



Musgrave Minerals managing director Rob Waugh would like to find a deposit similar in size to the historic Great Fingall mine. Picture: Ian Munro

Musgrave boss hopes to Cue up a major find

SPINIFEX

Stuart McKinnon



It's the thrill of discovery that drives Rob Waugh as his greenfields explorer Musgrave Minerals embarks on a new drilling campaign at its Cue gold project next week.

The geologist is familiar with the buzz of a big find, having worked as project leader at Western Mining Corporation when it discovered the Nebo Babel nickel-copper deposit at the remote West Musgrave project near WA's border with northern-western South Australia in 2000.

Musgrave has amassed a 440,000 ounce resource at Cue

based on mineralisation at its Break of Day and Lena deposits, with the new exploration program focused on Lake Austin 2km to the north along an 8km-long gold anomaly.

The dream is to find a deposit similar in size to the historic Great Fingall mine (2Moz at 10g/t), which lies 20km to the north.

At the height of its production in 1905, Great Fingall was one of WA's biggest and most profitable gold mines. The mine, which produced 1.2Moz of gold before it closed in 1918, is now held by Westgold Resources.

Musgrave notes the geological settings of its Break of Day system are similar to those of Great Fingall. At worst, Musgrave is hoping to more than

double its existing resource at Cue with plans to drill 100 holes over 13,000m with an aircore and reverse circulation campaign at Lake Austin over the next few weeks.

Historic shallow drilling at the salt lake has returned an intersection of 4m at 8.1g/t, but like the rest of the 240sqkm Cue project, Musgrave notes there has been no drilling at depth.

More broadly, the company has defined 10 new high-priority targets over a 20km shear zone at Cue.

Musgrave has early cashflow opportunities at Cue via a possible open pit operation and potential toll milling arrangements with either Westgold's 1.2Mtpa Tuckabianna mill just 40km to the north-east or Ramelius'

Checkers Mill only 40km to the south.

But the ultimate aim is to establish a standalone operation, subject to the identification of a scalable, economic resource.

Musgrave has a relatively modest 279 million shares on issue and had about \$3.6 million in the kitty at the end of December, so it won't be hitting-up the market for cash any time soon.

Major shareholders include former joint venture partner in Cue, Silver Lake Resources (3.6 per cent), and Independence Group (3 per cent).

Directors — including chairman and former exploration manager for Falconbridge Australia, Graham Ascough — hold about 4 per cent.