

Base metals adds to growing gold at Cue

MUSGRAVE Minerals has intersected high-grade zinc in the first five holes at the Hollandaire base metals project at Cue.

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Reverse circulation drilling at Mt Eelya hit 16m at 3.1% zinc, 0.2% copper and 0.1 grams per tonne gold from 12m, including 2m at 18.1% zinc and 0.5% copper; and 21m at 1.9% zinc, 0.4% copper, 0.5gpt gold and 6gpt silver from 21m, including 4m at 8.1% zinc, 1.5%

copper, 0.6gpt gold and 21gpt silver.

Mineralisation at Mt Eelya is open along strike and down-plunge.

The first drilling by Musgrave at the Colonel prospect hit 6m at 1% copper, 1.7gpt gold and 11gpt silver from 60m.

The electromagnetic conductors identified at Colonel extend over a strike length of more than 600m and are largely untested.

Musgrave managing director Rob Waugh said the initial results were fantastic and confirmed the project's base metals potential.

"The shallow and high-grade nature of the mineralisation is also encouraging," he said.

"It is still early days, but these results add to the potential of the field."

The 16-hole program set out to test 12 base metal targets at Hollandaire. Assays for a further 11 holes across nine targets are due in the coming weeks.

Musgrave completed some initial drilling at Mt Eelya early last year, but has spent much of 2016 and 2017 to date focusing on the high-grade Lena and Break of Day gold deposits, also part of the Cue project.

An upgraded resource for the gold prospects is due next month.

Musgrave has earned 60% of Cue from Silver Lake Resources, and is on its way to reaching 80%.

Late on Friday, Silver Lake announced plans to sell the remainder of its Murchison interests, including its Cue stake, to Westgold Resources for \$10 million in cash and shares.

Consideration for the Cue stake is \$1.5 million, but is subject to Musgrave not exercising its pre-emptive right over the stake in the next 30 days.

Musgrave said it was considering its options.

Shares in Musgrave were unchanged at A7.3c. The company raised \$3 million in an oversubscribed placement at 7.5c last month.