



Musgrave Minerals (ASX: MGV)

Musgrave Minerals to Upgrade Break of Day in 2017

Musgrave Minerals (ASX: MGV) is moving closer to upgrading the current Inferred Minerals Resource estimate for the Break of Day gold deposit.

BREAK OF DAY IS LOCATED on the Moyagee project, within the Cue Joint Venture with Silver Lake Resources (ASX: SLR) in the Murchison Region of Western Australia where Musgrave can earn up to an 80 per cent interest.

Break of Day currently has a JORC 2004-compliant Inferred Mineral Resource of 335,700 tonnes at 1.91 grams per tonne gold for 20,600 ounces of contained gold.

Musgrave is confident drilling results achieved at Break of Day over the past 12 months will enable it to upgrade the Resource by the second quarter of 2017.

"The latest results continued to provide encouragement that we are on the right track at Break of Day," Musgrave Minerals managing director Robert Waugh told *The Resources Roadhouse*.

"The latest program of drilling was carried out with three stated objectives: firstly, to confirm the grade and the width of the mineralisation we have encountered to date, secondly, to provide relevant data to include in the upcoming Resource estimation, and finally to confirm and enhance our knowledge of, and confidence, in the geology of the project."

The recent program achieved all three objectives and was enhanced by excellent drilling intersections.

Recently completed diamond drilling at Break of Day confirmed and extended the high-grade gold mineralisation at the deposit, with best results of:

- » **16MODD002**
3.2m at 26.6g/t gold from 238.5m;
- » **16MODD003**
4m at 9.6g/t gold from 231m; and

» **16MODD001**

6.6m at 7.3g/t gold from 127.35m.

The company also extended the width and depth of the mineralisation setting it well on the path to establishing the new Resource, and towards its ultimate goal, which is to join the ranks of Australian gold producers in 2018.

Musgrave has commenced metallurgical test work at Break of Day to establish potential gold recoveries and parameters for the upcoming Resource estimation and further studies, which was boosted by the recent diamond drilling that confirmed the coarse grained high-grade nature of the gold mineralisation.

Results of the metallurgical tests are expected in the June quarter to coincide with the Resource estimation.

The recent drilling program also highlighted the potential of the Lena deposit.

Lena hosts a historical Resource of 1.273 million tonnes at 1.86g/t gold for 76,000 ounces of gold within a shear zone that strikes over about 1.6 kilometres.

To complete two of the diamond holes Musgrave had to collar them 250m to the west of Break of Day to drill underneath the deposit, intersecting Lena along the way.

Results for Lena from these two holes included:

- » **16MODD003**
3.3m at 19.4g/t gold from 61.7m; and
- » **16MODD002B**
7m at 3g/t gold from 34m in an RC pre-collar drill hole.

The drilling occurred 150m to the west of Break of Day where historic drilling had only drilled down to around 30m depth.

The intersection from hole

16MODD003 above, extended mineralisation to around 25m below the historical oxide drilling.

"The good thing is that the grade is increasing as we get deeper," Waugh said.

"We are hopeful this will be another high-grade shoot along the Lena Shear we will be able to follow up to grow the Resource."

"The near surface high-grade gold already established at Lena has potential to be mined through open cut methods and its proximity could improve the economics of any potential future development at Break of Day."

"Continuing to grow the Resources at Lena and Break of Day can only be a good thing as we progress towards production."

Further exploration activities, involving a ground EM survey over several copper-gold and zinc base metal targets in the northern part of the Cue project area identified 12 base metals conductors

"Musgrave is now working towards preparing these targets for drilling," Waugh said.

"We currently have \$2.9 million in cash, so we are well-resourced to continue our exploration programs for 2017." 📍

The Short Story

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