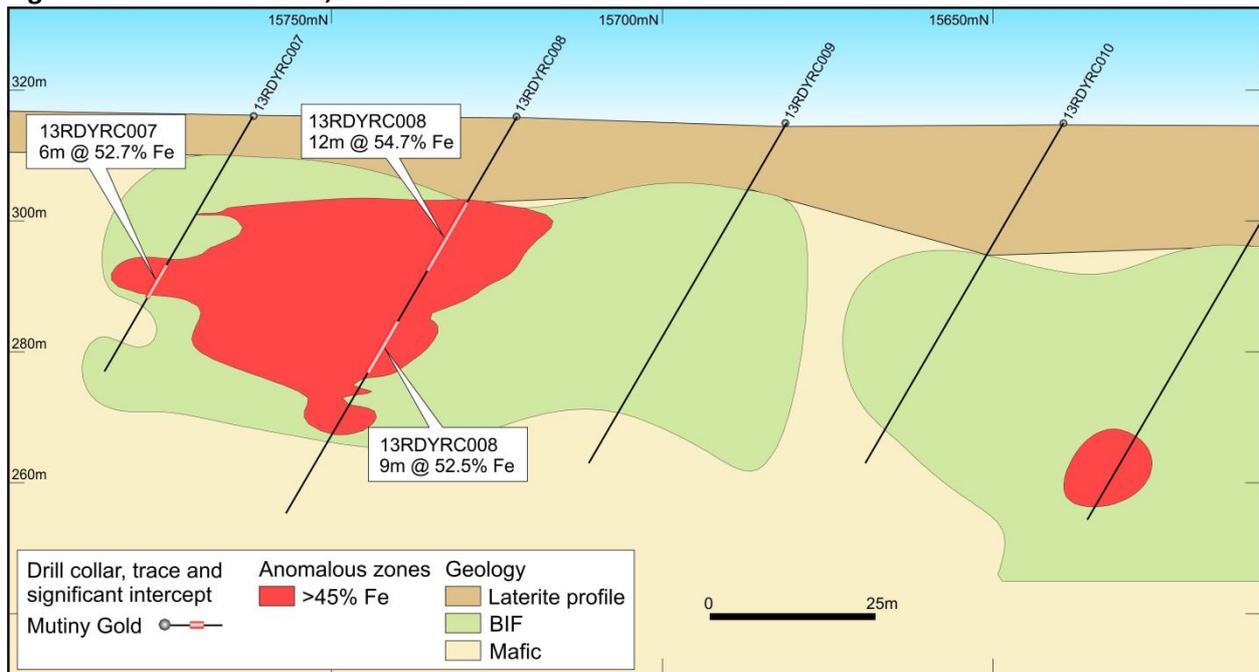
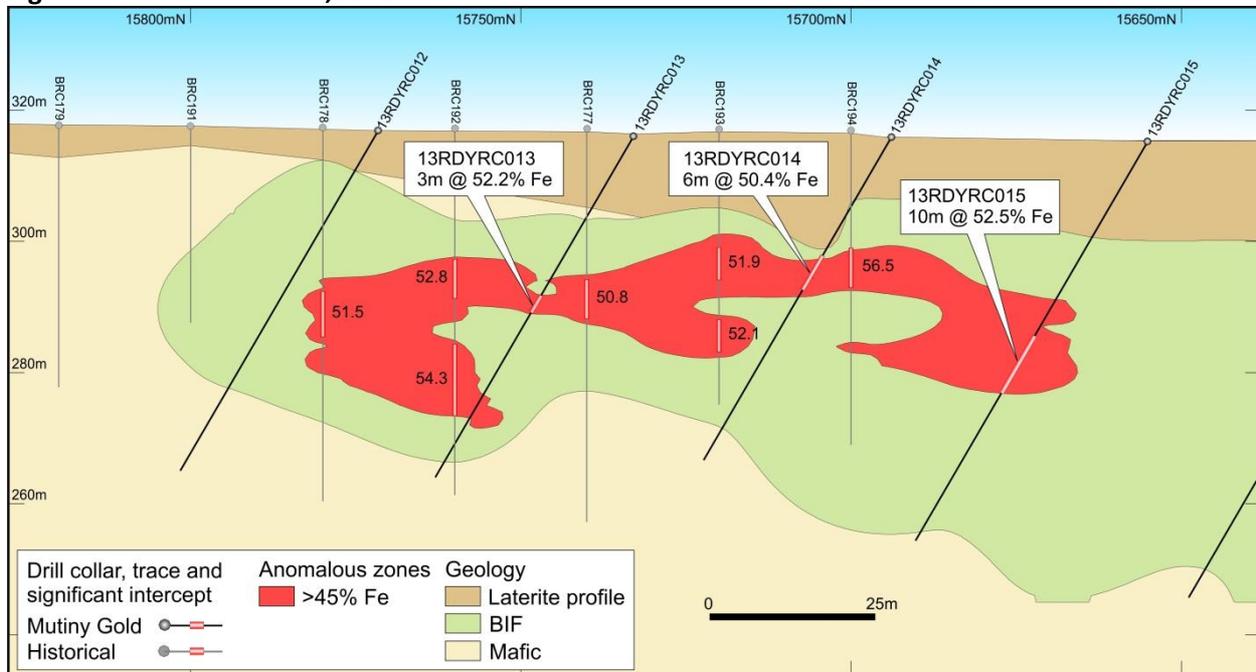




Figure 5: Cross Section 37,120E



Mutiny confirms that it is not aware of any new information or data that materially affects the information included in this quarterly 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.



## TENEMENTS HELD AS AT THE END OF THE DECEMBER 2013 QUARTER

TENEMENT	LOCATION	MUTINY GROUP'S INTEREST
<b>White Well Tenements:</b>	<b>Tuckabianna region of WA</b>	
M20/054		70%
P20/2190		70%
<b>Widgie South Tenement:</b>	<b>Widgiemooltha region of WA</b>	
E15/1025		100%
<b>Gullewa Tenements:</b>	<b>South Murchison region of WA</b>	
E59/1134		100%
E59/1240		100%
E59/1241		100%
E59/1242		100%
E59/1274		100%
M59/049		100%
M59/068		100%
M59/132		100%
M59/133		100%
M59/224		100%
M59/294		100%
M59/335		100%
M59/336		100%
M59/356		100%
M59/391		100%
M59/392		100%
M59/442		100%
M59/507		100%
M59/522		100%
M59/530		100%
M59/531		100%
P59/1737		100%
L59/035		100%
L59/049		100%
L59/050		100%
L59/070		100%
L59/071		100%
L59/118		Pending
L59/064		100%

There were no tenement acquisitions or disposals during the December 2013 quarter.

There was no change in percentage of beneficial ownership under the farm-in agreement during the December 2013 quarter.

**CORPORATE****Annual General Meeting**

The Company held its Annual General Meeting of Shareholders on the 27<sup>th</sup> of November 2013. Resolution 7 which concerned a spill meeting was withdrawn. All other proposed resolutions were passed without amendments.

**Expiry of options**

On the 27<sup>th</sup> of November 2013, the listed MYGOB options expired without being exercised.

END

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***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.*