

Musgrave strongly backed by undisclosed corporate and other investors

MUSGRAVE Minerals has been strongly supported by a "corporate" and other investors who've handed A\$5.5 million to the company on the back of its promising gold exploration success at Lake Austin North in the Murchison region of Western Australia.



The potential upside at Lake Austin North is clear

Finance > Capital-markets

The undisclosed "corporate, institutional, professional and sophisticated investors" have paid 9.2c per share for the new equity being issued, with shares in Musgrave trading at 5-6c only two months ago.

Comments

Share

Musgrave managing director Rob Waugh wouldn't be drawn on the "corporate" involved other than to say it was an existing shareholder.

Michael Quinn

Miners' Westgold Resources, Silver Lake Resources and Independence Group are existing shareholders of Musgrave.

All three are on growth trajectories and active in the M&A space.

However with Westgold being far and away the biggest shareholder of the three and the only one that's a miner in the Murchison region, it would make strategic sense for Musgrave if it were in fact one of the other two companies involved in the \$5.5 million placement.

Musgrave will use the funds to bring in three drill rigs to accelerate work at Lake Austin North, with a hit of 242m grading 1 gram per tonne from 61m early this month seen by the company as confirming a "potentially large and exciting gold discovery".

An earlier hole 50m away returned 94m at 2.2gpt from 156m.

The hits were made in an area Musgrave has named the A-Zone, and which is "defined by a broad regolith gold halo extending up to 300m wide and covering a strike extent of over 700m".

Lake Austin North is 3km from Musgrave's Break of Day gold deposit, with both part of the company's overall Cue exploration project.

Two of the rigs will be diamond core and focused on Lake Austin North, while an aircore rig will probe regional targets.

Waugh said Musgrave was "looking for multi-million ounce deposits".

Veritas Securities and Canaccord Genuity were involved in the raising, with Musgrave starting the current quarter with \$4 million.

Shares in Musgrave were off 3% to 9.6c in morning trade, capitalising the company at \$32 million.



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