



ASX RELEASE

5th May 2010

Musgrave Minerals Limited (ASX:MGV)

Exploration Update

Highlights

- ***Drilling on Moorilyanna Copper-Gold targets to commence in mid-May***
- ***Regional airborne VTEM survey to commence in two weeks***
- ***Reconnaissance and ground EM surveys to commence this month***

The Directors of Musgrave Minerals Limited ("Musgrave Minerals") are pleased to announce that aircore drilling will commence at the Moorilyanna Project, located approximately 100km north west of Marla in South Australia, in mid-May. Moorilyanna is on the eastern edge of the Musgrave Geological Province (Figure 1).

The aircore drilling program will test six strong copper-gold-silver targets identified from mapping and sampling. Musgrave Minerals identified the mineralisation during field reconnaissance in late 2010 and surface rock chip samples returned values of up to 4.95% Cu, 0.61g/t Au and 9.6g/t Ag.

The mineralisation is hosted within a highly altered mafic dyke in an area of sparse subcrop and shallow sand cover. The mineralisation can be traced over a strike extent of more than 6km within the main system. Six specific target areas have been defined for drill testing (Figure 2).

The drilling program will consist of approximately 120 drill holes drilled through the regolith profile terminating in fresh rock for a total of more than 4,000m. Drill hole depths are expected to vary from 20 to 50m.

Musgrave Minerals owns 100% of the tenements at Moorilyanna.

Geotech Airborne Pty Ltd has been contracted to commence a large regional airborne Versatile Time-Domain Electromagnetic (VTEM) survey covering more than 900km² over highly prospective areas within the Musgrave tenure. The survey is due to commence in mid-May and will take approximately three weeks to complete.

A ground geophysical crew is also expected to commence in the next few weeks to follow-up additional high priority airborne electromagnetic targets identified in February 2011.

Musgrave Minerals Managing Director, Rob Waugh, said “This initial drilling enables us to build on the early and exciting results we have seen at surface at Moorilyanna. The aggressive drilling campaign will also focus on copper-nickel targets at a second priority area, known as Lyta, early in June. This work, together with ongoing airborne and ground surveys, will see us develop a pipeline of high quality targets to drill test going forward. The Musgrave Minerals team has hit the ground running just weeks after the Company has listed. We are excited about the opportunities within the Musgrave Province and look forward to sharing results with investors in coming weeks and months.”

**Enquiries-
Robert Waugh**
Managing Director - Musgrave Minerals
0439 955 415

Richard Sproull/Kristy Macfarlane
Michels Warren Public Relations
0418 585 517 / 0402 557 527

Figure 1: Location of Moorilyanna Project

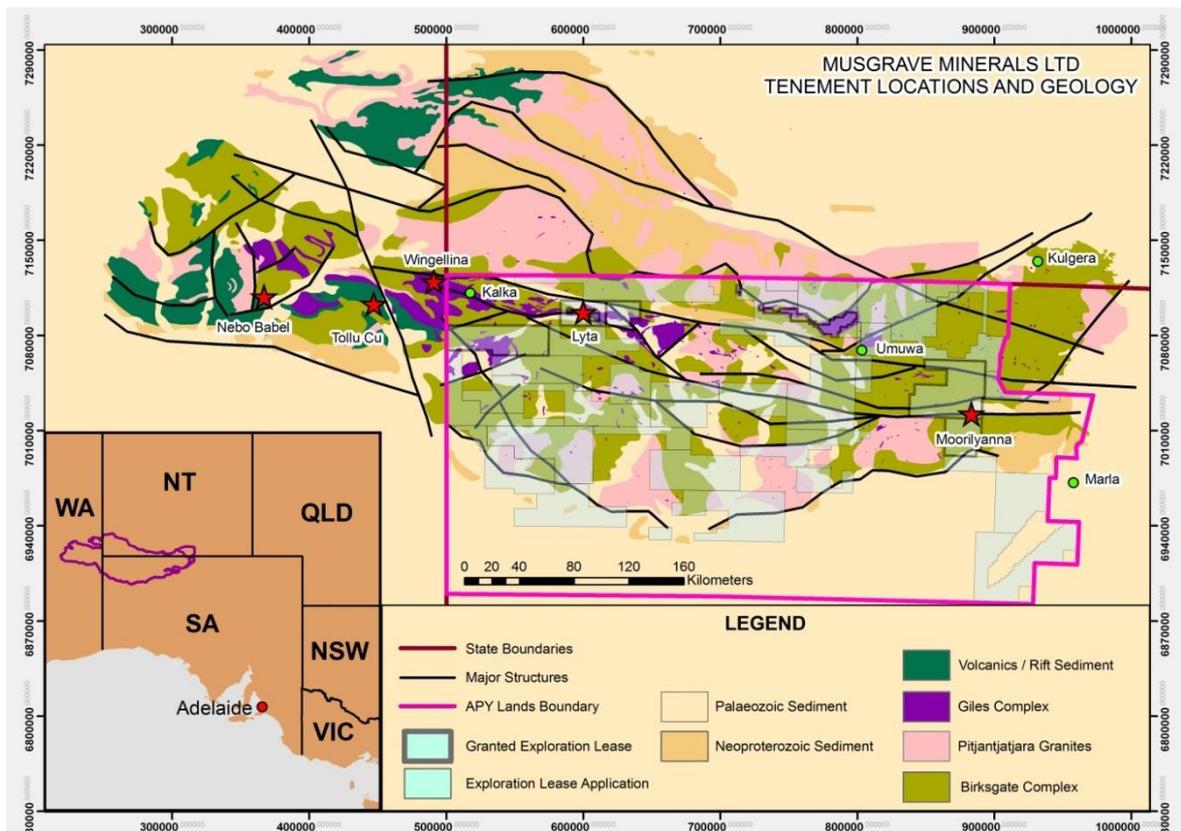
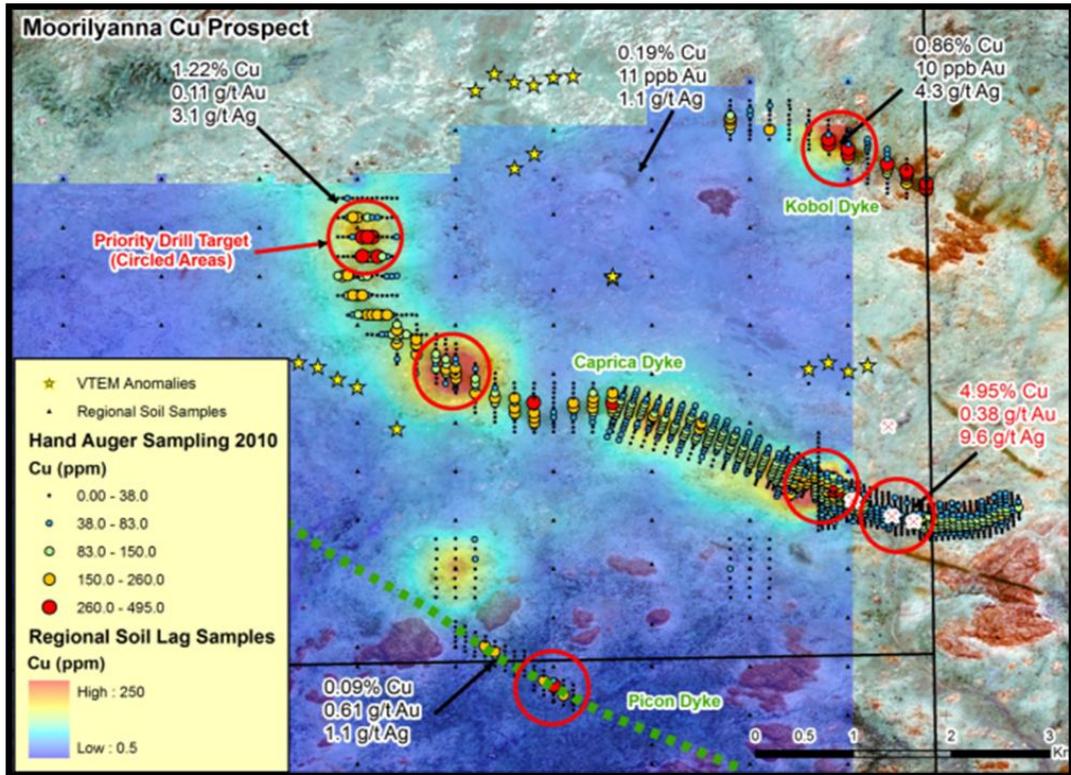


Figure 2: Location of Moorilyanna Drill Targets



The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Waugh. Mr Waugh is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a member of the Australian Institute of Geoscientists (AIG). Mr Waugh is Managing Director of Musgrave Minerals Limited. Mr Waugh has sufficient industry experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Waugh consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

About Musgrave Minerals

Musgrave Minerals Ltd has a massive exploration footprint in the Musgrave Province in South Australia, with tenements covering an area of approximately 50,000km² – which equates to approximately 5% of the State. The Company has a powerful shareholder base with six mining and exploration companies participating as cornerstone investors in the newly-formed Company.

The Musgrave Province is one of the last under-explored exploration frontiers in Australia and is prospective for a number of commodities. The centrepiece is the recognition of, and access to, the unexplored potential of the Giles Complex, a 1080Ma aged mafic-ultramafic layered intrusive complex that hosts significant nickel and copper sulphide deposits (such as the Nebo/Babel deposit) in the Western Australian portion of the Province.

Musgrave Minerals recently completed a successful IPO raising \$20 million before expenses and listed on the Australian Stock Exchange on 29 April 2011.