



Company Update – Video Interview with Managing Director

Managing Director, Mr. John Greeve, discusses the progress of the Company. The Interview can be viewed at this [link](#)

Transcription of Finance News Network Interview with Mutiny Gold Limited (ASX:MYG) Managing Director and CEO, John Greeve

Clive Tompkins: Hello Clive Tompkins reporting for the Finance News Network. Joining me from gold explorer and developer Mutiny Gold is Managing Director and CEO, John Greeve. John welcome to FNN. First up, when did the Company list and what's its focus?

John Greeve: Yeah thanks very much. Mutiny listed in 2006, initially on a Victorian asset but in June 2010, we acquired the Gullewa gold project. And within the Gullewa gold project, is Deflector and our key focus now is bringing Deflector into production.

Clive Tompkins: Thanks John. So where is the Deflector project located and what stage is the project?

John Greeve: Yes, so the Gullewa gold project and Deflector are located 170 kilometres inland from Geraldton. And so it's going to be a fly in, fly out operation, we'll probably fly in through Mullewa and then bus to site so that we can engage the community. The project at the moment - we're in the process of completing a definitive feasibility study with a view to obtaining project finance by the middle, towards possibly around August. 1st of August is our actual set date and then move it into development and production.

Clive Tompkins: And John, what's the size of the resource and likelihood of an upgrade?

John Greeve: So it's a copper/gold/silver project. So in equivalent ounces, it's 695,000 ounces which is 530,000 ounces of gold, 700,000 ounces of silver and 29,000 tonnes copper. Likelihood of an upgrade is dependent on a number of factors. So our target is 2.5 million ounces, which we expect to develop over the next three years and we've detailed that in phases along strike - initially down to 500 metres and then between 500 and 1,000. The last program, it will be developed post production when we drill from cuddies, from established declines underneath the open pit.

The likelihood of an initial upgrade - we're expecting an upgrade in July based on anticipated results from the current drill program. So we've already had some initial results which are very encouraging and we're now waiting for the results to establish, extend the resource north which will also mean extending the open pits north.



Clive Tompkins: And you've just completed some drilling. When can investors expect a revised resource estimate?

John Greeve: So the latest drill results – the only results we got back today are the initial centre results, so that the drill program had three components. It was partly metallurgical, there was some infill drilling to assist in some further underground mine design and then the extensional program. So we've got the first two. We have not got any drill results in yet from the extension programs, but we expect those at the end of April. And then we would expect a resource upgrade on that, it would probably take about a month, so probably June before we get the resource upgrade.

Clive Tompkins: Now you are in the midst of a definitive feasibility study. When do you expect this to be completed and when do you hope to be in production at Deflector?

John Greeve: So the DFS schedule date - the hard date is the end of May, but the reality is that'll be in draft format, so release probably June to the banks. And so then we expect project finance to follow from that by the 1st of August, which will then enable us to start production ramp up. So to get in production, we depend on a number of key issues. So that the final date of production maybe pushed back to March next year, our initial schedule was December.

The only way we can really make that December schedule now is we need to cut down some time frames on a couple of long lead items like the bore mill. We're working on that at the moment and it'll also require an advanced purchase on that, so it can actually run ahead of the ordering post project finance. So we'll probably look at ordering that over the next couple of weeks to accelerate that time frame.

Clive Tompkins: And John, late last year you acquired 100 per cent ownership of the Gullewa tenements. What does this mean for the Company?

John Greeve: So acquiring 100 per cent of the Gullewa projects was always our ambition. We also bought back the 10 per cent net profit royalty, due to our modelling showing how profitable the project was and on the upside. So what we have is we have Deflector which we've got 2.5 million ounce target. We have seven old biffs – biff mines, most of which are potentially economic and we'll work those up over the next 12 months. We have 80 anomalies within the Deflector zone. The Deflector zone is totally different from anything else in the Murchison, because it surrounds the Gullewa's intrusion – that's copper/gold in basalt. We're looking for the source, so we really think to the north, there's a big potential for a major copper discovery. And we also think, our modelling says 70 per cent likelihood of a repeat Deflector and a very high likelihood that to the north, we'll find a very large source of the copper. The issue is going to be how deep it is.

Further to the south, we have a very large magnetite project called Brandy Hill. That really targeting a spinout, it'll be a different focus but we want to go high-tech on that. So we're looking at backing that up with a design concept where it's not a \$2 billion project, or \$3 billion project like so many iron projects are. But in fact it's a lot tighter and produces a higher grade product; basically a pallet and that'll be worth about \$450 a tonne as against \$150 a tonne, on a much lower capex.

That's due to the fact that our magnetite high grade needs a coarser grind. So it's a lot cheaper to produce, doesn't need a big refinery and will be perfect for going into the new MPI process. So it'll effectively produce this palletized pellet – but that's the focus for later on once we've got Deflector in production.



Clive Tompkins: Thanks John, now to financials. What's your cash position and are you funded for the rest of the year?

John Greeve: So the cash position is very strong. We've got about \$7 million in the bank. The funding for the rest of the year – we're funded through to the end of completing the DFS and obtaining the project finance. And we're funded till the end of the year in terms of being able to operate the Company. But obviously the key for us is to get that project financed, so we can accelerate the building of the plant and we can also accelerate the drill programs to build up that resource. But the current funding is sufficient for us to move all the way through to obtain project finance.

Clive Tompkins: OK good. So where does Mutiny Gold stack up in terms of its cost of production and do you have any off-take agreements in place?

John Greeve: Firstly on the off-take agreements – no. We have seven different people bidding on the off-take agreements; part of our funding will come from off-take agreements. So as the bids come in, we're also asking for \$7 million in working capital from the bidders. I mean we're going to a lot of trouble to produce a product, so effectively a lot of our money is tied up in concentrate. So we're saying to them we want a return on that, they're agreeable.

The issue for us then in terms of cost, we sit at a very low C1 cost of less than \$600 an ounce. There'll be more on that as the DFS comes out, capital costs also low. So effectively, we're going to be an extremely low cost producer - breakeven price around \$800 and, you know, it's really very rare to find that. That's due to the nature of the high grade ore and it's also due to the stability of the ore body, where we need very little or a lot less development costs than other mines.

Clive Tompkins: Last question John. Where would you like to see Mutiny Gold by the end of the year?

John Greeve: By the end of the year at Mutiny Gold, we will have wanted to have seen the plant completed and we'll have liked to see the ground broken. If we're not in production, we'd like to be well and truly down the line to production and have ore on the ROM(run of mine) pad and be ready to roll by the New Year.

Clive Tompkins: John Greeve, thanks for the introduction.

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