



Musgrave signs earn-in deal in S Australia

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PERTH (miningweekly.com) - ASX-listed Musgrave Minerals has entered into a heads of agreement with a subsidiary of fellow listed Terramin Australia to earn a 75% interest in the Menninnie Dam silver/lead/zinc project, in South Australia.

Under the terms of the agreement, Musgrave would have to spend some A\$1-million on the project within the first 12 months. The company would then have the option to spend a further A\$5-million on the project over a further four years, to earn a 51% interest.

Musgrave and Terramin subsidiary Menninnie Metals could then contribute to exploration and development expenditure on a pro-rata basis. If Menninnie Metals elected not to contribute, Musgrave could earn a further 24% interest in the project by spending an additional A\$3-million over two years.

The Menninnie Dam project consists of five exploration licences covering some 2 471 km² and hosts the Menninnie Central and Viper zones, with an inferred mineral resource of 7.7-million tons, at 27 g/t silver, 3.1% zinc, and 2.6% lead.

The project also encompasses a number of highly prospective geophysical and geochemical anomalies that demonstrate the potential for definition of additional resources.

Musgrave MD **Rob Waugh** said this week that the Menninnie Dam project complemented the company's ongoing commitment to the Musgrave region of South Australia, enhancing the company's project portfolio with a more advanced opportunity, and adding further drill-ready targets in a new and prospective province that could be tested immediately.

"The high-grade intercepts and estimated mineral resource demonstrate the potential for significant discoveries at Menninnie Dam and the opportunity is aligned with the company's South Australian focus," said Waugh.

He noted that the project was also well located in terms of infrastructure.

Musgrave has identified three drill targets, which it intended to drill during the December quarter of this year. The company would focus on analysing the geochemical samples covering the new targets, as well as the re-interpretation of existing data and reverse circulating and diamond drilling of new priority targets.

"This is a very good opportunity for the company to quickly drill test some really exciting targets in a very prospective new silver/zinc province. The project has significant potential to provide a new discovery," said Waugh.

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