

September 2013 Quarterly Activities Report

Musgrave Minerals Limited is a dedicated exploration company focused on base metals, silver and gold in the highly prospective Musgrave Province and Gawler Craton regions of South Australia

ASX Code: MGV Issued Shares: 121M Cash Balance: \$8.7M ABN: 12 143 890 671

Directors

Graham Ascough Robert Waugh Kelly Ross John Percival

Top shareholders

Mithril Resources Ltd Independence Group NL Goldsearch Ltd Barrick (Australia Pacific) Ltd Silver Lake Resources Ltd Argonaut Resources NL

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Highlights

Musgrave Region

Bryson Hill Project

- Nickel-copper sulphide gossan discovered at "Smeagol" target
- Gossan assays of up to 0.23% Ni, 0.17% Cu and 220ppb Pt + Pd from surface samples
- Gossanous float traced over a strike length of 110m and consistent with soil geochemical anomaly

Deering Hills Project

- Pallatu exploration licence at the Deering Hills Project granted
- Pallatu hosts 10 priority VTEM targets coincident with gravity and magnetic anomalies
- Heritage survey completed and ground EM survey underway

Menninnie Dam

 Encouraging rock-chip results returned from new targets at Menninnie Dam with up to 14.2g/t Ag, 0.15% Mo, 416ppm Cu and 39ppb Au at surface

Planned Activity

- Ground EM survey at Deering Hills and Pallatu commenced late October
- Diamond drilling of Pallatu EM targets expected to commence early November
- Aircore drilling of new targets at Menninnie
 Dam to commence in mid-November



Introduction

Musgrave Minerals Limited (ASX: MGV) is an Australian-based exploration company focused on base metal, gold and silver exploration in the Musgrave Geological Province and Gawler Craton regions of South Australia.

The Musgrave tenements are prospective for massive and disseminated nickel and copper sulphides within the mafic/ultramafic Giles Complex intrusives and base metal mineralisation within the Birksgate Complex metavolcanic and meta-sedimentary sequences.

Menninnie Dam, approximately 100km west of Port Augusta in South Australia, is a silver-zinc-lead project comprising five licences which cover an area of 2,471km² in the southern Gawler Craton.

The Company signed a Heads of Agreement with Menninnie Metals Pty Ltd, a subsidiary of Terramin Australia Limited (ASX: TZN), to earn a 51% interest in the Menninnie Dam Project in the first stage, and up to a 75% interest thereafter.

The project hosts the Menninnie Central and Viper mineralised zones which have a JORCcompliant inferred mineral resource of 7.7Mt at 27g/t Ag, 3.1% Zn and 2.6% Pb (estimated by Terramin Australia Limited in 2011 in accordance with the 2004 JORC code). These zones are not closed off and there is potential for further resources to be defined. The project is also located just 20km from the recent Paris silver discovery. Previous drilling at Menninnie Dam has focused on the existing resource area.



Figure 1: Musgrave Minerals' Project Location Map



Corporate

During the period, the Company spent \$0.64 million on exploration activities as summarised in the Exploration Activities section of this report.

At the end of the September 2013 quarter, the Company was well resourced to explore its Musgrave and Gawler Craton projects with \$8.7 million in cash.

Exploration Activities

The Company's exploration during the September 2013 quarter focused on the Bryson Hill Project, in the Musgrave Region, where the Company identified a nickel-copper sulphide gossan at a target known as Smeagol. The Company also undertook exploration at the Mt Woodroffe Project, in the Musgrave, and geological mapping and surface sampling at Menninnie Dam in preparation for drilling in the December quarter.

Musgrave Region Projects

Bryson Hill Project

EL5205 (Musgrave Minerals Ltd earning up to 75% from Pitjantjatjara Mining Company Pty Ltd and Zeil No. 1 Pty Ltd)

The Bryson Hill Project (formerly EL4047) covers an area of approximately 1,535km² and is located in the eastern portion of the Musgrave Province (Figure 2). The tenement is covered by spinifex sand plains and dunes with minimal sub-crop. There has been little previous exploration undertaken there.

During the quarter, the Company announced the discovery of a new nickel-copper sulphide gossan at a target named Smeagol. A nickel-copper gossan is the iron-rich weathered product of nickel-copper sulphide.

Samples of the gossan float at surface assayed up to 0.23% nickel, 0.17% copper, and 220ppb platinum + palladium (refer to Appendix 1, *ASX: MGV Announcement 9 Oct 2013*) and is associated with a gabbroic intrusive. The gossan is also characterised by high iron and low zinc, manganese, titanium, vanadium and chromium. These indicate that the mineralisation is likely to be associated with a magmatic nickel-copper sulphide event. The gossan is present in a small area of outcrop surrounded by flat sand covered plain. Gossanous float at Smeagol can be traced over a strike length of approximately 110m.





Figure 2: Location of MGV's Musgrave Region Projects, South Australia

Historically, exploration has identified very few true nickel-copper sulphide gossans in the Musgrave. One of the last to be discovered at surface was at Babel in the West Musgrave, which was identified by WMC Resources Ltd in 2000.

MGV's follow-up soil geochemical sampling program at Smeagol identified a broad co-incident nickel-copper geochemical anomaly associated with the gossan. The soil anomaly extends from the gossan to the south-east onto flat sand plain, where it is still open along strike (Figure 3).

The Smeagol gossan is located close to a major structure interpreted from aeromagnetic TMI (Total Magnetic Intensity) data (Figure 4). Major structures in the area are important for controlling the emplacement of mafic intrusive bodies often associated with magmatic nickel-copper mineralisation.

Musgrave will undertake a heritage survey before commencing a ground EM survey to define drill hole locations to test the gossan below and along strike.





Figure 3: *Image showing Smeagol gossan samples on Ni + Cu soil geochemical grid overlaying ortho-image (Appendix 1).*



Figure 4: Image showing new Smeagol prospect on aeromagnetic (TMI RTP - total magnetic intensity, reduced to pole) image showing location and MGV boundaries for granted tenements.



Deering Hills Project

EL5172 & EL5173 (100% Musgrave Minerals Ltd)

The Deering Hills Project is in the centre of the Musgrave geological province; about 200km west of the Stuart Highway and Adelaide to Darwin rail line (Figure 2).

During the quarter, MGV was granted the Pallatu Exploration Licence as part of the Deering Hills Project. MGV holds a 100% interest in the new licence (EL5317) as well as the Deering Hills licences (EL5173 and EL5172), which surround it.

The Pallatu licence (Figure 5) covers a very prospective area of known Giles Complex intrusives associated with a number of high-priority VTEM (versatile time domain electromagnetic) conductors

modelled under shallow sand cover. Giles Complex intrusives are known to host nickel sulphide mineralisation elsewhere in the Musgrave Province.

The VTEM targets at Pallatu are along strike from the anomalous nickel-copper-PGE (platinum group element) geochemical anomalies identified from shallow vacuum drilling at the Caliban and Minbar targets (Figure 5), and are coincident with a large gravity anomaly and permissive magnetic response. This is consistent with the geophysical response from other known magmatic nickel sulphide deposits of this type.

Musgrave completed a heritage survey at Pallatu and commenced a ground EM survey in mid-October. The Company expects to start a diamond drilling program at Pallatu in early November.



Figure 5: Image showing new Pallatu licence with Ni-Cu vacuum geochemical drilling results on ortho-image and VTEM B-field image as insert.



Mt Woodroffe Project

EL5171 (100% Musgrave Minerals Ltd)

The Mt Woodroffe Project is situated on wholly-owned tenement EL5171 in the eastern portion of the Musgrave Geological Province, located approximately 115km west of the Stuart Highway and Adelaide to Darwin railway line (Figure 2).

During the quarter, Musgrave undertook geological mapping, surface rock-chip and geochemical sampling, and ground EM surveys over selected VTEM targets. Basement EM conductors were confirmed at the Lister and Kochanski targets, where anomalous rock-chip samples up to 1211ppm Cu, 727ppm Ni, 103ppm Co and 24ppb Pt + Pd (Appendix 1) were identified.

Mimili Project

EL5174 & EL5175 (100% Musgrave Minerals Ltd)

The Mimili Project consists of two wholly-owned exploration licences, EL5174 and EL5175, and is located in the eastern portion of the Musgrave region (Figure 2).

During the quarter, Musgrave undertook geological mapping, surface rock-chip and geochemical sampling over selected targets at Mimili. This returned anomalous results at a number of new targets: Baltar, Valerii and Helo.

Gawler Craton

Menninnie Dam Project

EL5039, 4813, 4285, 4669, 4865 (Musgrave Minerals Ltd earning up to 51% in the first instance and up to 75% thereafter)

Menninnie Dam comprises five Exploration Licences (ELs) covering a contiguous area of 2,471km² in the Gawler Craton, about 100km west of Port Augusta (Figure 6).





Figure 6: Location of the Menninnie Dam Project, South Australia

Musgrave undertook geological mapping, surface rock-chip sampling and soil geochemistry over a number of priority VTEM targets. Anomalous surface rock-chip samples were identified at a number of targets, with peak values up to 14.2g/t Ag, 0.15% Mo, 39ppb Au and 416ppm Cu (Appendix 1). Geochemical anomalies at a number of targets including Erebus, Tank Hill, Frakes, Sidley and Masaraga (Figure 7) have strong rock-chip and VTEM support. Planning is underway to commence drilling on these targets in mid-November.

Other Projects

No significant exploration was undertaken on Musgrave's other projects during the quarter.





Figure 7: Location of the Menninnie Dam prospects with anomalous rock-chip sample results and VTEM targets on silver soil geochemical grid and ortho-image.

Upcoming Activity

During the December 2013 quarter, Musgrave Minerals is planning the following activities:

- Ground EM surveys at Musgrave targets Minbar, Caliban and Pallatu to be completed by early November
- Diamond drilling of Pallatu EM targets expected to commence early November
- Heritage survey commenced at Smeagol in late October
- Drilling planned over new targets at Menninnie Dam for mid-November
- Actively assess and evaluate new project opportunities for the Company.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Waugh. Mr Waugh is a fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Member of the Australian Institute of Geoscientists (AIG). Mr Waugh is Managing Director of Musgrave Minerals Limited. Mr Waugh has sufficient industry experience 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 Waugh consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



About Musgrave Minerals

Musgrave Minerals Ltd has a large exploration footprint in the Musgrave Province in South Australia, with tenements covering an area of approximately 50,000km². The Company also has an active advanced stage exploration project in the prospective silver and base metals province of the southern Gawler Craton.

Musgrave has a powerful shareholder base with six mining and exploration companies participating as cornerstone investors. Musgrave Minerals Ltd is an active Australian base metals explorer currently exploring in South Australia and actively looking for new projects for joint venture or acquisition.

Enquiries:

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* JORC (2004 Edition)-compliant inferred resource for the Menninnie Central and Viper deposits was reported by Terramin Australia Limited (ASX: TZN) on 1st March 2011

Zone	Tonnes x10 ³	Zn (%)	Pb (%)	Ag (g/t)	Pb+Zn (%)
Total Menninnie Central	5,240	3.5	2.7	28	6.1
Total Viper	2,460	2.3	2.4	24	4.8
Total Menninnie Central and Viper	7,700	3.1	2.6	27	5.7

Inferred Resource (at 2.5% Pb+Zn cut-off) as at 15 February 2011

MGV is not aware of any new information that would affect the material nature of this resource calculation.

Competent Person's Statement

The information in this report that relates to Mineral Resources or Ore Reserves is based on information thoroughly reviewed by Mr Robert Waugh, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Member of the Australian Institute of Geoscientists (AIG). Mr Waugh is Managing Director and a full-time employee of Musgrave Minerals Ltd. Mr Waugh has sufficient experience that is relevant to the style of mineralisation and 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 Waugh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

10



Appendix 1: Rock-Chip sample locations and significant assay results

Bryson Hill – Anomalous rock-chip samples

	Rock-chip Sample #	Prospect	Rock Type	Easting (m)	Northing (m)	Ni (ppm)	Cu (ppm)	Co (ppm)	Pt (ppb)	Pd (ppb)	Fe (%)	Mn (ppm)	Ti (ppm)	V (ppm)	Zn (ppm)
	SR00801	Smeagol	Gossan	511197	7086946	1507	1219	376	20	41	49.9	146	599	77	23
	SR00598	Smeagol	Gossan	511190	7086933	583	885	421	28	18	>50	161	2570	114	19
	SR00652	Smeagol	Gossan	511165	7086902	2336	1717	482	176	44	54.1	200	445	93	28
7	SR00653	Smeagol	Gossan	511187	7086922	1704	983	1202	83	26	53.2	139	618	155	29
)) SR00654	Smeagol	Gossan	511209	7086949	1289	1075	506	35	19	55.9	247	488	108	32

Mt Woodroffe – Anomalous rock-chip samples

2	Rock-chip Sample #	Prospect	Rock Type	Easting (m)	Northing (m)	Ni (ppm)	Cu (ppm)	Co (ppm)	Pt (ppb)	Pd (ppb)	Fe (%)	Mn (ppm)	Ti (ppm)	V (ppm)	Zn (ppm)
_	SR00608	Kochanski	Fe Stone	778250	7082460	727	1211	103	13	9	39.2	1805	2600	238	140
1	Sr00645	Rimmer	Fe Stone	782149	7080910	761	471	103	100	59	55	657	16239	1223	321

Menninnie Dam – Anomalous rock-chip samples

Rock-chip Sample #	Project	Easting (m)	Northing (m)	Au (ppb)	Ag (ppm)	Cu (ppm)	Mo (ppm)	Pb (ppm)	Zn (ppm)
3014354	Erebus	630740	6381590	2	7.3	86	3	1889	75
3014356	Frakes	629371	6380465	7	5.8	16	3.9	326	15
3014362	Spare Rib	634288	6385655	Х	2.2	41	2.7	1739	8
3016248	Viper	633421	6384980	Х	1.8	55	2.4	1466	10
3016253	Frakes	629862	6380600	Х	5.6	78	1.1	1120	44
3016254	Phone Hill	630341	6384959	14	14.2	5	58.9	972	103
3016323	Tank Hill	635052	6392052	12	4.3	28	47.8	205	65
3016349	Masaraga	637120	6395447	х	0.5	416	763.5	92	320
3016350	Masaraga	637120	6395447	х	0.7	219	1475	74	47
3016351	Masaraga	637120	6395447	х	0.3	339	686.5	75	252
3016321	Tank Hill	634819	6391882	39	2.9	89	3.1	257	52
3014346	Erebus	630376	6381586	х	13.3	19	Х	915	14

Notes (see JORC 2012 Table 1 for supporting details)



JORC 2012 TABLE 1

Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	Sampling is undertaken using standard industry practices. Rock-chip samples are taken at geologically interesting locations and are not random or systematic. Surface geochemical sampling is undertaken following standard industry practice using stainless steel or nylon mesh sieves. Vacuum geochemical drill hole samples are collected and analysed from the end of hole or near or at the base of weathering.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sample co-ordinates are in UTM grid (GDA94 Z52) and have been measured by hand-held GPS with an accuracy of ± 4 metres.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Individual rock-chip samples were analysed where elevated base metals or favourable alteration was identified. Soil samples are collected on a standard grid pattern. Individual rock-chip samples weigh less than 0.5kg to ensure total preparation at the laboratory pulverization stage. Soil samples weigh less than 0.2kg. The sample sizes are deemed appropriate for the grain size of the material being sampled.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Vacuum geochemical drilling was undertaken at Deering Hills in the Musgrave where standard 1.8m samples are collected.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	No Geotechnical logging was carried out.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of lithology, structure, alteration, mineralisation, colour and other features is undertaken on a routine basis.
Sub-sampling techniques	If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable
and sample preparation	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Rock-chip samples are split using a small rock hammer. All samples are dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation and base metal and precious metal analysis is undertaken by Intertek Genalysis, in Wingfield, South Australia. Sample preparation by dry pulverisation to 90% passing 75 micron.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field QC procedures involve the use of certified reference standards, duplicates and blanks at appropriate intervals.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Sampling was carried out using MGV protocols and QAQC procedures as per industry best practice. Duplicate samples are routinely checked against originals.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate for the commodities and elements explored and analysed for.
Quality of	The nature, quality and appropriateness of the assaying	Rock-chip and soil geochemical analysis is undertaken by Intertek Genalysis, in Wingfield,



assay data and laboratory tests	and laboratory procedures used and whether the technique is considered partial or total.	South Australia, multi element analysis by four acid total digest (hydrochloric, nitric, perchloric and hydrofluoric acid) and ICP-OES and ICP- MS to acceptable detection limits and Au, Pt, Pd by FA25/MS.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used to estimate mineral or element percentages. A portable XRF, Niton XL3t 950 GOLD+ was used to assist with sample selection for laboratory analysis.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	In addition to MGV standards, duplicates and blanks, Genalysis incorporate laboratory QAQC including standards, blanks and repeats as a standard procedure. Certified reference materials that are relevant to the type and style of mineralisation targeted are inserted at regular intervals.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	At least two company representatives verify significant intersections including, either the Managing Director, Exploration Manager, Principal Geologist or Project Geologist.
	The use of twinned holes.	Not applicable
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data is collected using a standard set of Excel template sheets. Data is verified before loading to a CSA Global database.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data reported by MGV.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Rock-chip sample co-ordinates and surface geochemical sample locations are in UTM grid (GDA94 Z52) for the Musgrave and GDA94 Z53 for Menninnie and have been measured by hand-held GPS with an accuracy of ± 4 metres.
	Specification of the grid system used.	Drill hole co-ordinates are in UTM grid (GDA94 Z52)
	Quality and adequacy of topographic control.	Sample RL's are approximate using hand held GPS.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Variable sample spacing's were used to adequately sample areas of interest. Soil samples were collected on variable grid spacing's.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The mineralisation has not yet been demonstrated to have sufficient continuity to support the definition of Mineral Resource and Reserves under the classification applied under the 2012 JORC Code.
	Whether sample compositing has been applied.	No sample compositing has occurred.
Orientation of data in relation to	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Soil geochemical sampling is unbiased but rock- chip sampling is biased towards areas of interest.
geological structure	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No orientation based soil sampling bias is known at this time.
Sample security	The measures taken to ensure sample security.	Chain of custody is managed by MGV. Samples are stored on site and transported to Intertek Genalysis in Wingfield, South Australia by a licenced reputable transport company. When at Genalysis samples are stored in a locked yard before processing and then tracked through preparation and analysis using the Lab Track system.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No external audits or reviews of sampling techniques and data have been undertaken.



Section 2 Reporting of Exploration Results

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	All sampling has been within Musgrave Minerals' managed tenements. The Musgrave tenements are within APY aboriginal freehold lands.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	No historical drilling has been undertaken by any third party that is directly relevant to the current targets.
Geology		Musgrave is exploring for multi commodity style deposits consistent with low MgO magmatic Ni-Cu systems in the Musgrave and epithermal/porphyry systems at Menninnie Dam.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	Not applicable
	• easting and northing of the drill hole collar	
	 elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar 	
	dip and azimuth of the hole	
	down hole length and interception depth	
	hole length.	
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	Not applicable
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are currently used for reporting of exploration results.
Relationship between	These relationships are particularly important in the reporting of Exploration Results.	An accurate dip and strike and the controls on mineralisation are yet to be determined and the true width of mineralisation is not yet known
mineralisation widths and	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
intercept lengths	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to figures 3, 4, 5 and 7 and Appendix 1 in the body of this report.
Balanced	Where comprehensive reporting of all Exploration Results	All significant rock-chip sample results are reported and shown for Menninnie in figure 7

14



reporting	is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Geochemical sample results are gridded in figure 3 and 5 for Musgrave projects.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All material results from geochemical and geophysical surveys related to these prospects have previously been reported. Analysis for a total of 37 elements is undertaken including possible deleterious elements such as arsenic. All anomalous results are reported.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step- out drilling).	A range of exploration techniques are being considered to progress exploration including additional drilling.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to figures 3, 4, 5 and 7 in the body of this report.

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Nar	ne of entity		
MU	JSGRAVE MINERALS LID		
ABN	١	Quarter ended ('	'current quarter")
12 1	43 890 671	30 September	2013
Co	onsolidated statement of cash flow	s	
Cash	flows related to operating activities	Current quarter \$A'000	Year to date (three months) \$A'000
1.1	Receipts from product sales and related debtors	-	
1.2	Payments for (a) exploration & evaluation (b) development (c) production	(642)	(642)
1.2	(d) administration	(264)	(264)
1.4	Interest and other items of a similar nature received	67	67
1.5 1.6	Interest and other costs of finance paid Income taxes paid	(1)	(1)
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(840)	(840)
1.8	Cash flows related to investing activities Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	(17)	(17)
1.10	Loans to other entities		
1.11 1.12	Loans repaid by other entities Other (provide details if material)		
	Net investing cash flows	(17)	(17)
1.13	Total operating and investing cash flows (carried forward)	(857)	(857)

⁺ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(857)	(857)
1.14 1.15 1.16 1.17 1.18 1.19	Cash flows related to financing activities Proceeds from issues of shares, options, etc. Proceeds from sale of forfeited shares Proceeds from borrowings Repayment of borrowings Dividends paid Other (provide details if material)	(13)	(13)
	Net financing cash flows	(13)	(13)
	Net increase (decrease) in cash held	(870)	(870)
1.20 1.21	Cash at beginning of quarter/year to date Exchange rate adjustments to item 1.20	9,566 -	9,566 -
1.22	Cash at end of quarter	8,696	8,696

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	105
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions Directors' fees, salary payments and superannuation.	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

⁺ See chapter 19 for defined terms.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'ooo	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		\$A'ooo
4.1	Exploration and evaluation	1,150
4.2	Development	
4.3	Production	
4.4	Administration	320
	Total	1.470
	IViai	1,470

Reconciliation of cash

Reco show to th	nciliation of cash at the end of the quarter (as n in the consolidated statement of cash flows) e related items in the accounts is as follows.	Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1	Cash on hand and at bank	686	1,156
5.2	Deposits at call	8,010	8,410
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	8,696	9,566

⁺ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see	Amount paid up per security (see
71	Preference				note j/ (cents)
/.1	+securities				
	(description)				
7.2	Changes during				
	quarter				
	(a) Increases				
	through issues				
	(b) Decreases				
	through returns				
	of capital, buy-				
	backs,				
	redemptions				
7.3	+Ordinary	121,000,000	121,000,000	Fully Paid	Fully Paid
	securities				
7.4	Changes during				
-	Changes during				
	quarter				
	quarter (a) Increases				
	quarter (a) Increases through issues				
	quarter (a) Increases through issues (b) Decreases				
	 quarter (a) Increases through issues (b) Decreases through returns 				
	 quarter (a) Increases through issues (b) Decreases through returns of capital, buy- 				
	 quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs 				
7.5	 changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs *Convertible 				
7.5	 changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs *Convertible debt 				
7.5	 changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs *Convertible debt securities 				

⁺ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	Options (description and conversion factor)	4,750,000 2,500,000 7,750,000 500,000 375,000 500,000 75,000	Exercise Price \$0.36 \$0.50 \$0.25 \$0.36 \$0.25 \$0.25 \$0.25 \$0.25	Expiry Date 17/02/16 17/02/16 19/04/16 08/05/16 23/01/17 05/03/18 24/03/13
7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	Debentures (totals only)			
7.12	Unsecured notes (totals only)			

Compliance statement

- This statement has been prepared under accounting policies which comply with 1 accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- This statement does give a true and fair view of the matters disclosed. 2

Sign here:

Denala Arguens Date: 30 October 2013

Donald Stephens Print name: (Company Secretary)

⁺ See chapter 19 for defined terms.

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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⁺ See chapter 19 for defined terms.