

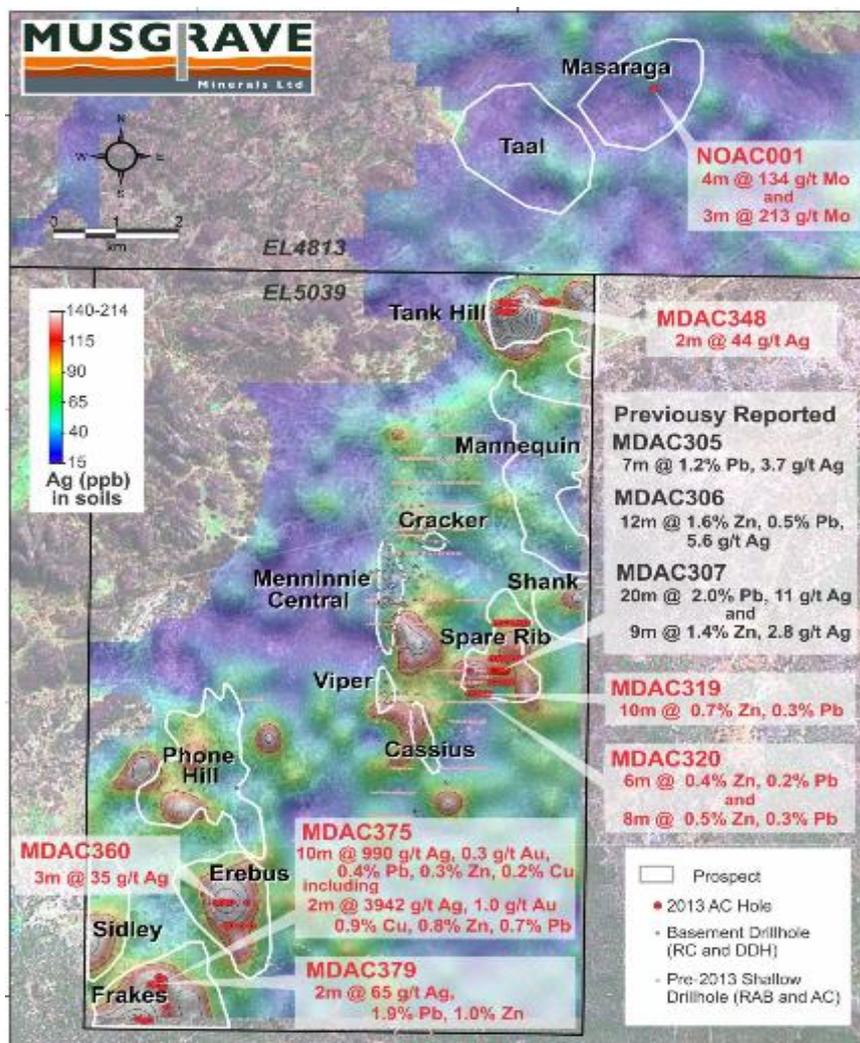
Musgrave Minerals hits big silver numbers at Menninnie Dam

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THE DRILL SERGEANT: Musgrave Minerals (ASX: MGV) has intersected high-grade silver mineralisation at the new Frakes target on the company's Menninnie Dam project in the southern Gawler Craton region of South Australia.

The company recently completed near surface aircore and slimline reverse circulation (RC) drilling at the Frakes prospect, which returned results of:

10 metres at 990 grams per tonne silver, 0.3 grams per tonne gold, 0.4 per cent lead, 0.3 per cent zinc and 0.2 per cent copper from 43m down hole, including 2m at 3,942g/t silver, 1.0g/t gold, 0.7 per cent lead, 0.8 per cent zinc and 0.9 per cent copper from 44m down hole in MDAC375.



Location of Menninnie Dam prospects with drill hole collars and significant recent aircore drilling assay results on silver geochemical and landsat image. Source: Company announcement

Musgrave labelled these results from Frakes to be significant saying it considers they indicate upside potential for further mineralisation along strike to both the north and south may exist.

The company said magnetic interpretation suggests the mineralisation may be structurally controlled.

The Frakes surface geochemical silver anomaly is more than 1.5 kilometres wide with numerous structures present in the Frakes area, many of which have not yet been drill tested.

“This is a completely new target, never before drilled, making this a fantastic result which continues to validate our targeting methodology,” Musgrave Minerals managing director Rob Waugh said in the company’s announcement to the Australian Securities Exchange.

“The high-grade mineralisation intersected at Frakes is extremely encouraging and is open along strike and down dip.

“The other positives from Frakes are the high gold and copper values which suggest we could have multiple mineralizing events in a well preserved epithermal field.

“Follow up drilling at Frakes and Spare Rib is a priority to determine the extent and grade of the mineralisation along strike and in fresh rock below these intersections and to continue to test parallel structures and targets in the area.

“We expect to commence follow up drilling as soon as possible.”

Further drilling has identified additional lead and zinc mineralisation at Spare Rib, located 7km northeast of Frakes and less than 2km east of Musgrave’s Menninnie Central and Viper deposits.

These include:

10m at 0.7 per cent zinc, 0.3 per cent lead from 21m down hole in MDAC319; and

6m at 0.4 per cent zinc, 0.2 per cent lead from 21m and 8m at 0.5 per cent zinc, 0.3 per cent lead from 36m down hole in MDAC320.

Musgrave Minerals is in a healthy financial position to successfully follow-up these results identified at Frakes and at Spare Rib with \$7.4 million currently sitting in the bank.

Musgrave Minerals has entered into a Joint Venture Agreement with Menninnie Metals, a wholly-owned subsidiary of Terramin Australia Limited (ASX: TZN) to earn a 51 per cent interest in the Menninnie Dam project in the first stage, and up to a 75 per cent interest thereafter.