



MUTINY TO RAISE \$4.15M TO DRILL HIGH GRADE GOLD TARGETS AT DEFLECTOR STRATEGIC ALLIANCE AGREEMENT REACHED WITH AUSDRILL

- **\$2.5 million raised via a Placement to Investors, including a \$1.5 million Placement to leading contractor Ausdrill.**
- **\$1.65 million to be received from an underwritten non-renounceable entitlement offer to shareholders.**
- **Value-add Deflector drilling programme now fully funded.**
- **Ausdrill appointed preferred Contractor for current mining services offered in Australia.**

Overview

Emerging Western Australian metals producer Mutiny Gold Limited (ASX: MYG) is pleased to announce 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 (ASX: ASL) (**Placement**). Ausdrill will take a strategic shareholding in the Company and be appointed as Mutiny's preferred Contractor.

The funds from the Placement 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 (**Deflector Project**).

In addition to the Placement, which will be made under the Company's existing placement capacity, Mutiny also proposes a 1:10 pro rata non-renounceable entitlement offer to raise up to an additional \$1.65 million (before costs) (**Entitlements Offer**).

The Entitlements Offer will be underwritten by Argonaut Capital Limited (**Argonaut**) and will be made to existing shareholders with registered addresses in Australia or New Zealand. Investors in the Placement will also be entitled to participate in the Entitlements Offer.



These additional funds will be used to commence Mutiny's 2014 drill programme, which is focused on near mine extensions highlighted by the Sub-Audio Magnetics ("SAM") surveys undertaken last year (see ASX announcement, 21 May, 2013).

Planned Exploration

Mutiny Gold has 7,500m of drilling planned in 2014, including 5,500m in RC and 2,000m of diamond drilling. The programme is fully permitted and the Company has already established a number of priority high grade targets it intends to pursue.

Ausdrill Strategic Alliance

Mutiny is also pleased to report it has entered into a strategic alliance with leading Perth-based contractor group Ausdrill and has appointed Ausdrill as its preferred Contractor.

Under the alliance the parties have undertaken to work together in good faith on a collaborative and transparent basis to explore opportunities for cost savings in connection with the provision of Ausdrill's range of specialist services.

Ausdrill's appointment for any work is subject to the negotiation of commercial and competitive contract terms on an arm's length basis. Mutiny retains the right to seek alternative third party proposals.

Ausdrill is a Perth-based contract and services group with revenue of over A\$1.1 billion in FY2013. It operates in nine countries globally and is recognised as a leading provider of services in its field.

Use of Funds

The \$4.15 million in funds raised from the Placement and Entitlements Offer is intended to be applied as follows:

- \$500,000 in reverse circulation drilling targeting shallow extensions within the planned Deflector pit and testing compelling SAM targets along the Deflector signature structure
- \$700,000 in diamond drilling targeting high-grade extensions within close proximity to the planned underground mine development
- \$300,000 follow up drill holes
- \$300,000 Deflector Project manning
- \$200,000 resource and reserve modelling
- \$500,000 regional exploration
- \$500,000 to fund the Deflector Project development financing programme (currently underway)
- \$800,000 general working capital
- \$350,000 issue costs

The above expenditure budget is indicative only and may change according to circumstances prevailing at the time.



Mutiny Gold's acting Chief Executive Officer, Mr Rowan Johnston, said:

"We're delighted that the Placement has received such strong support from new sophisticated investors, and we are also pleased to be able to offer our existing shareholders the opportunity to participate via the Entitlements Offer.

"We particularly welcome Ausdrill to our register as a strategic shareholder and look forward to developing a long and mutually beneficial relationship. The significant investment by Ausdrill shows a strong belief that the Deflector project will go to production.

"Together with specialist EPC Company GR Engineering Services Limited, which has previously taken a strategic stake in Mutiny, we have significant operational and construction support, which we believe stems from a fundamental understanding and belief in the Deflector project.

"The fact that the balance of this capital raising is fully underwritten gives Mutiny the certainty that our 2014 drilling programme is now funded, which means we can immediately move forward with our plans to expand Deflector's high grade gold resource and move towards the development of an operating mine.

"Our ultimate strategy is to establish a low cost, high margin operation at what is one of the highest grade, undeveloped gold projects in Australia."



The Placement was Lead Managed by Argonaut, which will also act as Underwriter to the Entitlements Offer under the terms of an underwriting agreement with the Company.

The proposed timetable for the capital raising is as follows, however, the Directors reserve the right to vary the dates and times without notice and subject to the ASX Listing Rules:

Indicative Timetable

Mutiny Announces Placement and Entitlements Offer	Wed 19 February 2014
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX	Fri 21 February 2014
Notice sent to Optionholders	Fri 21 February 2014
Notice sent to Shareholders	Mon 24 February 2014
Ex date	Wed 26 February 2014
Record Date for determining Entitlements	Tues 4 March 2014
Offer Document sent out to Shareholders & Company announces this has been completed & Offer Opening Date	Fri 7 March 2014
Closing Date	Mon 24 March 2014
Shares quoted on a deferred settlement basis	Tues 25 March 2014
ASX notified of under subscriptions	Wed 26 March 2014
Issue date/Shares entered into Shareholders' security holdings	Fri 28 March 2014
Quotation of Shares issued under the Offer	Mon 31 March 2014

For further information about Mutiny Gold, please visit www.mutinygold.com.au or contact the following:

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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.

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