



MUTINY IN DISCUSSIONS ON DEVELOPMENT OF ROCKSTEADY DSO IRON PROJECT

HIGHLIGHTS:

- **Opportunity identified to commercialise historic iron ore assets**
- **Advanced negotiations underway with local iron producer on DSO shipments**
- **Potential to receive cash flow within next 6 to 8 months**
- **Iron earnings to help fund further development of Deflector and other Gullewa project opportunities**
- **New opportunities to enhance and advance the Deflector Gold-Copper Project identified**

Australian resources company Mutiny Gold Ltd (ASX: MYG) ("Mutiny" or the "Company") is pleased to announce that it is currently in advanced discussions with a local producer to commercialise the iron ore assets contained in its Gullewa Project area, located within the Murchison Region of Western Australia. This strategy could potentially generate early cash flow for Mutiny within the next 6 to 8 months.

Mutiny is also in detailed negotiations with a large mining contractor to form a potential partnership to develop the Rocksteady asset with the partner supplying mining equipment and start up funding.

As previously announced by Mutiny, the Gullewa tenements contain significant iron mineralisation within numerous banded iron formation ("BIF") units. These BIF units are interpreted to have a total length of approximately 150km. The BIF units are underexplored having been previously drilled for iron ore mineralisation at only two locations being the Rocksteady and Brandy Hill Prospects. At both of these prospects significant iron mineralisation was intersected. The BIF units are typical hematite similar to those found elsewhere in WA's growing Mid-West iron region that are currently being mined.

The development of the iron assets and their proximity to key infrastructure has been attractive to Mutiny since it acquired the Gullewa tenements in June 2010. The Project is strategically located approximately 50km from a railway, and 200km from the Port of Geraldton.

Mutiny's Managing Director, John Greeve, said the Company has always highlighted the mineral endowment contained within its Gullewa tenements and the variety of development opportunities they contain and maintained a strongly announced company objective of being a multi-mine operator.

"A Rocksteady development has always been one of our key, early stage development options at Gullewa and right now a 'window of opportunity' has opened up for Mutiny and we intend taking



advantage of it, with the very real potential for Mutiny to be earning cash from this development by early to mid 2014.

“Rocksteady is located on an already granted Mining Lease and there is sufficient evidence to suggest that there is significant upside for adding substantial quantities of DSO quality Hematite. In this regard we have also entered into discussions to quickly begin a significant new drilling programme there,” Mr Greeve said.

Mr Greeve described the proposed development as a win/win situation for Mutiny as it will:

- Allow the Company to be cash flow positive;
- Allow the Company to develop a valuable asset; and
- Allow it to continue to build the Deflector Gold-Copper Project into a company making asset.

Deflector Gold-Copper Project

Mutiny is also pleased to announce it has also identified a potential new strategy for developing our high-grade, low cost Deflector Gold-Copper Project.

The strategy it is currently working on is to have the construction of the Deflector Gold-Copper processing plant partly funded by a leading mining services company and this would entail:

- The mining construction company carrying a large portion of the cost of constructing the Deflector Gold-Copper processing plant
- A separate mining services company being awarded the Deflector mining contract on the basis they provide equipment and funding required for the mine development

“We have already entered into detailed discussions with a major mining construction company and a leading mine contractor. With the mining services sector enduring a significant slowdown in activity and beginning to lay off workers, Mutiny and our potential development and operational partners have identified an option that is a win/win opportunity for all,” Mr Greeve said.

Deflector Finance Package

Mutiny is also providing an update on discussions aimed at concluding a financing package for the Deflector Gold-Copper Project.

The Company confirms that four significant banks were short-listed to potentially participate in a bank financing syndicate – and after significant due diligence - all four banks have provided initial approval for Deflector development funding. Mutiny had progressed to harmonising terms on a two bank Funding Deal and up until Wednesday 19th June, matters were progressing towards a successful conclusion for a funding package of circa \$40m (plus \$40m from Sandstorm).



However, with gold and equity markets currently in a state of turmoil, the Company has elected to investigate other development funding opportunities.

"It has become quite clear since the latest price fall that it is going to be very difficult in this current market to quickly conclude a financing package for Deflector which retains shareholder and project value. Several emerging producers have announced similar conclusions over the past few weeks," Mr Greeve said.

"While we, and our financial advisers, strongly believe that Deflector's credentials put it at the leading edge for development proposals of its size in Australia, the fact is that for every step forward we have made in concluding a financing package, we have been pushed back just as much by market developments out of our control.

"While we are continuing to maintain Deflector financing discussions with a number of banks, it will no longer be our sole focus for funding future developments.

"Our key objective now is to be cash flow positive and to create shareholder value as rapidly as possible and the opportunities we have announced today is a clear outline of the strategy to achieve that outcome."

Figure 1 – Project Location Map

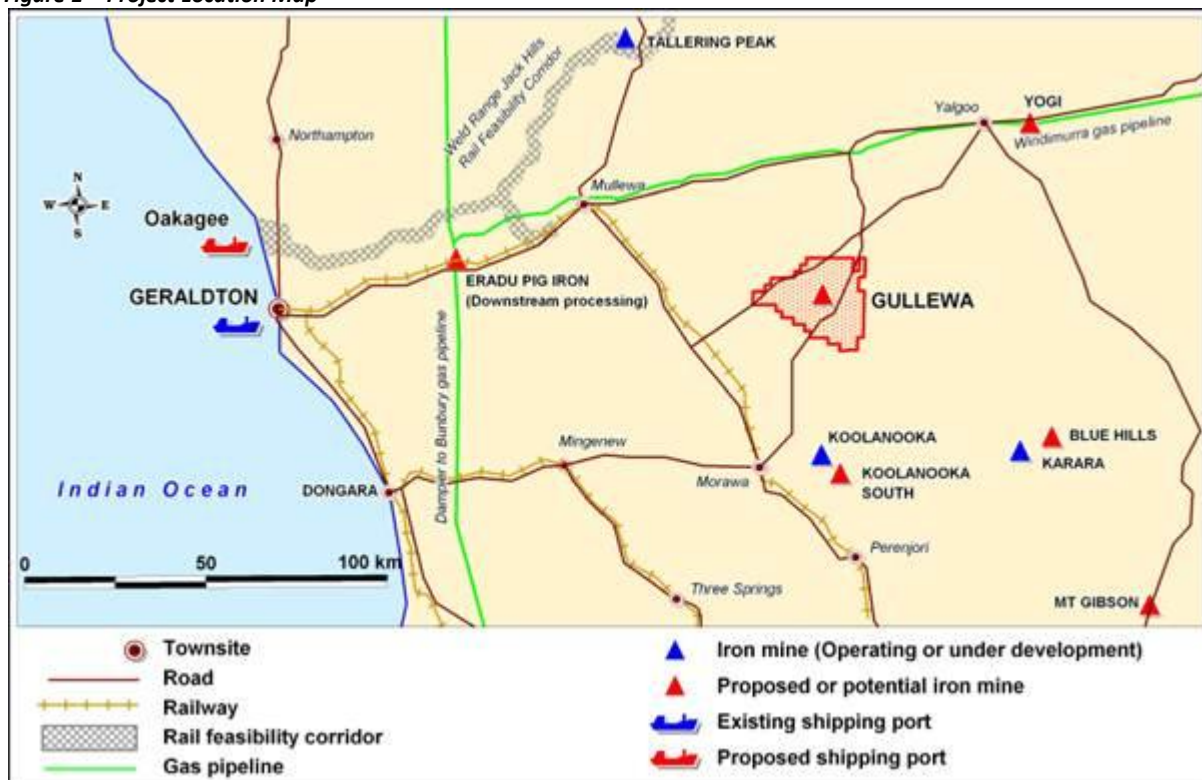
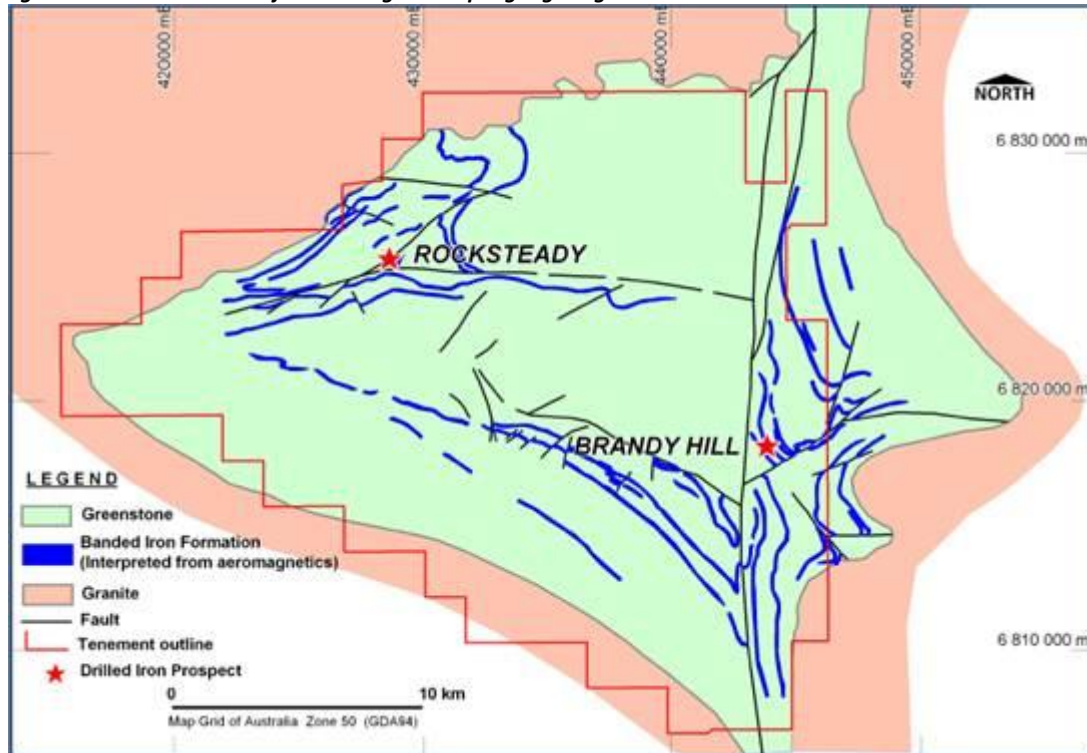




Figure 2 – Gullewa Iron Projects Geological Map highlighting BIF Units



Forward Looking Statements

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