



ASX RELEASE

30th November 2011

ASX : MGV

Exploration Update

- **Vacuum drilling of exciting new copper-nickel targets is continuing**
 - **More than 200 drill holes completed to date covering nine targets**
 - **Drill hole assay results expected late December**
- **Ground EM follow-up of new VTEM targets proving very effective**
- **Strong financial position with approximately \$16 million in cash**

Musgrave Minerals Limited ("Musgrave Minerals" or "the Company") (ASX: MGV) is pleased to report that a comprehensive vacuum drilling program at the Company's Deering Hills Project has completed more than 200 drill holes for >3,000m of drilling during November.

The drilling to date has covered nine high priority copper-nickel targets which were identified through a versatile time-domain electromagnetic ("VTEM") survey (Figure 2). Samples are currently at the analytical laboratory pending results.

The current drilling program will consist of up to 250 drill holes for approximately 4,000m of regolith drilling across the majority of the project area. Infill drilling across 12 geophysical and geochemical targets is also underway as part of this program. Vacuum drilling will continue into early December, and first assay results are expected in late December.

Ground electromagnetic ("EM") surveys are continuing at Deering Hills on high priority VTEM targets. The EM program has been very successful and targets are currently being modelled for basement drill testing in early 2012.

The Deering Hills Project is situated on wholly-owned tenements in the centre of the Musgrave Geological Province, located approximately 200km west of the Stuart Highway and Adelaide to Darwin railway line (Figure 1).

Basement drilling at Deering Hills to date has intersected sulphides interpreted within Giles Complex mafic intrusives which is extremely encouraging for the Project. The mafic host rocks to the sulphide mineralisation show similarities to those at large nickel-copper deposits including Voisey's Bay in Canada and BHP Billiton's Nebo-Babel deposit in the West Musgrave.

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The targets are all under thin sand cover (<30m) with no surface expression. The vacuum drilling and ground EM surveys will enable Musgrave Minerals with its strong cash position to prioritise targets for basement drill testing in early 2012.

The Company is in a very strong financial position with approximately \$16 million in cash and has an aggressive exploration program planned for the next 12 months.

Musgrave Minerals Managing Director Robert Waugh said the company looked forward to receiving the results of its current drill program and providing further updates to investors as results become available.

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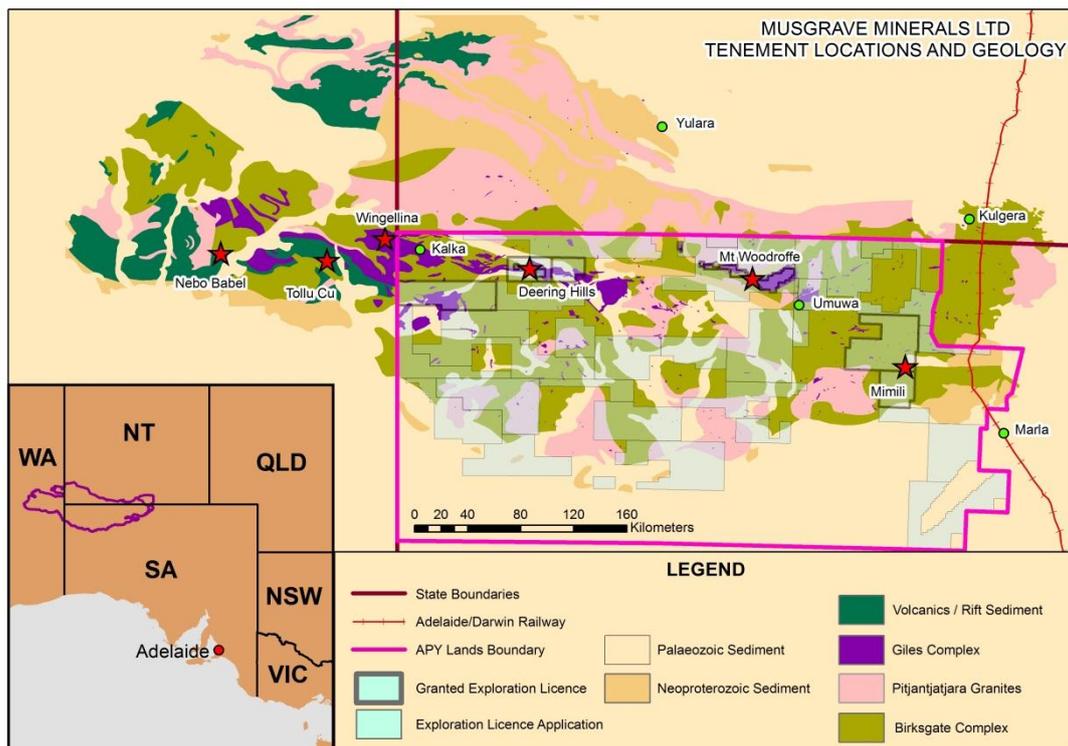


Figure 1: Location of Deering Hills Project Area

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.

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.

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.

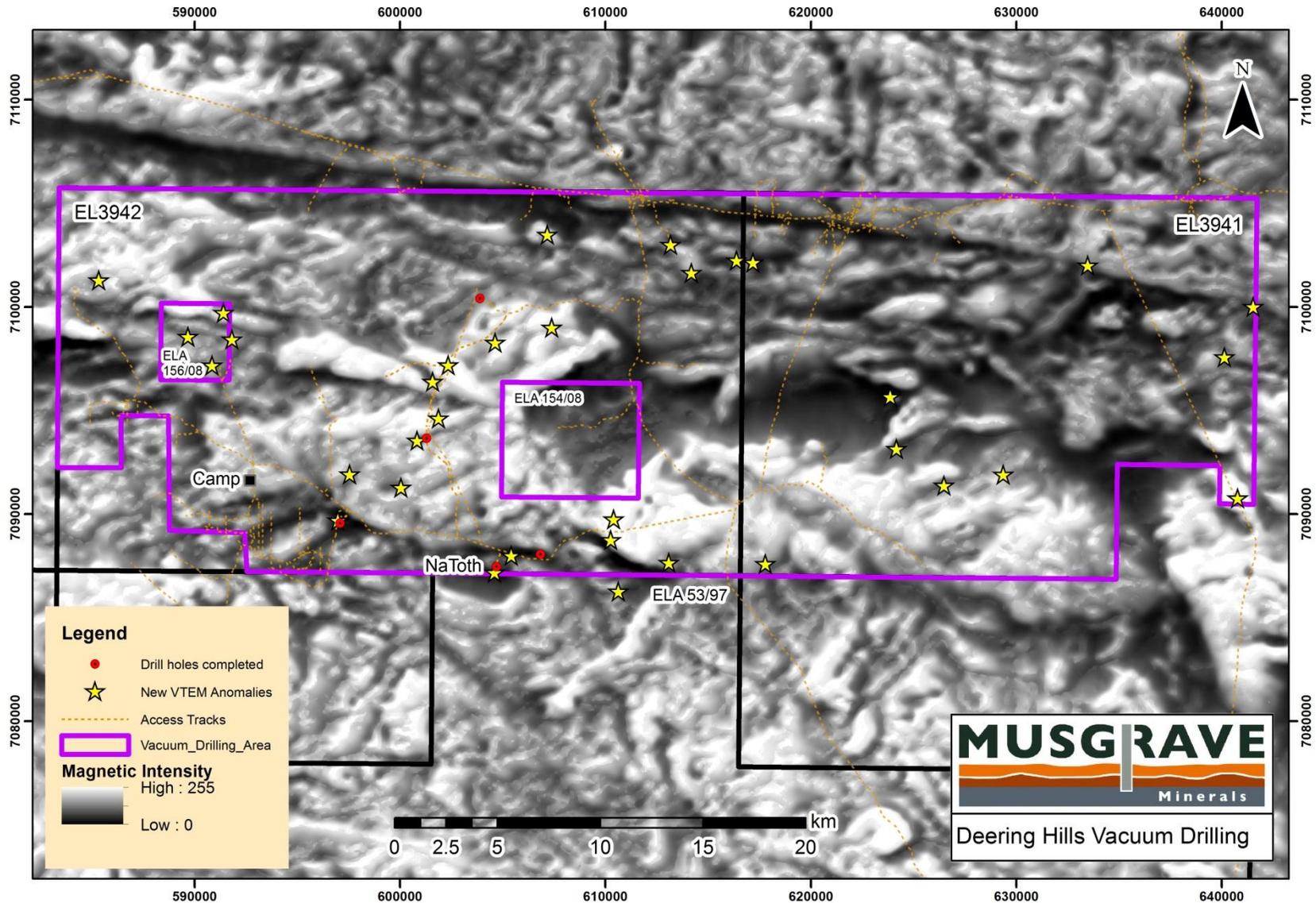


Figure 2: Location of Vacuum Drilling Area at Deering Hills with New VTEM Targets on Greyscale Aeromagnetic Image