



Musgrave Minerals (ASX: MGV)

Musgrave Minerals Drills with Standalone Intent

Musgrave Minerals' (ASX: MGV) New Years' resolution is simple enough: to maintain the flow of positive drilling results coming from the company's Cue project in Western Australia and define a resource capable of sustaining a standalone operation.

MUSGRAVE MINERALS' CUE PROJECT IS IN the Murchison district of Western Australia and contains the 4.83 million tonnes at 2.84 grams per tonne gold for 441,000 ounces of gold.

The main contributors to the resource are the Lena and Break of Day deposits, the latter of which being where Musgrave has concentrated a great deal of drilling activity.

Break of Day's currently hosts an Indicated and Inferred Mineral Resource of 868,000 tonnes at 7.15g/t gold for 199,000 ounces of gold, which Musgrave expects to increase from further drilling.

The company's confidence is understandable given results received towards the end of 2017 from a reverse circulation (RC) drilling program.

Intersections included:

- » **17MORC108**
11 metres at 13.8 grams per tonne gold from 115m down hole, including 6m at 24.5g/t gold from 120m down hole;
- » **17MORC107**
10m at 7.6g/t gold from 96m down hole;
- » **17MORC117**
6m at 8.2g/t gold from 84m down hole, including 2m at 20.9g/t gold from 86m down hole; and
- » **17MORC118**
3m at 12.6g/t gold from 142m down hole within a broader interval assaying 39m at 1.7g/t gold from 142m.

These results were followed by further outstanding results the company interpreted to highlight the opportunity it has at Break of Day to grow the Resource.

Musgrave concluded a successful 2017 by announcing further intersections from Break of Day that included:

- » **17MORC127**
30m at 11.3g/t gold from 120m down hole, including 4m at 22.3g/t gold from 120m and 8m at 28.1g/t gold from 136m;
- » **17MORC125**
6m at 13.2g/t gold from 56m down hole, including 3m at 23.5g/t gold from 136m;
- » **17MORC120**
4m at 9.3g/t gold from 288m down hole, including 2m at 16.8g/t gold from 289m; and
- » **17MORC116**
3m at 9.2g/t gold from 278m down hole.

The intercept recorded in 17MORC120 is of note as it lies more than 160m outside the current resource boundary.

Similarly, the high-grade intersection in 17MORC127 highlights a substantial high-grade pod at relatively shallow depths that Musgrave believes will be potentially amenable to open-cut mining.

While all this was happening, Musgrave claimed a new gold discovery at the Louise prospect, located 750m south of the Break of Day deposit.

As part of the RC drill program at Break of Day, three drill holes were carried out on the Louise prospect along the same shear zone that hosts Break of Day with mineralisation observed to be similar in style and nature.

Drill holes 17MORC112 and 17MORC111 both intersected the targeted structure and quartz lode at

Louise demonstrating continuity of mineralisation over strike.

17MORC112 intersected:

4m at 15.4g/t gold from 79m down hole, including 2m at 29.9g/t gold from 81m, which remains open to north and down dip.

Musgrave interpreted the northern plunge from the historical workings at surface through 17MORC112, to be similar to the plunge on the Velvet Lode at Break of Day.

"This was a great initial result at Louise as it immediately highlighted potential exists for new high-grade gold discoveries within the 20 kilometres of prospective strike we control in this under explored belt," Musgrave Minerals managing director Rob Waugh told *The Resources Roadhouse*.

"Louise is the second high-grade gold discovery for Musgrave within 18 months, which is a great achievement."

"The mineralisation is within the southern continuation of the Break of Day shear and is wide open along strike and down dip."

"It also combines with the high-grade result in 17MORC120 on the Velvet lode at Break of Day to highlights the existence of a substantial target for us to focus on between Break of Day and the new Louise prospect."

The high-grade gold intersection at Louise demonstrates the potential for the formation of multiple high-grade gold shoots, particularly since there has only been one shallow basement drill hole carried out testing the shear zone along the 750m of strike between Louise and Break of Day.

So, a new year sees a new program



of drilling announced for both Break of Day and Louise.

A program of diamond drilling being carried out at Break of Day has been tasked with extending the high-grade shoots outside the current resource boundary that remain open down plunge, where Musgrave intersected 11m at 54g/t gold in drill hole 17MORC084 mid-2017.

The current diamond drilling program was commenced in early December and is expected to have first assays returned in early February.

The Louise discovery is also being targeted by a nine-hole program of reverse circulation (RC) drilling designed to follow-up the near surface discovery intersection, from hole 17MORC112.

First assays from this program are also expected to arrive in late February.

“The diamond drilling is being undertaken to confirm the continuity of the geology and extend the gold mineralisation in the high-grade gold shoots at depth at Break of Day,” Waugh said.

“The RC follow-up drilling at Louise will aim to extend the newly discovered near surface high-grade

gold mineralisation as well as infilling the 750-metre gap that currently exists between the Break of Day and Louise drill results.

“It should be no surprise that the company has classed this as a high-priority area, as we are confident there is significant upside potential to extend and grow our current high-grade gold resource.”

To the north west of the Break of Day deposit, and not to be forgotten, is the Lena deposit.

Although it is lower grade at an average grade of 1.8g/t gold per tonne, Lena boasts JORC resources of approximately 153,000 ounces.

Mineralisation at Lena remains open to the North and down plunge while the Leviticus and Numbers deposits south of Break of Day add another 50,000 ounces to the resource base.

These figures come into play when it taken into consideration that the company is targeting gold resources to support a standalone production facility.

A recent research not from Veritas Securities identified ongoing exploration would continue to add resources to support a standalone

facility producing around 60,000 ounces of gold per annum for a capital cost Veritas estimated at approximately \$60 million.

Veritas also noted the extent of infrastructure within the Murchison region, saying four third party mills dot the landscape with potential available for toll milling.

“Two of these mills are nearby, within 40 kilometres of Break of Day,” the analysts identified.

“Westgold’s Tuckabianna Mill (currently being refurbished by Westgold) with a capacity of 1.2 million tonnes per annum, and Ramelius Resources’ Mt Magnet Checkers Mill with a capacity of 1.7 million tonnes per annum.

“There are many reasons why either Ramelius or Westgold would wish to process high-grade ore from Break of Day.” 🏠

The Short Story

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