



ASX RELEASE

20<sup>th</sup> May 2011

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## **Musgrave Minerals Limited (ASX: MGV)**

### **Drilling Commences at Moorilyanna**

The Directors of Musgrave Minerals Limited ("Musgrave Minerals") are pleased to announce that aircore drilling has commenced at the Moorilyanna Project, 40km west of the Stuart Highway and Adelaide to Darwin railway line, in South Australia. 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 with surface rock chip samples returning 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. First assay results are expected to be received in late June.

Musgrave Minerals owns 100% of the tenements at Moorilyanna.

Musgrave Minerals Managing Director Rob Waugh said: "This is our maiden drilling program and an excellent first step just three weeks after listing. The team is in the field and looking forward to first results in late June. Additional programs will commence shortly including an airborne EM survey and mobilization of a second rig to drill our nickel-copper targets at Lyta. We're excited about the targets and look forward to sharing results with investors in coming weeks and months."

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Figure 1: Location of Moorilyanna Project

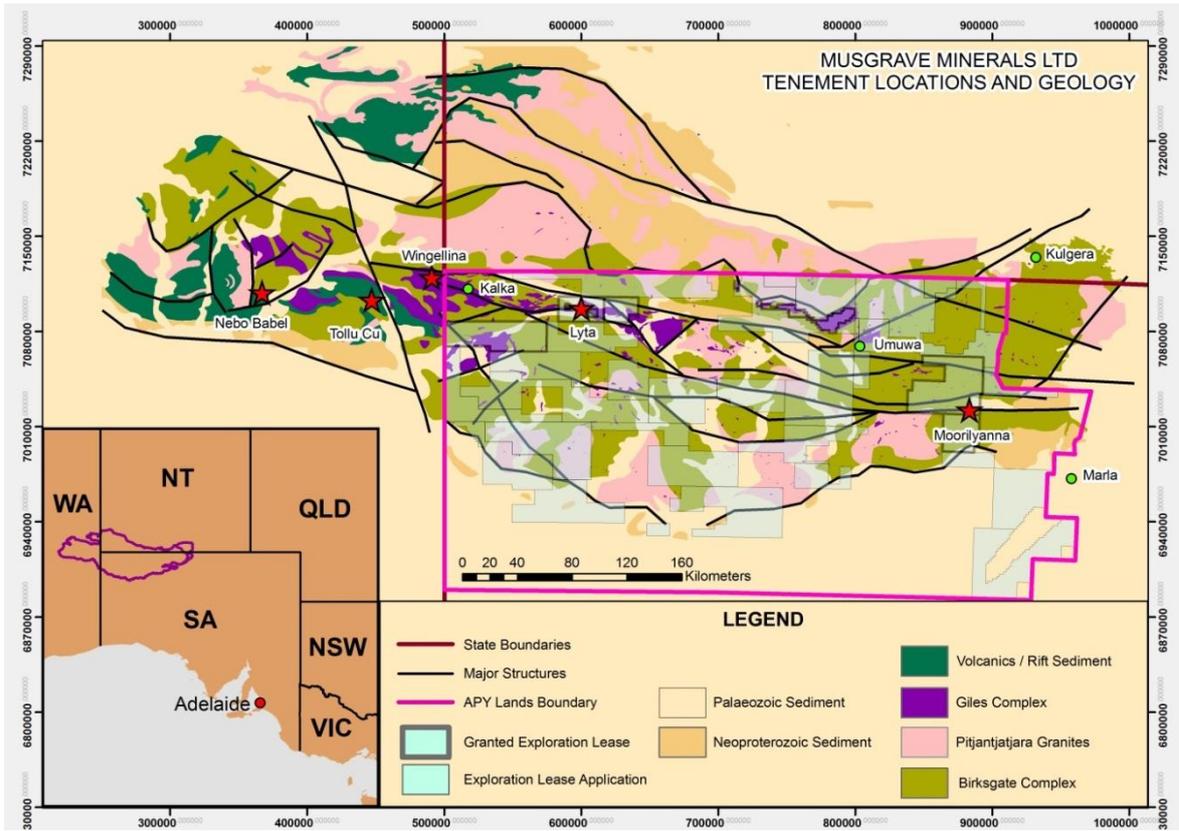
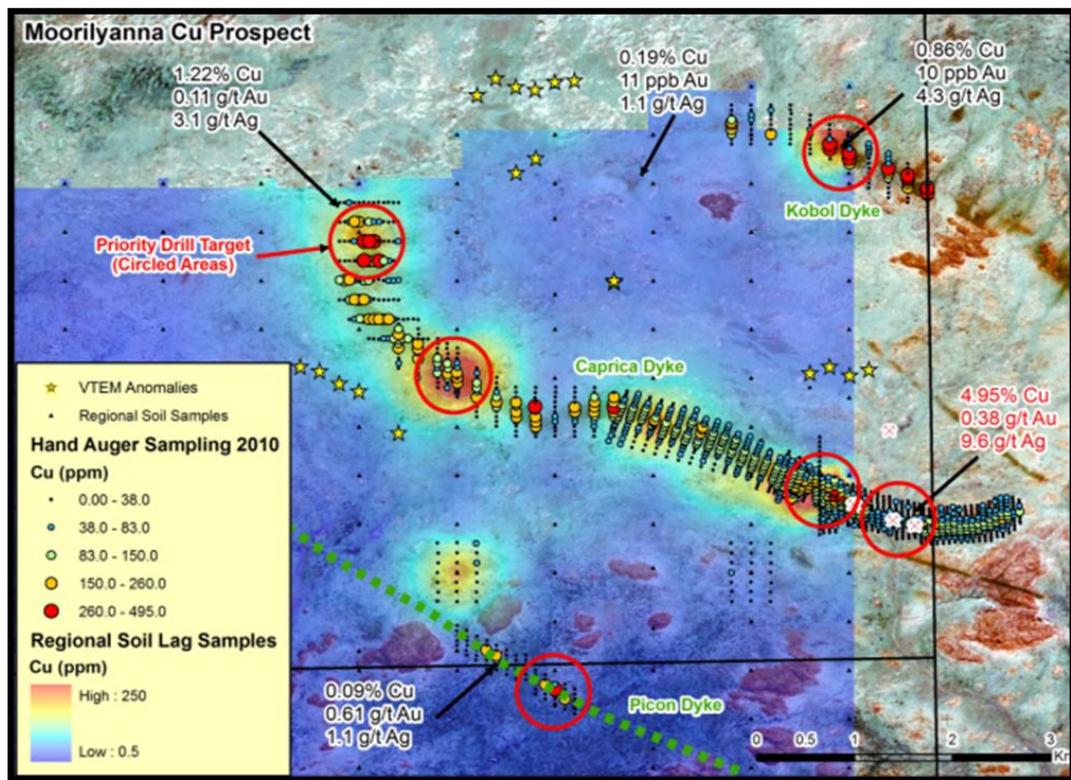


Figure 2: Location of Moorilyanna Drill Targets



*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 50,000km<sup>2</sup> – 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.*