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Musgrave surges on sulphides

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SHARES in explorer Musgrave Minerals jumped by as much as 64% today after the company announced it had intersected massive and disseminated sulphides in South Australia.

Diamond drilling on the Pallatu target at the Deering Hills project in the northwest of the state hit massive and disseminated nickel-copper sulphide.

Five holes for 504m testing five separate conductive targets intersected a combination of massive, matrix and disseminated sulphide in all holes from as shallow as 35.7m downhole.

The holes returned peak assays of up to 0.5% nickel, 0.8% copper and 0.6 grams per tonne platinum, palladium and gold.

“This discovery is potentially very significant as it has defined a new mineralised intrusive system in the region,” Musgrave managing director Rob Waugh said.

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

The Pallatu 7 target is interpreted as being around 1500m long at a vertical depth of about 280m.

“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,” Waugh said.

“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.”

Further work is being planned for early 2014.

The company said the exploration target model was mafic/ultramafic-hosted massive nickel-copper sulphide mineralisation similar to Voisey’s Bay in Canada or Nova in Western Australia.

Shares in Musgrave surged by as much as 64% to an intraday high of A11.5c, but cooled and were last trading 30% higher at 9.1c on heavy volume.



Musgrave Minerals
MD Rob Waugh