

**Musgrave Minerals (MGV)                      \$0.08/sh**

**Recommendation: Speculative Buy**

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#### **Event**

- Musgrave Minerals (MGV) has announced that it has completed a sale and purchase agreement to acquire 100% of the Cue Project from Silver Lake Resources (SLR). The Company previously owned c.80% of the Project in a JV with SLR.
- MGV now holds a 100% interest in the Break of Day and Lena deposits where the Company recently announced Mineral Resources in excess of 350koz
- The purchase price for the JV interest was a cash consideration of \$1.5m.

#### **Impact**

- This is a positive development for the Company who now owns 100% of the Lena and Break of Day deposits (353koz Au) as well as the Hollandaire Cu-Au deposit (38.8kt Cu and 34.3koz Au).
- Ultimately it cleans up the ownership structure and allows the Company to move forward with exploration and expansion drilling owning 100%. MGV plans to re-commence drilling at Lena and Break of Day targeting resource extensions. It will also test further drill targets in the area.
- The Company has a significant Mineral Resource within close proximity to existing operating gold plants which are hungry for feed which could provide an significant opportunity in a development scenario.
- Based on the gold only MGV is trading at approximately \$35/oz which compares to the gold sector average of \$52/oz.
- We retain our Speculative Buy rating.

***Disclosure: Patersons Securities acted as Lead Manager for a Placement that raised \$3m at \$0.075/sh in May 2017. Patersons Securities acted as Lead Manager and Underwriter for a Placement and Entitlement Issue that raised \$1.25m at \$0.059/sh in July 2016. Patersons received a fee for this service.***