

Musgrave soars on thick gold hit

MUSGRAVE Minerals was among the day's biggest movers after reporting one of its best intersections yet from the Cue project in Western Australia.



Drilling at Cue

Exploration / Development > Discovery

The southern-most reverse circulation hole drilled to date at the A Zone at Lake Austin North returned 94m at 2.4 grams per tonne gold from 156m to end of hole, with the intersection terminating in mineralisation.

Comments

The hit included 52m at 4.1gpt gold from 198m to end of hold, including 12m at 8.8gpt and 6m at 6.3gpt gold.

Share

Kristie Batten

The hole also hit an upper regolith gold halo of 30m at 0.3gpt from 102m.



"It is the most southerly hole drilled to date testing the basement on A Zone and the results indicate the system is open to the south as well as to the north and at depth," Musgrave managing director Rob Waugh said.

"Lake Austin North is proving to be a large, well mineralised system and the current diamond drilling program will aim to further outline the size and grade of this new and exciting gold discovery."

The high-grade shoot has now been defined over more than 200m of strike.

Follow-up diamond drilling is already underway with the aim of extending the thick, mineralised intercept.

In addition, 1m re-samples of 6m composites has upgraded results previously reported earlier this month.

A hit from A Zone of 24m at 1.17gpt gold, including 6m at 3.4gpt was upgraded to 1.8gpt and 5.2gpt respectively, while a hit of 12m at 1.95gpt was upgrade from 1.2gpt.

The third basement hole drilled into C Zone hit 30m at 0.6gpt gold, including 12m at 1.3gpt gold, but the hole was terminated early and did not reach planned depth.

The discovery hole at Lake Austin North in August hit 42m at 3.2gpt gold from 108m, including 24m at 5.1gpt and 6m at 12.6gpt.

Lake Austin North is only 3km north of Musgrave's high-grade Break of Day deposit, which has a resource of 868,000 tonnes at 7.15gpt gold for 199,000 ounces of gold.

Musgrave is undertaking development studies on Break of Day and the 153,000oz Lena deposit, and is in negotiations with 14.7% shareholder Westgold Resources over a profit-sharing agreement.

The agreement does not include Lake Austin North.

Shares in Musgrave jumped 32.2% to 7.8c with the stock peaking earlier at 7.9c. The stock peaked at over 9c in January.



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