

ASX/Media Release

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Mutiny Gold Doubles Target Production Rate for Deflector Project in Western Australia to 100,000 ounces of Gold per annum

HIGHLIGHTS:

- **New drill results indicate potential for significant resource increase;**
- **Mutiny now targeting initial production rate of 100,000 ounces per annum;**
- **Increase to be supported by extensions of both underground and open pit resources;**
- **Current drilling program close to completion;**
- **Results to be included in planning for further resource upgrade drilling program.**

Mutiny Gold Ltd (ASX:MYG) ("Mutiny" or the "Company") is pleased to announce that its successful ongoing exploration program at its flagship Deflector Project in the Murchison region of Western Australia has led to an increase in its proposed initial production rate to 100,000 ounces of gold per annum.

Recent drilling at Deflector, designed to test Northern and Southern resource extensions, has reinforced the Company's view of the potential for a significant increase in resources. Previously announced drilling results support the potential for additional open pit resources, particularly to the North, and additional underground resources both to the North and to the South of the existing resources.

This has led to a re-assessment of the target production capacity for the Deflector Project, significantly increasing the initial annual gold production rate from the proposed 50,000 ounces per annum gold to a minimum of 100,000 ounces per annum once mine production is fully operational. The company has resolved to expand the scope of its feasibility studies to incorporate a re-assessment of the Deflector Project which is now expected to support production in the order of 100,000 -120,000 ounces of gold per annum when fully ramped up.

Four significant resource extension targets have been identified by the recent drilling.

These zones are targeting additional ounces and their location is outlined in Figure 1.

- **Zone 1** represents a Southern underground resource extension target, located between 18,800mN and 19,000mN, and between 160mRL and 0mRL.
- **Zone 2** represents a Northern underground resource extension target, located between 19,500mN and 19,700mN, and between 160mRL and 0mRL.

These two zones have the potential to significantly increase the strike length of the current underground resource.

- **Zone 3** represents a Southern open pit target, open to the south and at depth. Significant intersections from the previous drilling immediately to the north of this zone, announced on 21st of June 2011, include 1m @ 72.2g/t, 4m @ 15.9g/t, and 8m @ 3g/t Au. The recently completed, most southerly drill line in this area intersected multiple pyritic quartz veins (assays pending).
- **Zone 4** represents a Northern open pit target, open to the north and at depth. The main Deflector resource is some 880m in strike length and is cut off to the north by a later dolerite intrusion. The only hole drilled to date to the north of this dolerite returned significant mineralisation (3m @ 9.9g/t Au) and indicates that the Deflector system continues to be open to the north. A review of the geological and aeromagnetic data reinforces this understanding.

The Exploration Target for Zones 1 and 2 is between 300,000t and 900,000t at grades of between 4g/t and 7g/t Au and 0.5% and 1.0% Cu for totals of the order of 100,000oz Au and 3500t Cu. This target is to a depth of only 280m below surface and mineralisation within the zones can be expected to continue down plunge.

It is stressed that the target is conceptual in nature and has yet to be drill tested. There has been insufficient exploration to define a JORC compliant Mineral Resource and it is uncertain if future exploration will result in the further resources being discovered.

Mutiny believes Zones 3 and 4 have the potential to identify a system equivalent to the existing Deflector system, which has current total resources of 590,000 ounces of gold (see Table 1).

Ongoing drilling of the Central and Contact Lodes that parallel the main Deflector West Lode is expected to further add to the current resource base to enable a production level of 100,000 ounces of gold per annum.

The current drilling program is very close to completion and Mutiny intends to undertake a thorough review of all of this work and to design a further diamond drill program specifically targeting Zones 1 and 2 mentioned above to continue to build the project's resources. This work will be conducted concurrently with further project optimisation studies prior to commencing a definitive feasibility study. Commenting on the new production targets, Mutiny Gold's Managing Director, John Greeve, said that the increase to 100,000oz pa should provide significant increases in forecast annual profits to be derived from the Deflector Project development.

"The doubling of production at Deflector will allow Mutiny to unlock significant value for our shareholders," Mr Greeve said.

The recent Exploration success has given Mutiny the confidence that the resource at Deflector is of sufficient scale to justify an expanded mining scenario. The current pre-feasibility study work indicates that this may be attained by increasing the underground mining rate from 320,000tpa to 500,000tpa should the strike length be extended as expected, as this will allow an increased number of underground mine headings, and thus increased production rate.

It is expected that increased underground production will be further supported by the addition of new open pit tonnage from both Southern and Northern extensions.

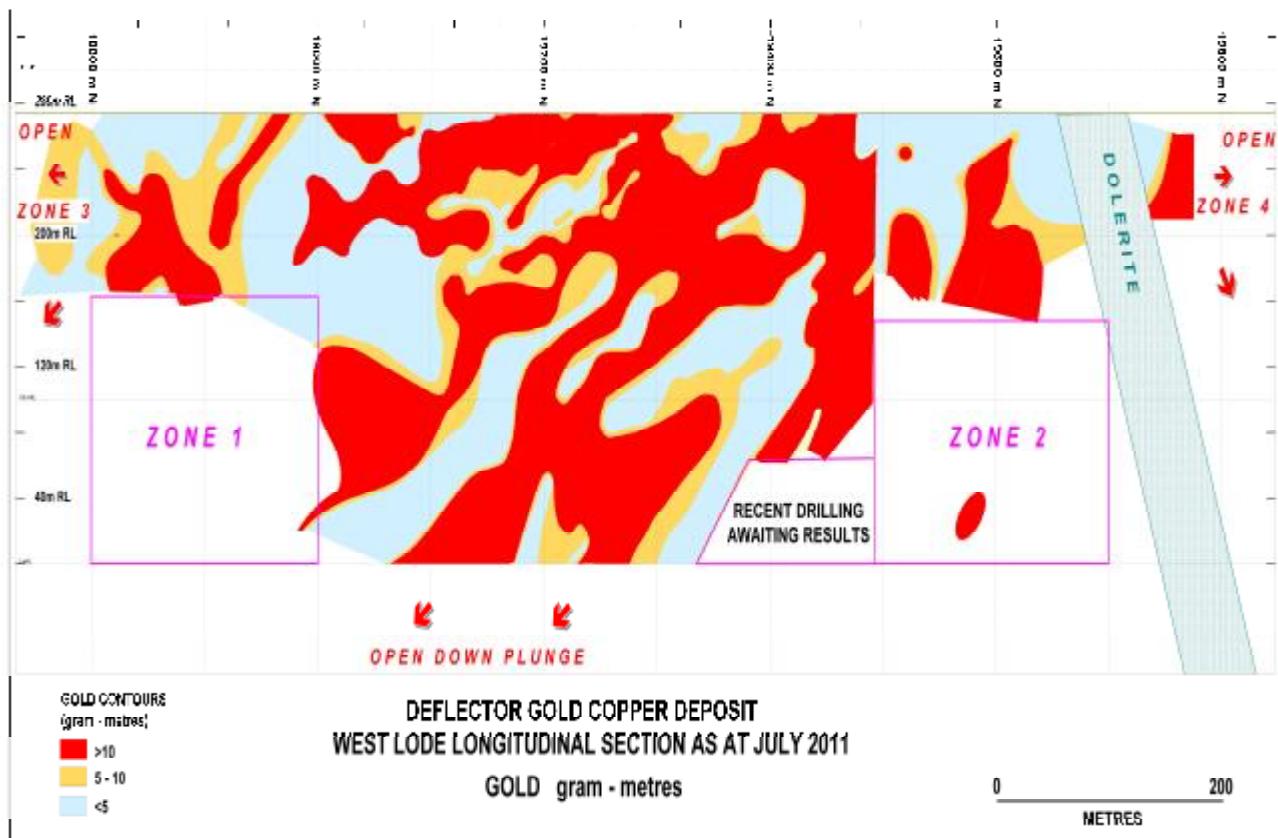


Figure 1 Long section of Deflector Deposit West Lode showing target zones

Table 1 Deflector Deposit – Total Resources

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	Cu (t)	Ag (g/t)	Ag (oz)
Measured	930,000	4.3	130,000	1.26	12,000	6.8	200,000
Indicated	570,000	5.7	100,000	0.8	4,500	5.6	100,000
Inferred	1,900,000	6	350,000	0.5	9,000	3	200,000
Totals*	3,400,000	5.4	590,000	0.8	25,500	4.7	510,000

* Note: Totals may appear incorrect due to appropriate rounding

Ends

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Competent Persons Statements:

The geological information in this report which relates to Exploration Results and Mineral Resources is based upon information compiled by Mr J.J.G. Doepel, B.Sc (Hons), GradDipForSc, Dip Teach, Principal Geologist of Continental Resource Management Pty Ltd. Mr Doepel 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 Doepel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

The information in this report which relates to production is based upon information compiled by Mr K. Reynolds, B.Sc (1st Cl. Hons) Extractive Metallurgy, who is employed by Mutiny Gold Ltd as the Deflector Project Manager, and reviewed by Allan Brown, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Brown has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person. Mr Brown is a director of Mutiny Gold Ltd and consultant to the mining industry. This report is issued with Mr Brown's consent as to the form and context in which the information appears.

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.