

Musgrave defines a base for gold production

MUSGRAVE Minerals will evaluate production options after releasing updated gold resources of more than 350,000 ounces for the Lena and Break of Day deposits at Cue in Western Australia.

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The high-grade Break of Day deposit has an indicated and inferred resource of 868,000 tonnes at 7.15 grams per tonne gold for 199,000 ounces of gold, using a 3gpt cut-off.

It represents a more than 800% jump on the previous resource of 21,000oz.

The Lena deposit has an indicated and inferred resource of 2.68 million tonnes at 1.77gpt gold for 153,000oz of gold, above a 1gpt cut-off, around double the previous estimate.

It gives the deposits a total combined resource of 3.55Mt at 3.09gpt gold for 352,000oz of gold.

The updated estimates are the result of more than 22,000m of drilling completed at the project since early last year.

Musgrave will use the estimates as the basis for development studies.

“This is a significant milestone for the company that will enable the company to assess multiple processing options going forward to maximise shareholder value,” Musgrave managing director Rob Waugh said.

“The mineral resource estimate strengthens the open-cut potential of Lena and the underground potential of Break of Day and together with the proximity to existing road and processing infrastructure, significantly increases the future development potential of the project.”

There are a number of plants within 100km of the project, owned by fellow gold producers Westgold Resources, Ramelius Resources and Doray Minerals, some of which have spare capacity.

Both deposits sit on granted mining leases.

Importantly, both remain open along strike and depth, and Musgrave sees plenty of potential to grow its gold inventory.

“Break of Day is still open in all directions and we are yet to define the limits to the high grade gold mineralisation,” Waugh said.

“Further drilling planned for early August will aim to continue to grow the resource base.” Musgrave has earned 60% of the Cue project from Silver Lake Resources and has elected to move to 80%.

Musgrave has also had recent success at the Hollandaire base metal target at Cue, with the first five holes drilled hitting high-grade zinc of up to 18.1%.

Shares in Musgrave were up by A0.1c to 8c in early trade.