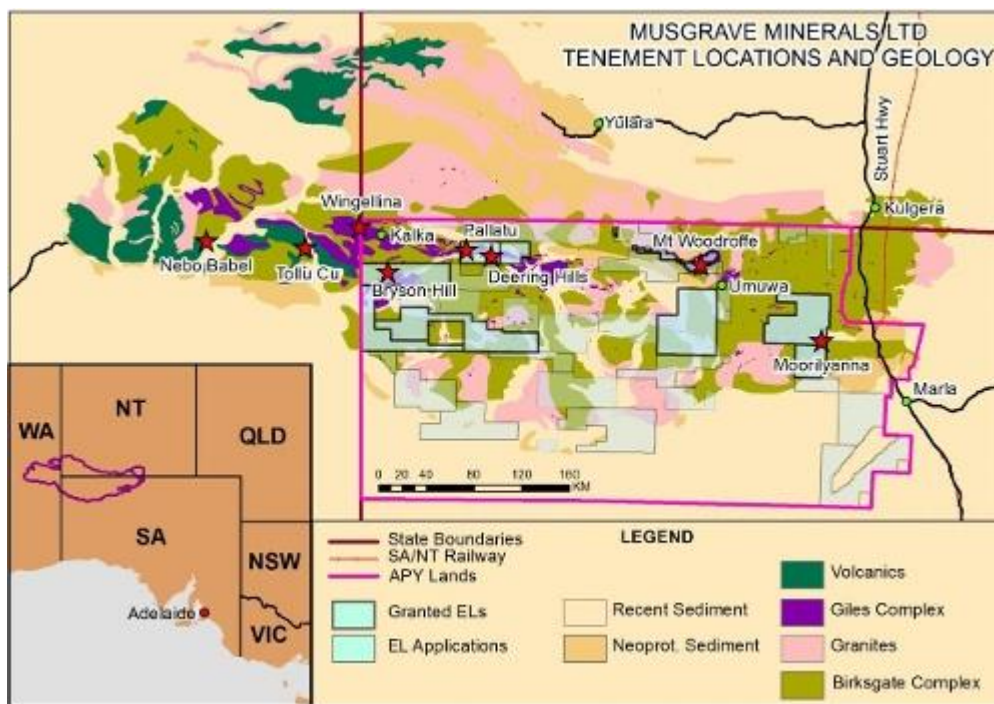


Musgrave Minerals encounters massive sulphides at Pallatu

The Resources Roadhouse Monday, December 09, 2013

THE BOURSE WHISPERER: Musgrave Minerals (ASX: MGV) has intersected massive and disseminated nickel-copper sulphide while conducting recent diamond drilling at the Pallatu target on the company's Deering Hills project in the far north-west of South Australia.

Musgrave Minerals holds a 100 per cent interest in licence EL5317 that hosts the newly-discovered nickel-copper sulphide mineralisation.



Location of Musgrave Minerals' exploration licences in the Musgrave Province. Source: Company announcement

Musgrave drilled five holes testing five separate conductive targets it had identified from surface EM surveys.

Musgrave explained the drilling had encountered a combination of massive, matrix and disseminated sulphide in all five drill holes from as shallow as 35.7 metres down hole.

The drilling has shown the system to be mineralised with peak assays up to 0.5 per cent nickel, 0.8 per cent copper and 0.6 grams per tonne platinum, palladium and gold over narrow intervals in fresh rock.

Musgrave said all five surface EM conductors it has drilled to date have been interpreted to be sourced from a combination of massive and matrix sulphide and graphite which is associated with the mineralisation.

The company explained the mineralisation is hosted within sulphide bearing interpreted Giles Complex, gabbros and pyroxenites.

Giles Complex gabbroic intrusives are known to host nickel sulphide mineralisation elsewhere in the Musgrave Province.

“This discovery is potentially very significant as it has defined a new mineralised intrusive system in the region,” Musgrave Minerals Managing Director Rob Waugh said in the company’s announcement to the Australian Securities Exchange.

“A re-assessment of ground EM data has highlighted a potentially significant and extensive subtle conductor at depth to the north of the current drilling.

“The new target identified as Pallatu 7 is interpreted as approximately 1,500 metres long at a vertical depth of approximately 280 metres.

“This is right at the limit of the interpretability of the existing EM survey data and further ground EM will be required to better define this potentially significant conductor.

“The important question for us is; are we on the edge of something significant? Only further exploration, including additional EM and drilling will answer that question.”

Musgrave has down hole electromagnetic (DHEM) surveys and additional surface EM surveys planned for early 2014 prior to potential drilling recommencing.

Future exploration will be focused on defining areas with the potential for the accumulation of high-grade nickel-copper massive sulphide zones and platinum group elements (PGEs).

Musgrave has been encouraged by the PGE results it has achieved so far, which it said has highlighted the potential of the area to host economic PGE mineralisation.

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