



ASX RELEASE

13 July 2016

ASX: MGV

New Untested Gold Target (2m @ 8.0g/t Au)

- **New untested gold target (Purple Rain) only 2km south-east of Break of Day**
- **Historical RAB drilling intersected:**
 - **2m @ 8.02g/t Au from 29m down hole within broader interval of 6m @ 3.25g/t Au in MRB1559; and**
 - **5m @ 0.44g/t Au from 39m down hole in MRB1560**
- **Intersections in area of shallow alluvial cover with no follow-up or basement drilling undertaken on the target to date**
- **Follow-up drilling at Break of Day and Purple Rain is scheduled to commence in late July**

Musgrave Minerals Ltd ("Musgrave" or "the Company") (ASX: MGV) is pleased to advise that it has identified a new untested gold target named Purple Rain only 2km south-west of the Break of Day high grade gold prospect (*Figure 1*) at the Cue Project in the Murchison region of Western Australia.

The new target was identified through analysis of historical data. Two anomalous rotary air blast (RAB) drill holes approximately 25m apart are highly anomalous in gold. Drill hole MRB1559 intersected 6m @ 3.25g/t Au from 28m down hole including a high grade zone of **2m @ 8.02g/t Au from 29m down hole**. A second drill hole (MRB1560) 25m to the south-east intersected 5m @ 0.44g/t Au from 39m down hole (*Figure 2*) and ended in mineralisation at 44m. Both intersections are in the weathered zone. No follow-up or basement drilling has been undertaken on the target to date.

The gold mineralisation is in an area of thin alluvial cover (3 to 6 metres) making surface geochemistry ineffective, and is open for a strike extent of up to 800m (*Figure 2*). Historical geological logging suggests the mineralisation is associated with quartz veining and hosted within a mafic/sedimentary Archaean sequence.

Musgrave Managing Director Rob Waugh said, *"This is another indication of the excellent gold potential of our Cue Project. The historical intersection at Purple Rain is very similar in grade to that seen in the weathered zone at Break of Day. We look forward to being able to drill test this new target."*

28 Richardson Street, West Perth WA 6005

Telephone: (61 8) 9324 1061 Fax: (61 8) 9324 1014

Web: www.musgraveminerals.com.au Email: info@musgraveminerals.com.au

ACN: 143 890 671

Follow-up drilling at Break of Day and Purple Rain is scheduled to commence in late July.

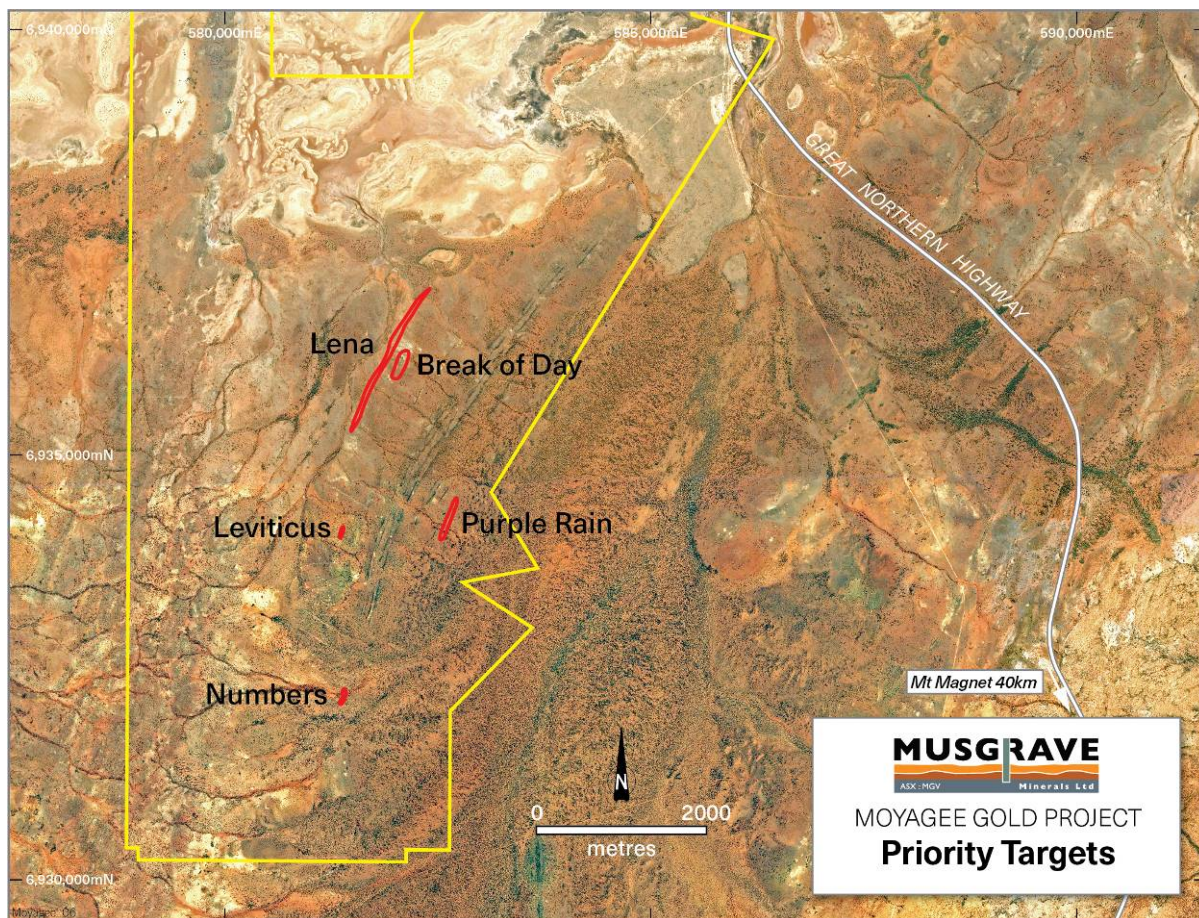


Figure 1: Location plan of Purple Rain target

ABOUT THE CUE PROJECT

The Cue Project ("The Project") is a Farm-In and Joint Venture Agreement with Silver Lake Resources Limited ("Silver Lake") (ASX: SLR) where Musgrave can earn up to an 80% interest. The Project consists of the Moyagee Gold and Hollandaire Copper Resources (see ASX announcement "25 November 2015, *Musgrave Secures Advanced Gold and Copper Project*") and surrounding tenure in the highly prospective Murchison province of Western Australia. There is significant potential to extend existing mineralisation and also discover new mineralisation within the Project area.

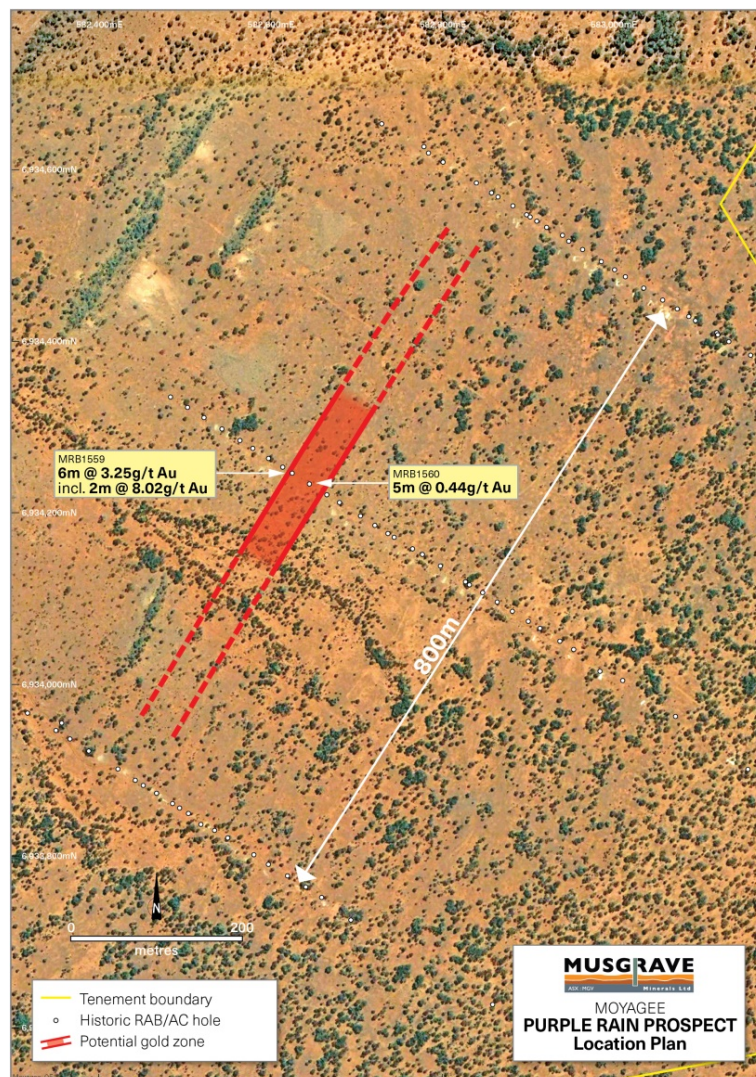


Figure 2: Plan of Purple Rain target showing drill holes locations and significant assay results

Enquiries:

Rob Waugh
Managing Director
Musgrave Minerals Limited
+61 8 9324 1061

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.

Table 1(a): Summary of Drill Hole Locations at Purple Rain and Significant Assay Intervals

Drill Hole ID	Drill Type	Prospect	Easting (m)	Northing (m)	Azimuth (degrees)	Dip (degrees)	RL (m)	Total Depth (m)	Sample Type	From (m)	Interval (m)	Au (g/t)
MRB1559	RAB	Purple Rain	582625	6934246	127.5	-60	420	42	Individual 1m	28	6	3.25
									Including	29	2	8.02
MRB1560	RAB	Purple Rain	582645	6934233	127.5	-60	420	44	Individual 1m	39	5	0.44

Notes to Table 1(a)

1. An accurate dip and strike and the controls on mineralisation are only interpreted and the true width of mineralisation is not yet confirmed
2. The holes were drilled in 1999 by Perilya Mines NL. One (1) metre samples were submitted for analysis. Samples were analysed using 50g fire assay with AAS finish to 0.01ppm gold analysed by Analabs
3. g/t (grams per tonne), ppm (parts per million), ppb (parts per billion), X = below detection limit
4. NSA (No Significant Assay) – No gold assay above 1g/t

---ENDS---

For personal use only



JORC TABLE 1

Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. 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.</i>	No historical sampling methodology data is available for Perilya samples
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	All co-ordinates are in UTM grid (MGA94 Z50) and have been either surveyed or measured by hand-held GPS with an accuracy of $\geq \pm 5$ metres.
Drilling techniques	<i>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.</i>	Limited historical sampling methodology data is available for Perilya samples. Individual samples weigh less than 3kg to ensure total preparation at the laboratory pulverization stage, homogenised and submitted to Analabs for analysis. The sample size is deemed appropriate for the grain size of the material being sampled. Samples were sent to the Analabs. Samples are and analysed using a 50g fire assay with AAS (atomic absorption spectrometry) finish for gold.
	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).</i>	Historical RAB drilling has been undertaken by Perilya Mines NL in 1999.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No historical data is available for Perilya samples
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No historical data is available for the Perilya RAB drilling although it was common practice in the 1990's for drillers to use industry appropriate methods to maximise sample recovery and minimise downhole contamination.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No significant sample loss or bias has been noted in the records.
Logging	<i>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.</i>	All historical geological, structural and alteration related observations are stored in the database.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of lithology, structure, alteration, mineralisation, colour and other features of samples was undertaken on a routine 1m basis.
	<i>The total length and percentage of the relevant intersections logged.</i>	All drill holes were logged in full on completion.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No diamond drilling was undertaken during this program.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	No historical data is available for Perilya samples
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Drill sample preparation and base metal and precious metal analysis was undertaken by a registered laboratory (Analabs).
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	No historical data is available for Perilya samples
	<i>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.</i>	No historical data is available for Perilya samples
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered appropriate for grain size of sample material to give an accurate indication of gold anomalism.

Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	A combination of 1 metre, 2 metre composites and 4m composite sampling was undertaken on the historical Perilya RAB holes. All samples were analysed for the entire drill hole. Analysis is by 50g fire assay with AAS finish for gold. Analysis was for gold only This methodology is considered appropriate for base metal mineralisation and gold at the exploration phase.
	<i>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.</i>	No geophysical tools were used to estimate mineral or element percentages.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	No historical data is available for Perilya samples
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No historical data is available for Perilya samples
	<i>The use of twinned holes.</i>	No twin holes have been drilled and none by Musgrave Minerals Ltd.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Geological sample logging was undertaken on one metre intervals for all RAB drilling with colour, structure, alteration and lithology recorded for each interval. Data is verified before loading to the database. Geological logging of all samples is undertaken.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations are made to any assay data reported.
Location of data points	<i>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.</i>	All maps and locations are in UTM grid (MGA94 Z50) and have been surveyed or measured by hand-held GPS with an accuracy of $\geq \pm 5$ metres.
	<i>Specification of the grid system used.</i>	Drill hole and sample site co-ordinates are in UTM grid (MGA94 Z50) and converted from local grid references.
	<i>Quality and adequacy of topographic control.</i>	No historical data is available for Perilya drill holes
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Variable drill hole spacings were used on regional traverse lines (10-25m) and RAB traverses were drilled at 400m intervals.
	<i>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.</i>	There is no current JORC mineral resource at the Purple Rain target.
	<i>Whether sample compositing has been applied.</i>	A combination of 1 metre, 2 metre composites and 4m composite sampling was undertaken on the historical Perilya RAB holes. All samples were analysed for the entire drill hole. Analysis is by 50g fire assay with AAS finish for gold. No historical data is available on how samples were composited.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Drilling was designed to cover the ground with minimal gaps. No orientation, dip or width of mineralisation is confirmed at this stage.
	<i>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.</i>	No orientation based sampling bias is known at this time.
Sample security	<i>The measures taken to ensure sample security.</i>	No historical data is available for Perilya samples
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No external audits or reviews of modelling 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.	The Purple Rain prospect is located on granted mining lease M58/224 and the primary tenement holder is Silver Lake Resources Ltd. Musgrave minerals commenced a Farm-In and Joint Venture on the project on 24 November 2015 (see MGV ASX announcement 25 November 2015: "Musgrave Secures Advanced Gold and Copper Project". The Cue project tenements consist of 39 licences (Lena and Break of Day is M21/106 and Hollandaire E20/699) as outlined in the Farm-In and Joint Venture Agreement. The tenements are subject to standard Native Title heritage agreements and state royalties. Third party royalties are present on some individual tenements.
	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.	Historical drilling was undertaken by Perilya Mines NL in 1999. Follow-up drilling was recommended but not completed.
Geology	Deposit type, geological setting and style of mineralisation.	Geology comprises typical Archaean Yilgarn greenstone belt lithologies and granitic intrusives. The main styles of mineralisation present is typical Yilgarn Archaean lode quartz vein gold mineralisation.
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: 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.	See table 1 of this announcement
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	All significant drill hole assay data are reported in this release. No cut-off has been applied to any sampling.
	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.	All significant historical drill hole assay data are reported in this release. No cut-off has been applied to any sampling.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	All significant drill hole assay data are reported in this release. True widths are not known but all drilling is planned to intercept perpendicular to interpreted targets.
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.	Diagrams referencing historical data can be found in the body of this release.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All significant historical assays are reported in this release.

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 and drilling related to these prospects has been reported or disclosed previously. The Purple Rain Prospect was previously referred to as the Eastern Porphyry Prospect by Perilya Mines NL.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	A range of exploration techniques will be considered to progress exploration including additional surface sampling and 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 in the body of this announcement.

