

Diamond Drilling Confirms Significant Gold Discovery at Lake Austin North

- **Diamond drill hole 18MODD008 returns exceptionally thick intercept with a high-grade core on the southern-most basement drill traverse at A-Zone:**
 - **242m @ 1.0g/t Au from 61m down hole including:**
 - **45m @ 3.3g/t Au from 70m, including:**
 - **9m @ 4.6g/t Au from 70m and,**
 - **18.9m @ 4.7g/t Au from 96.3m and,**
 - **5.8m @ 4.5g/t Au from 199.8m**
- **18MODD008 is located 50m south of drill hole 18MORC057 that returned 94m @ 2.2g/t Au from 156m to EOH**
- **Diamond drill 'scissor' hole on the discovery cross section 150m north of 18MODD008 confirms thick interval of high-grade gold and steep east dip:**
 - **20m @ 4.5g/t Au from 102.2m down hole (18MODD005), including:**
 - **2.6m @ 11.0g/t Au from 102.8m and,**
 - **7.4m @ 6.5g/t Au from 114.9m**
- **A-Zone remains open in all directions with diamond drilling continuing and further assays awaited**
- **The A-Zone is defined by a broad regolith gold halo extending up to 300m wide and covering a strike extent of over 700m**

Musgrave Minerals Ltd (ASX: **MGV**) ("Musgrave" or "the Company") is pleased to report highly encouraging assay results from the first diamond drill holes into the A-Zone and C-Zone targets at Lake Austin North, located 3km north of the Break of Day gold deposit within the Company's flagship Cue Project in Western Australia's Murchison district (*Figure 1*).

Musgrave Managing Director Rob Waugh said *"The diamond drilling is confirming what we've seen in the RC results and extending the mineralisation. Drill hole 18MODD008 has returned another exceptionally thick intercept with a high-grade core on our southern-most drill traverse at A-Zone. The basement mineralisation remains open and untested to the south and at depth. Diamond drilling will now continue to step out and test the extents of the mineralisation along strike and aim to further outline the size and grade of this potentially large and exciting gold discovery."*

A-Zone

Diamond drilling on the new gold discovery at A-Zone, Lake Austin North is continuing with four holes completed to date for a total of 1,052m (Figure 2), and assays received for three of these holes. Diamond hole 18MODD0008, drilled 50m south of RC hole 18MORC057 (94m @ 2.4g/t Au from 156m down hole including 52m @ 4.1g/t Au from 198m, (ASX announcement 29 October 2018, "High-Grade Gold Extended at Lake Austin North, Cue") intersected a thick mineralised interval of **242m @ 1.0g/t Au** from 61m down hole including a high-grade zone of **45m @ 3.3g/t Au** from 70m with **9m @ 4.6g/t Au** from 70m and **18.9m @ 4.7g/t Au** from 96.3m and **5.8m @ 4.5g/t Au** from 199.8m (Figure 3). This is now the southern-most hole drilled at A-Zone. The mineralisation remains open to the south where the aircore regolith anomaly extends for at least a further 200m.

Drill hole 18MODD005, completed on the discovery cross section is a scissor hole (Figure 4) and has confirmed the previously released RC results, intersecting **39m @ 2.5g/t Au** from 102.2m down hole including **20m @ 4.5g/t Au** from 102.2m and containing higher-grade zones of **2.6m @ 11.0g/t Au** from 102.8m and **7.4m @ 6.5g/t Au** from 114.9m. All assays are reported in Table 1a.

A-Zone consists of a broad regolith gold halo extending up to 300m wide and covering a strike extent of over 700m. The fresh rock gold mineralisation beneath the regolith halo is steeply east dipping and open to the north, south and down dip below approximately 50m of transported cover. The A-Zone mineralisation is proximal to a tonalite-mafic contact within a foliated silica-sericite-biotite-albite-pyrite alteration zone with multi-phase quartz veining.

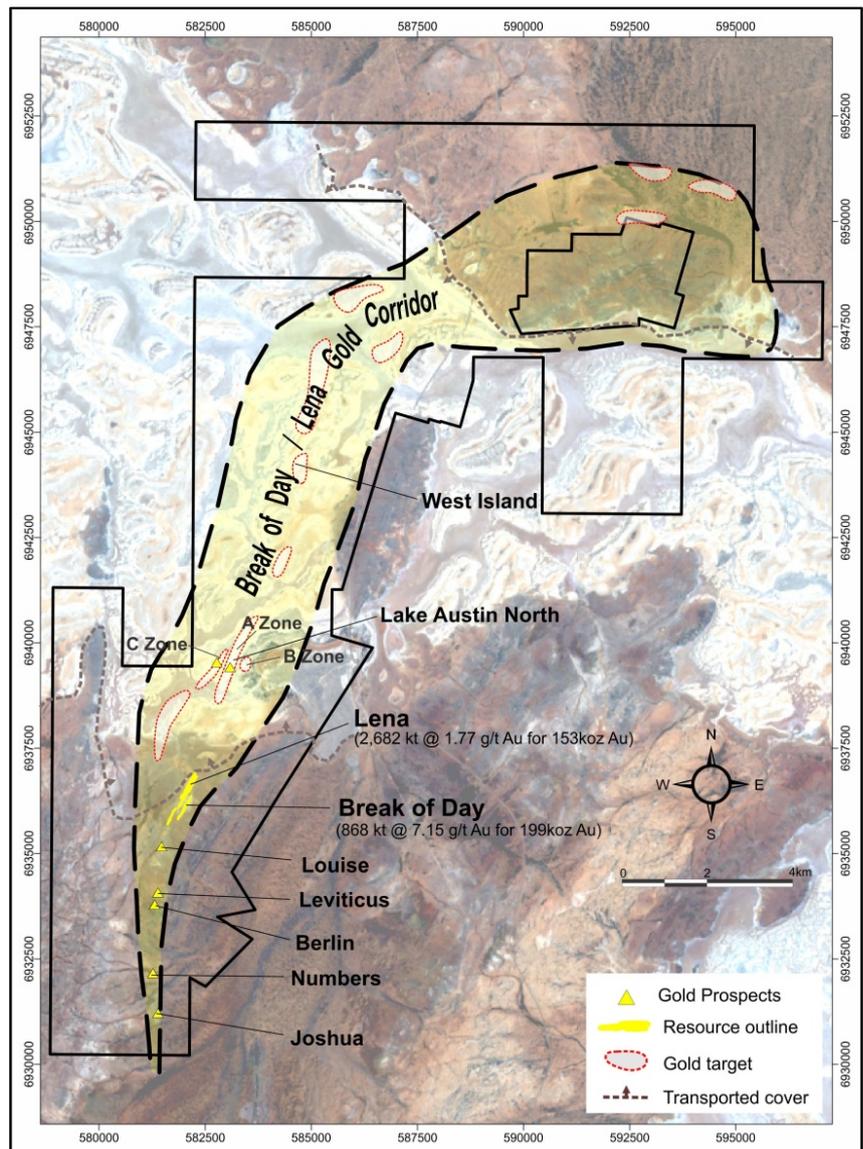


Figure 1: Location plan showing Lake Austin North Gold Target

1m re-samples of previous RC assays

Initial sampling of RC drilling at Cue is undertaken using 6m composites. One metre individual samples are submitted for follow-up analysis in zones of gold anomalism detected from composite sampling. All new assay results are shown in Table 1a. One metre re-samples of 6m composites have returned similar results to the previously reported intercepts.

Drill hole 18MORC057 returned **94m @ 2.2g/t Au** from 156m down hole (comparative 6m composites, 94m @ 2.4g/t Au), including **52m @ 3.8g/t Au** from 198m (comparative 6m composites, 52m @ 4.1g/t Au), including a higher grade core of **29m @ 5.1g/t Au** from 198m that includes **11m @ 8.7g/t Au** from 208m and **4m @ 8.0g/t Au** from 239m (comparative 6m composites, 12m @ 8.8g/t Au and 6m @ 6.3g/t Au).

Ongoing Exploration

- The current program of diamond drilling at the A-Zone is ongoing. This program consists of a minimum of seven drill holes for approximately 1,500m and drilling will continue until late December. Further assays are expected in late December through to January.
- An aircore drilling program was completed in November testing two new gold targets and two base metal targets on the northern tenure with assays expected in January.
- An induced polarization (IP) survey has been completed to better define targets on the northern tenements at Cue. Results are currently being interpreted.
- A regional gravity survey over newly granted tenement applications adjacent to the existing gold tenure at Cue has been completed and has defined new gold targets for drill testing.
- Musgrave is continuing development studies on the Break of Day and Lena gold deposits to evaluate options to optimise cash flow and maximise shareholder returns.
- Negotiations are continuing with Westgold regarding a mining and processing profit sharing agreement over the existing gold resources at Cue. **This proposed arrangement does not include Lake Austin North.**

For personal use only



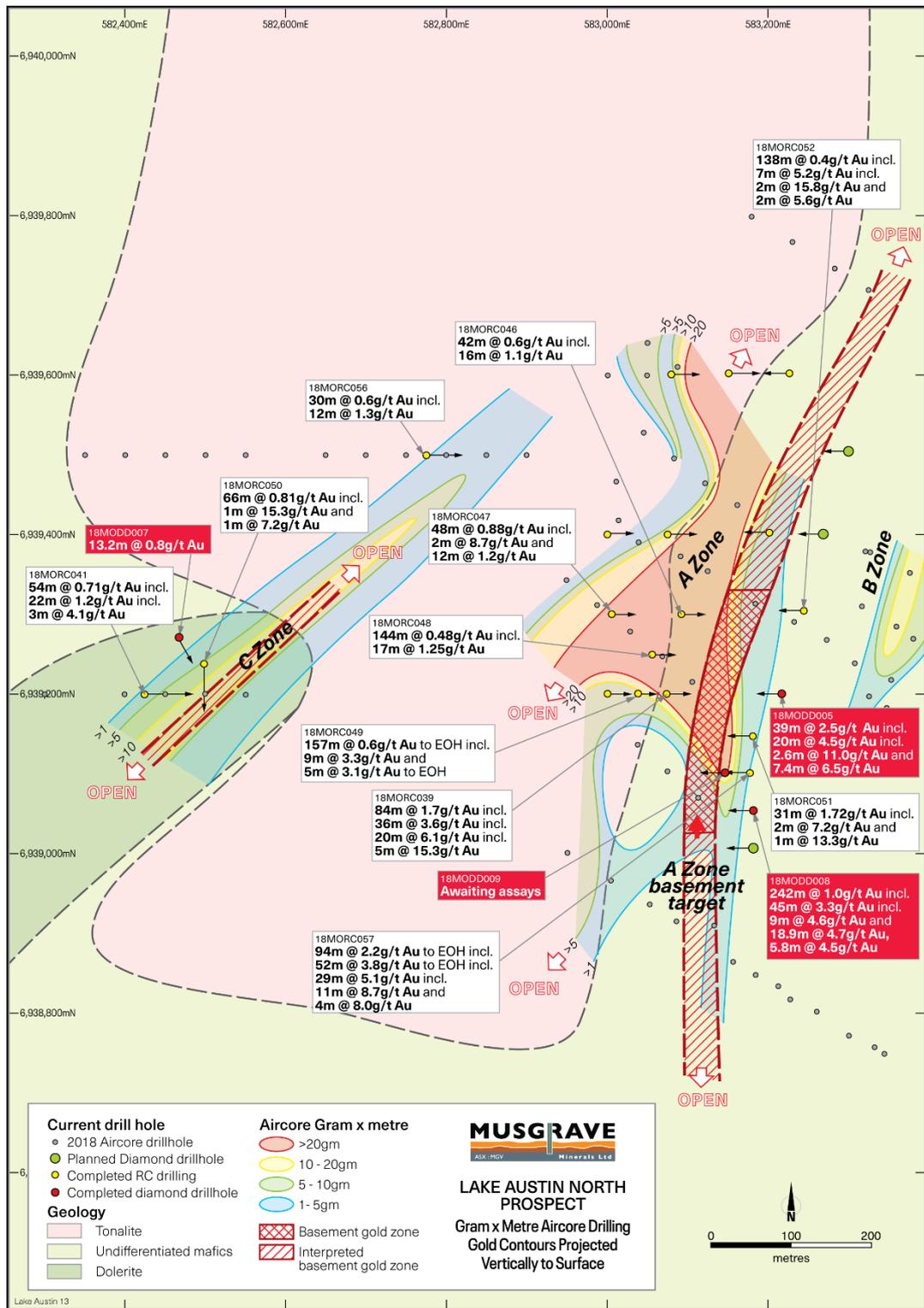


Figure 2: Plan showing drill holes completed at Lake Austin North, significant assay results and planned diamond drill holes, the tonalite intrusive and regolith aircore gold contours of gold in hole represented as grams of gold x metre thickness of intercept



For personal use only

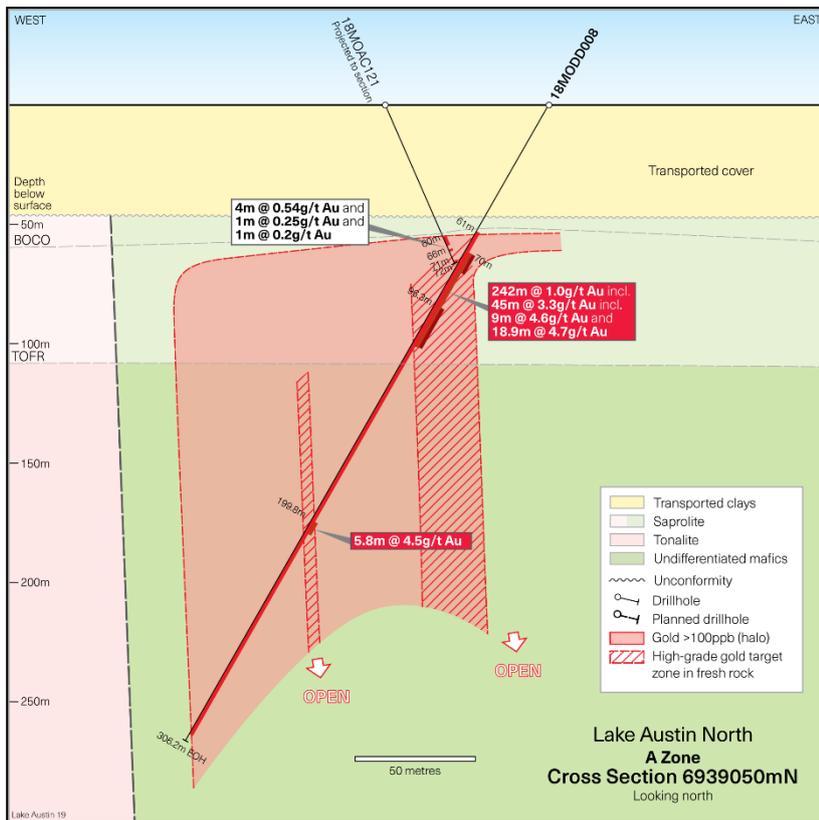


Figure 3: Cross section 6939050mN at A-Zone, Lake Austin North showing latest drilling –
 Note: Aircore drill hole is projected onto the east-west cross section (a cross-section is a vertical section perpendicular to the line of mineralisation)

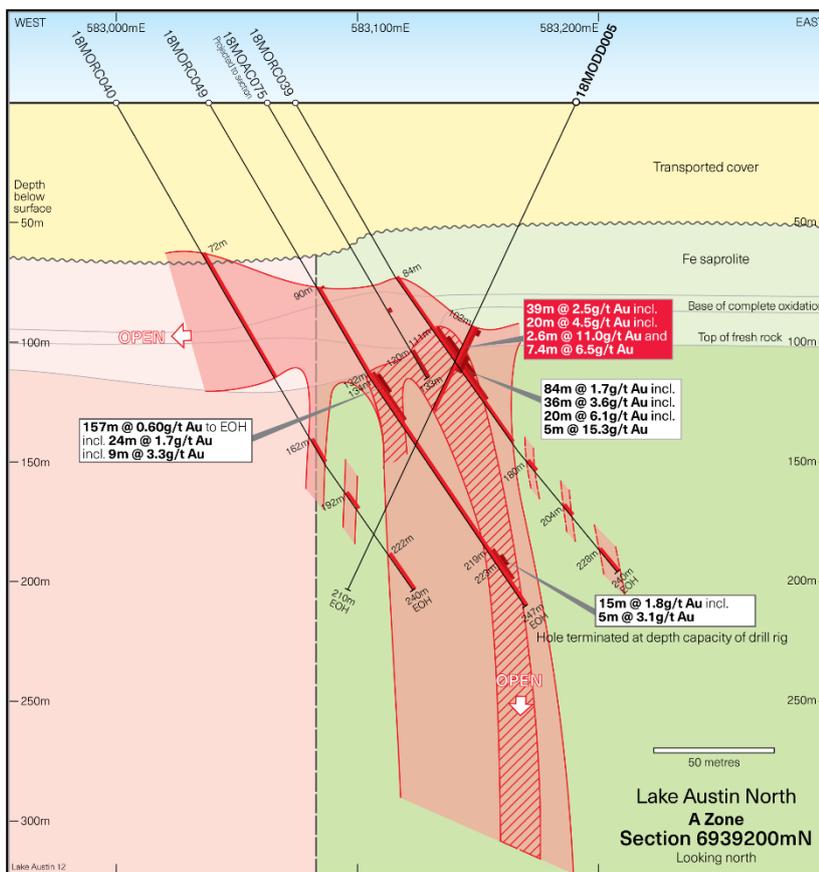


Figure 4: Discovery Cross section 6939200mN at A-Zone, Lake Austin North showing latest drilling



THE CUE PROJECT

The Cue Project (“the Project”) is located in the Murchison district of Western Australia, with key tenure wholly owned by Musgrave Minerals (*Figure 5*). The Project consists of the Moyagee Gold and Hollandaire Copper Resources. The Company has defined a 20km-long prospective gold corridor that hosts the Break of Day and Lena gold resources (Break of Day hosts 868kT @ 7.15g/t Au for 199koz Au and Lena 2,682kT @ 1.77g/t Au for 153koz Au; see *MGV ASX announcement 15 October 2018, “Annual Report”*).

The Company believes there is significant potential to extend existing mineralisation and discover new mineralisation within the Project area, as demonstrated by the recent drilling success at Break of Day, Lena and Lake Austin North.

Musgrave’s intent is to develop a low-cost operation from the current resource base, capable of delivering strong financial returns for its shareholders. This may enable Musgrave to largely self-fund exploration at Lake Austin North and other high-priority targets that suggest the presence of large gold systems. Specifically, Musgrave is exploring for systems of a size that have the potential to deliver a significant resource increase, and may in the future define a stand-alone operation.

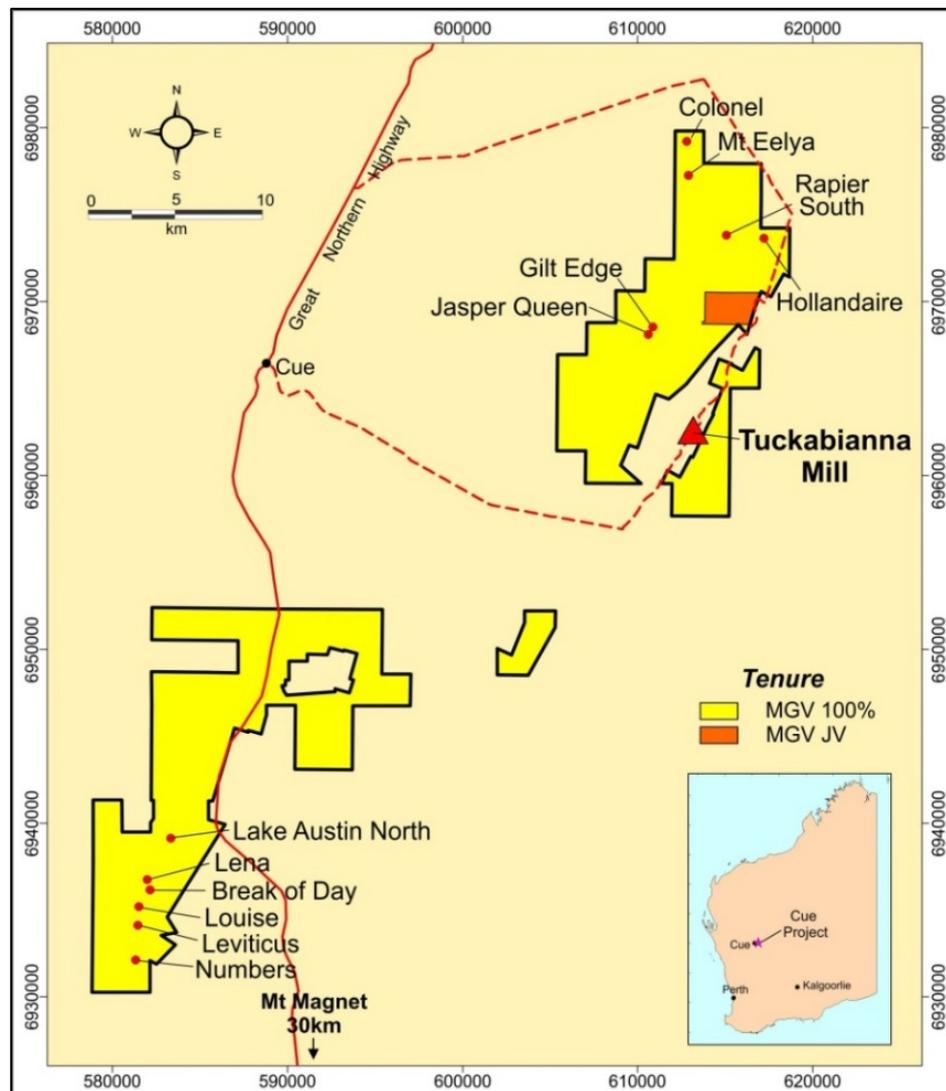


Figure 5: Cue Project location plan and tenure

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

Luke Forrestal
Senior Account Director
Media and Capital Partners
+61 411 479 144

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 has had significant exploration success at Cue with the ongoing focus on increasing the 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 a large exploration tenement package in the Ni-Cu-Co prospective Musgrave Province in South Australia. Follow us through our social media channels.



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.

Forward Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Musgrave Minerals Limited's (Musgrave's) current expectations, estimates and projections about the industry in which Musgrave operates, and beliefs and assumptions regarding Musgrave's future performance. When used in this document, words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Musgrave believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Musgrave and no assurance can be given that actual results will be consistent with these forward-looking statements.

For personal use only



Table 1a: **Summary of Significant Drill Hole Assay Intervals**

Drill Hole ID	Drill Type	Prospect	Easting (m)	Northing (m)	Azimuth (deg)	Dip (deg)	RL (m)	Total Depth (m)	Sample Type	From (m)	Interval (m)	Au (g/t)
18MORC057	RC	Lake Austin North A-Zone	583200	6939100	270	-60	409	250	1m samples	78	30	0.31
									1m samples	156	94 to EOH	2.2
									Including	198	54 to EOH	3.8
									Including	198	29	5.1
									Including	208	11	8.7
									Including	239	4	8.0
18MODD005	Diam	Lake Austin North A-Zone	583200	6939200	270	-65	409	210	Half core samples	102.25	38.95	2.5
									Including	102.25	20.05	4.5
									Including	102.85	2.63	11.0
									and	114.9	7.4	6.5
									and	138.0	3.2	1.0
18MODD007	Diam	Lake Austin North C-Zone	582472	6939298	150	-65	412	286.5	Half core samples	92.48	13.22	0.84
									Half core samples	143.07	0.93	1.27
									Half core samples	206	1.0	2.37
									Half core samples	220.9	0.48	1.6
18MODD008	Diam	Lake Austin North A-Zone	583176	6939050	270	-65	409	306.2	Half core samples	61.0	242	1.0
									Including	70.0	45.0	3.3
									Including	70.0	9	4.6
									and	96.3	18.9	4.7
									Half core samples	125.0	2.65	1.4
									Half core samples	199.8	5.8	4.5
									Including	200.64	1.36	11.4
									and	239.53	1.5	2.1
									and	246.73	13.18	1.0
									and	279.5	7.5	1.1
									and	294.81	1.19	2.4
and	300	3.0	1.6									
18MODD009	Diam	Lake Austin North A-Zone	583148	6939100	270	-65	409	249.2	Assays awaited			

Notes to Table 1a

1. An accurate dip and strike and the controls on mineralisation are only interpreted and the true width of mineralisation are unconfirmed at this time.
2. In RC drilling, composite 6 metre samples were collected with smaller composites if end of hole reached within 6m range. One metre individual samples are submitted for priority analysis where 6m composite assays are greater than 100ppb Au. All samples are analysed using a 50g fire assay with ICP-MS (inductively coupled plasma - mass spectrometry) finish gold analysis (0.005ppm detection limit) by Genalysis-Intertek in Maddington, Western Australia
3. In diamond drilling individual samples are cut and sampled as half core on geological intervals with individual samples generally no larger than 1.2m
4. g/t (grams per tonne), ppm (parts per million), ppb (parts per billion), X = below detection limit
5. Intersections are generally calculated over intervals >0.5g/t Au in fresh rock and >0.1g/t Au in weathered rock where zones of internal dilution are not weaker than 10m < 0.1g/t Au.
6. Drill type; AC = Aircore, RC = Reverse Circulation, Diam = Diamond
7. Coordinates are in GDA94, MGA Z50

For personal use only



JORC TABLE 1

Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	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.	<p>The drill hole sampling in this release has been carried out at numerous prospects on the Cue Project. The current drill program comprises approximately 30 RC drill holes (~7,500m) varying in depth down to approximately 250m. All drill holes are drilled at -60° and at variable spacing but nominally 75m spacings along 50-200mspaced traverse lines.</p> <p>Sampling is undertaken using standard industry practices including the use of duplicates and standards at regular intervals.</p> <p>One metre chip samples are laid out in rows of 10, 20 or 30 on the ground and composite 6m samples collected by scoop sampling the one metre piles to produce a 2-3kg sample which was sent to the Genalysis laboratory in Maddington, Perth for analysis. Resampling of anomalous samples is undertaken at 1m intervals by scoop.</p> <p>Diamond core is cut utilising an Almonte automatic core saw and sampled as half core.</p> <p>A Thermo Scientific Niton GoldD XL3+ 950 Analyser is available on site to aid geological interpretation. No XRF results are reported.</p>
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	All co-ordinates are in UTM grid (GDA94 Z50) and drill hole collars have been surveyed by differential GPS to an accuracy of 0.01m. The accuracy of historical drill collars pre-2009 is unknown.
Drilling techniques	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.	<p>Diamond core (PQ and HQ diameter) is cut utilising an Almonte automatic core saw and sampled on geological intervals generally not exceeding 1.2m and sampled as half core.</p> <p>All RC samples are collected as 6m composites for all drill holes in the current program. One metre individual samples are immediately submitted for analysis where a high probability of mineralisation occurs (e.g. quartz vein lode or massive sulphide). All one metre samples are split to 1-3kg in weight through a cyclone or riffle splitter which is air blasted clean at the end of each 6m rod.</p> <p>Individual samples weigh less than 3kg to ensure total preparation at the laboratory pulverization stage.</p> <p>The sample size is deemed appropriate for the grain size of the material being sampled.</p> <p>Samples are sent to the Genalysis – Intertek laboratory in Maddington. Samples are pulverized to 85% passing -75um and six metre composite samples are analysed using a 50g fire assay with ICP-MS (inductively coupled plasma - mass spectrometry) finish gold analysis (0.005ppm detection limit).</p> <p>Individual one metre gold samples are analysed using a 50g fire assay with ICP-MS finish for gold.</p>
	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).	<p>The current lake diamond drilling program is being undertaken by West Core utilising a LF90D drilling rig recovering PQ and HQ core. Four diamond holes have been completed to date for 1,052m.</p> <p>The Lake RC drill program was undertaken by Ausdrill utilising a specialised lake drilling RC rig (ED117). A total of 18 holes were completed for ~4,105m at Lake Austin North.</p> <p>The RC drilling program is undertaken with a 4.5 inch drill pipe and blade or hammer (5 5/8) with track vehicle support and a 500psi-1150cfm compressor with 750psi-1800cfm booster.</p> <p>A total of 151 aircore/RC holes were drilled in the May-June aircore drill programme.</p> <p>A combination of historical RAB, aircore, RC and diamond drilling has been utilised by multiple companies over a thirty year period across the broader project area.</p> <p>Details of historical aircore and Rotary Air Blast (RAB) drilling techniques are not clearly reported in the historical data although these drilling methods produce cut and air blasted regolith samples and not core.</p>
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	<p>In diamond drilling the tops of the holes are drilled with the quick core method through the cover sequence and then PQ core is recovered from the top of Archaean regolith until it is reduced to HQ when fresh unbroken runs are achieved. Core recovery is generally close to 100%.</p> <p>Aircore and RC drill samples are usually dry but some wet samples exist where ground water pressure is high. The sample size and condition (wet, damp, dry) is recorded every metre. Generally recovery is 80-100% but occasionally down to 10% on rare occasions when ground water pressure is very high.</p> <p>The cyclone is routinely cleaned to reduce the likelihood of cross sample contamination.</p> <p>RC bulk sample weights are observed and noted in a field Toughbook computer by MGV field staff.</p> <p>Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.</p>

	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Drillers use industry appropriate methods to maximise sample recovery and minimise downhole contamination. A cyclone splitter was utilised to split 1-3kg of sample by weight. The splitter is air blasted clean at the end of each 6m rod. In the case of diamond core, core recovery is recorded as a percentage every sample interval. Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.
	<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.
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 geological, structural and alteration related observations are stored in the database. All pre 2009 historical drilling was intended with an exploration focus and not for Mineral Resource estimation or mining and metallurgical studies. Although drill chip samples have been historically logged for geological, structural and alteration related observations the drill holes have not been logged to a level that would support appropriate Mineral Resource estimation or mining and metallurgical studies.
	<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 core or chips is undertaken on a routine 1m basis in RAB, aircore, RC and for all core.
	<i>The total length and percentage of the relevant intersections logged.</i>	All drill holes are 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>	Historical MGV diamond drilling is HQ size core. Core is cut with a diamond blade saw at the Intertek laboratory in Maddington where half core is crushed to 90% nominally pass 75Um.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Aircore & RC samples are routinely cyclone split and kept dry by the use of pressurised air. Minimal wet sampling occurred and only in areas of high ground water pressure. Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Aircore and RC samples were collected as 6m composites for all drill holes in the current program using a scoop methodology. One metre individual samples are immediately submitted for analysis where anomalous composite assays exist using a scoop methodology. Drill sample preparation and base metal and precious metal analysis is undertaken by a registered laboratory (Genalysis – Intertek). Sample preparation by dry pulverisation to 85% passing 75 micron. Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QC procedures involve the use of certified reference standards (1:50), duplicates (~1:30) and blanks (1:50) at appropriate intervals for early stage exploration programs. High, medium and low gold standards are used. Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.
	<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>	Sampling is carried out using standard protocols and QAQC procedures as per industry practice. Duplicate samples are inserted (~1:30) and more frequently when in high-grade gold veins, and routinely checked against originals. Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.
	<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 mineralisation at Break of Day. Sample is collected from full width of sample interval to ensure it is representative of samples lithology.
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>	In aircore and RC drilling one metre individual samples are analysed through potential gold mineralised zones. Analysis is by 50g fire assay with ICP-MS finish for gold. This is also the technique used for sampling of diamond core. On six metre composite samples, analysis is undertaken by Intertek-Genalysis (a registered laboratory), with 50g fire assay with ICP-MS finish undertaken for gold. Internal certified laboratory QAQC is undertaken including check samples, blanks and internal standards. This methodology is considered appropriate for base metal mineralisation and gold at the exploration phase. For drilling pre 2009 analysis for gold was by aqua regia digest with AAS finish and considered appropriate for the type of exploration undertaken.
	<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. Musgrave utilise a Thermo Scientific Niton GoldD XL3+ 950 Analyser to aid geological interpretation.

	<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>	Standards, duplicates, blanks, and repeats are utilised as standard procedure. Certified reference materials that are relevant to the type and style of mineralisation targeted are inserted at regular intervals. Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Samples are verified by the geologist before importing into the main database (Datashed). Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.
	<i>The use of twinned holes.</i>	No twin holes have been drilled by Musgrave Minerals Ltd during this program.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data is collected using a standard set of templates. Geological sample logging is undertaken on one metre intervals for all RC 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 MGCV assay data reported. To our knowledge, no adjustments or calibrations were made to any historical assay data reported.
<i>Location of data points</i>	<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 (GDA94 Z50) and have been surveyed or measured by hand-held GPS with an accuracy of ± 5 metres. Down hole surveys are undertaken using the reflex gyroscope down hole tool in regular 30m intervals.
	<i>Specification of the grid system used.</i>	Drill hole and sample site co-ordinates are in UTM grid (GDA94 Z50) and converted from local grid references.
	<i>Quality and adequacy of topographic control.</i>	Historical drill hole collars and RL's are surveyed by qualified surveyors in most instances in the resource areas. Differential GPS is used to survey drill hole collars with an accuracy of ± 0.01 metre including RL's. Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Variable drill hole spacings are used to adequately test targets and are determined from geochemical, geophysical and geological data together with historical drilling information. Regional drill hole traverse spacing is variable from 200m to 400m and 50m along lines. At present at Break of Day a general pattern of 20-40m drill spacings on 25m spaced sections is underway. Historical drill hole spacings at Break of Day are variable although SLR drilled a number of holes at approximately 20m on 50m sections in 2011-12. Variable drill hole spacings were used in historical drilling with drill traverses spaced between 200m and 1km apart. Drill hole spacings on traverse lines varied from 50m to 150m.
	<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 a current JORC 2012 Mineral Resource at Break of Day and Lena defined by Musgrave Minerals Ltd. The Mineral Resources estimate at Break of Day and Lena was prepared and disclosed in accordance with the 2012 Edition of the Australian Code of Reporting of Mineral Resources and Ore Reserves (JORC 2012). For further details refer to MGCV ASX announcement 14 July 2017: "Resource Estimate Exceeds 350koz Au" and MGCV ASX announcement 24 October 2017, "Annual report 2017".
	<i>Whether sample compositing has been applied.</i>	Aircore and RC samples were collected as 6m composites for all drill holes in the current program using a scoop methodology from one metre sample piles. One metre individual samples are submitted for analysis where anomalous composite assays exist using a scoop methodology from one metre sample piles. Composite sampling is undertaken using a stainless steel spear (trowel) on one metre samples and combined in a calico bag for a combined weight of approximately 2-3kg. One metre individual samples were collected in mineralised zones on all pre 2009 historical drill holes.
<i>Orientation of data in relation to geological structure</i>	<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 is designed to cross the mineralisation as close to perpendicular as possible. Most drill holes are designed at a dip of approximately -60 degrees. The mineralisation at Break of Day and Lena is interpreted to dip between 70-90 degrees to the west. The true width of drill intersections is not known at this time.
	<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.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Chain of custody is managed by internal staff. Drill samples are stored on site and transported by a licenced reputable transport company to a registered laboratory in Perth (Genalysis-Intertek at Maddington). When at the laboratory samples are stored in a locked yard before being processed and tracked through preparation and analysis (Lab-Trak system). Pre 2009 drilling results noted in this report are historical and not reported in detail. As such these details are unknown.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	During the resource estimate an external review of the geological interpretation, data and modelling techniques was undertaken by CSA global. Open file reports confirm the historical mineralisation as reported.

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.	Musgrave Minerals has now secured 100% of the Moyagee Project area (see MGV ASX announcement 2 August 2017: "Musgrave Secures 100% of Key Cue Tenure"). The Break of Day, Lena and Louise Prospects are located on granted mining lease M21/106 and the primary tenement holder is Musgrave Minerals Ltd. The Numbers Prospect is on E58/335 and Lake targets on E21/129, E21/194, E21/177 and M21/107. The Mt Eelya Prospect is located on granted exploration licence E20/608 and the primary tenement holder is Musgrave Minerals Ltd. The Hollandaire and Hollandaire West deposits are located on E20/699 and the primary tenement holder is Musgrave Minerals Ltd. The Hunkey Dory Prospect is located on granted mining leases M20/225, M20/245, M20/277 and the primary tenement holder is Musgrave Minerals Ltd. Purple Rain is located on M58/224 and the primary tenement holder is Musgrave Minerals Ltd. The Cue project tenements consist of 22 licences (Lena and Break of Day are on M21/106 and Hollandaire E20/699). 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, soil sampling and geophysical surveys have been undertaken in different areas on the tenements intermittently by multiple third parties over a period of more than 30 years. At Break of Day and Lena historical exploration and drilling has been undertaken by a number of companies and most recently by Silver Lake Resources Ltd in 2010-11. Historical drilling from 1991-1999 was undertaken by Perilya Mines Ltd and from 2001-2006 by Mines and Resources Australia Pty Ltd. Prior to MGV, Silver Lake Resources Ltd also did historical drilling at Break of Day, Lena, Leviticus and Numbers between 2009-2011.
Geology	Deposit type, geological setting and style of mineralisation.	Geology comprises typical Archaean Yilgarn greenstone belt lithologies and granitic intrusives. Two main styles of mineralisation are present, typical orogenic Yilgarn Archaean lode gold and volcanic massive sulphide (VMS) base metal and gold mineralisation within the Eelya Felsic Complex.
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: eastings and northings 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.	All relevant historical drill hole information has previously been reported by SLR and MGV and through open file reporting by previous explorers. All new drill holes completed and assayed by MGV with material results (>100ppb Au (0.1g/t Au)) are referenced in this release.
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 new drill hole assay data of a material nature are reported in this release. No cut-off has been applied to any sampling. All intervals have been length weighted.
	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 new 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. All intervals are down hole intervals with a minimum width of one metre and not true widths.
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 new drill hole assay data of a material nature are reported in this release. True widths are not confirmed but all drilling is planned close to perpendicular to interpreted targets.

<i>Diagrams</i>	<i>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.</i>	Diagrams referencing new data can be found in the body of this release. Some diagrams referencing historical data can also be found in the body of this report.
<i>Balanced reporting</i>	<i>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.</i>	All material assays received to date from Musgrave's drilling are reported in this release together with reference to historical drilling results of significance.
<i>Other substantive exploration data</i>	<i>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.</i>	All new meaningful data is reported in this release. All material results from geochemical and geophysical surveys and drilling related to these prospects has been reported or disclosed previously.
<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	A range of exploration techniques will be considered to progress exploration including additional drilling.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer to figures in the body of this announcement.

For personal use only

