



ASX RELEASE
ASX: MGV

4 JULY 2016

OVERSUBSCRIBED PLACEMENT & FULLY UNDERWRITTEN SHARE PURCHASE PLAN to RAISE \$2M

- \$750,000 raised via an oversubscribed share placement to sophisticated and professional investors
- Existing Eligible Shareholders invited to participate via a fully underwritten Share Purchase Plan (SPP) to raise \$1,250,000
- New shares will be issued at 5.9 cents which represents a 15.7% discount to the VWAP over the last five trading days
- The additional funds will be applied to fast track drilling at the high grade Break of Day gold and Mt Eelya copper-gold prospects

PLACEMENT

Musgrave Minerals Limited (**Musgrave** or the **Company**) (ASX: **MGV**) is pleased to announce that it has raised \$750,000 via a placement of 12,711,864 shares to professional and sophisticated investors at 5.9 cents per share (**the Placement**). The issue price of the placement represents a 15.7% discount to the volume weighted average price (**VWAP**) for Musgrave shares as traded on the Australian Securities Exchange (**ASX**) for the last 5 trading days to 29 June 2016.

Funds raised from the Placement will be applied to accelerate the drilling and evaluation programs at the Company's high grade Break of Day and Mt Eelya copper-gold prospects at the Cue Project in Western Australia (**Cue Project**) and for working capital purposes.

Patersons Securities Limited is the Lead Manager to the Placement. The placement shares will be issued to a variety of professional and sophisticated investors in accordance with Section 708 of the Corporations Act. The Placement is within Musgrave's existing capacity under ASX Listing Rule 7.1 and accordingly no shareholder approval is required in connection with the Placement. Settlement of the Placement is expected to occur on 6 July 2016, with the new shares expected to be allotted on 7 July 2016. The new shares will rank equally with existing ordinary shares.

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SHARE PURCHASE PLAN

The Company is pleased to offer existing eligible shareholders the opportunity to subscribe to a maximum of \$15,000 of new shares (**Offer Shares**), at the same price as the Placement (5.9 cents per share), via a Share Purchase Plan (**SPP**). The SPP is intended to raise \$1,250,000 and is fully underwritten by Patersons Securities Limited (**Underwriter**).

Pursuant to the SPP rules, existing shareholders who are recorded on the share register at 1 July 2016 (**record date**) with a registered address in Australia or New Zealand will be eligible to participate and each eligible shareholder will be entitled to apply for up to \$15,000 of new fully paid ordinary shares of the Company at 5.9 cents per share without incurring any brokerage or other transaction costs. All Offer Shares issued under the SPP will rank equally with existing ordinary shares of the Company.

The Directors of Musgrave Minerals who are eligible shareholders intend to support the SPP through subscribing for their entitlements under the SPP.

Musgrave Minerals' Managing Director, Mr Rob Waugh said:

"The SPP provides existing shareholders with an opportunity to increase their participation and exposure to the Company's upcoming drill programs at the Cue project. The Cue Project consists of the Moyagee Gold and Hollandaire Copper Resources and surrounding exploration targets in the highly prospective Murchison province of Western Australia. This includes the exciting Break of Day high grade gold mineralisation and the Mt Eelya massive copper-gold sulphide discovery. The Company believes there is significant potential to extend the mineralisation at Break of Day and at Mt Eelya and also discover new mineral deposits within the Project area."

PURPOSE OF THE CAPITAL RAISING

The funds raised from the SPP will be used to accelerate drilling and evaluation programs to test the strike extent of the high grade gold mineralisation at Break of Day and for further drill testing of the Mt Eelya copper-gold massive sulphide discovery and other high priority targets at the Cue Project and also for additional working capital purposes.

At Break of Day Musgrave has intersected 3m @ 24.3g/t gold, 2m @ 25.2g/t gold and 2m @ 22.0g/t gold (see *ASX announcements dated 13/4/2016 and 24/06/2016*). The gold mineralisation has the potential to extend over a strike length of more than 400m and is open down dip and down plunge. Break of Day is on a granted mining lease and Musgrave is planning further drilling to delineate a high grade gold resource.

At Mt Eelya Musgrave intersected 8m @ 1.6% Cu, 0.6g/t Au and 4.5g/t Ag (see *ASX announcement 3 March 2016, "Copper-Gold Mineralisation Confirmed at Mt Eelya"*) and has defined a strong off-hole late time conductor to the east of the current mineralisation suggesting a south-easterly plunge to the mineralisation.

DETAILS OF THE SPP

Full details of the SPP will be contained in an offer document which is scheduled to be despatched to Eligible Shareholders on or around 8 July 2016.

The SPP is only available to Australian and New Zealand shareholders who were registered as Musgrave shareholders at **5:00pm (WST) on Friday 1 July 2016 (Eligible Shareholders)**.

Eligible Shareholders will be able to purchase parcels of Offer Shares valued at \$1,000, \$3,000, \$5,000, \$10,000 or \$15,000 at an issue price of 5.9 cents per share, without incurring brokerage or transaction costs.

The SPP is intended to raise \$1,250,000 and is fully underwritten (**underwritten amount**) by Patersons Securities Limited (**Underwriter**). Any Offer Shares not subscribed for by Eligible Shareholders (**Shortfall**) will be taken up by the Underwriter or its nominees as provided for under the terms of the underwriting agreement. **Placement of any Offer Shares under the Shortfall will be subject to shareholder approval** to be sought at a general meeting of shareholders to be convened in the near future. Sophisticated investors that participated in the placement are also participating in the underwriting. The Underwriters may be issued with shares pursuant to the SPP where the amount raised via shareholder participation in the SPP is less than \$1,250,000.

The Directors of the Company reserve the right to expand the size of the SPP (subject to the ASX Listing Rules) or to scale back SPP acceptances at their discretion.

The SPP is currently scheduled to close on 5 August 2016. However, the Company reserves the right to close the SPP at any time depending on demand for shares. Eligible Shareholders are therefore encouraged to lodge their applications well ahead of the closing date.

All Offer Shares issued under the SPP will rank equally with existing ordinary shares in the Company.

Full details of the SPP will be contained in an offer document which is scheduled to be dispatched to Eligible Shareholders on 8 July 2016.

IMPORTANT DATES

The proposed timetable for the SPP is set out below, however the Directors reserve the right to vary the dates and times without notice.

Event	Date
Record Date (date for determining Shareholders' entitlements to participate in SPP Offer) (5:00 WST)	Friday, 1 July 2016
Announcement of SPP Offer	Monday, 4 July 2016
Despatch of SPP Offer Document	Friday, 8 July 2016
Opening Date for SPP Offer	Friday, 8 July 2016
Closing Date for SPP Offer (5:00 WST)	Friday, 5 August 2016
Allotment and issue of Shares	Monday, 8 August 2016
Despatch of Holding Statements	Monday, 8 August 2016
Quotation of Offer Shares on ASX	Tuesday, 9 August 2016

For further information please contact:

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About Musgrave Minerals

Musgrave Minerals Limited is an active Australian gold and base metals explorer. The Cue Project in the Murchison region of Western Australia is an advanced gold and copper project. Musgrave's focus is to increase gold and copper resources through discovery and extensional drilling to underpin studies that will demonstrate a viable path to development in the near term. Musgrave also holds the highly prospective Mamba Ni-Cu sulphide project in the Fraser Range of Western Australia and an active epithermal Ag-Pb-Zn-Cu project in the prospective silver and base metals province of the southern Gawler Craton of South Australia and a large exploration footprint in the Musgrave Province in South Australia. Musgrave has a powerful shareholder base with four mining and exploration companies currently participating as cornerstone investors.

Competent Person's Statement Exploration Results

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled and/or 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 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 his information in the form and context in which it appears.