



ASX RELEASE

19th December 2011

ASX: MGV

Musgrave to Double Exploration Footprint

- **Deed of Exploration signed, paving the way for four new tenements to be granted in the Musgrave Region**
 - **Grant of new tenements will more than double current explorable area from 5,590km² to >12,900km²**
 - **New tenements highly prospective for copper and nickel sulphides**
- **Musgrave to be the first company to explore tenement areas**

Musgrave Minerals Limited ("Musgrave Minerals" or "the Company") (ASX: MGV) is pleased to announce the execution of a Deed of Exploration ("Deed") between Musgrave Minerals and the executive Board of Anangu Pitjantjatjara Yankunytjatjara ("APY" – a body corporate established by the APY Lands Rights Act 1981, SA). The Deed has been signed in relation to four new tenements in the Musgrave Geological Province in far north South Australia and is a critical step towards the granting of these tenements by the State's Department of Primary Industries and Resources ("PIRSA").

Grant of these tenements is subject to the consent of the Minister and is expected in March 2012 pending the completion of statutory administrative processes.

The four new tenements (Figure 2) cover a combined area of more than 7,300km², which will more than double the current explorable ground holding for Musgrave Minerals.

Musgrave Minerals holds a 100% interest in three of the tenements (ELA41/97, 364/97 and 380/97) and may earn up to a 75% interest in tenement ELA54/97.

The new tenements cover areas extremely prospective for magmatic nickel-copper sulphide deposits. The region is host to the large Nebo-Babel nickel-copper sulphide deposit in the West Musgrave currently held by BHP Billiton.

Musgrave Minerals Managing Director Robert Waugh said the execution of the Deed highlighted the strong relationship Musgrave Minerals has forged with APY and Traditional Owners.

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“Musgrave Minerals will be the first company to hold an active tenement in this particular part of the Musgrave Province. That’s a very exciting first mover opportunity,” Mr Waugh said.

The new tenements are interpreted to be dominantly covered by thin (<20m) sand with minor outcropping and sub-cropping geology.

Musgrave Minerals’ unique knowledge of the region, use of new technologies and systematic approach to exploration means it is well placed to successfully explore these new tenements.

Mr Waugh said the Company looked forward to commencing exploration on the new ground in 2012.

“It’s very exciting to be in a part of Australia and have tenements granted over areas that have no record of previous mineral exploration. We look forward to generating and advancing targets to a drill stage on these new areas as quickly as possible.”

The Company is in a very strong financial position with approximately \$15.5 million in cash and has an aggressive exploration program planned across all of its tenements for the next 12 months.

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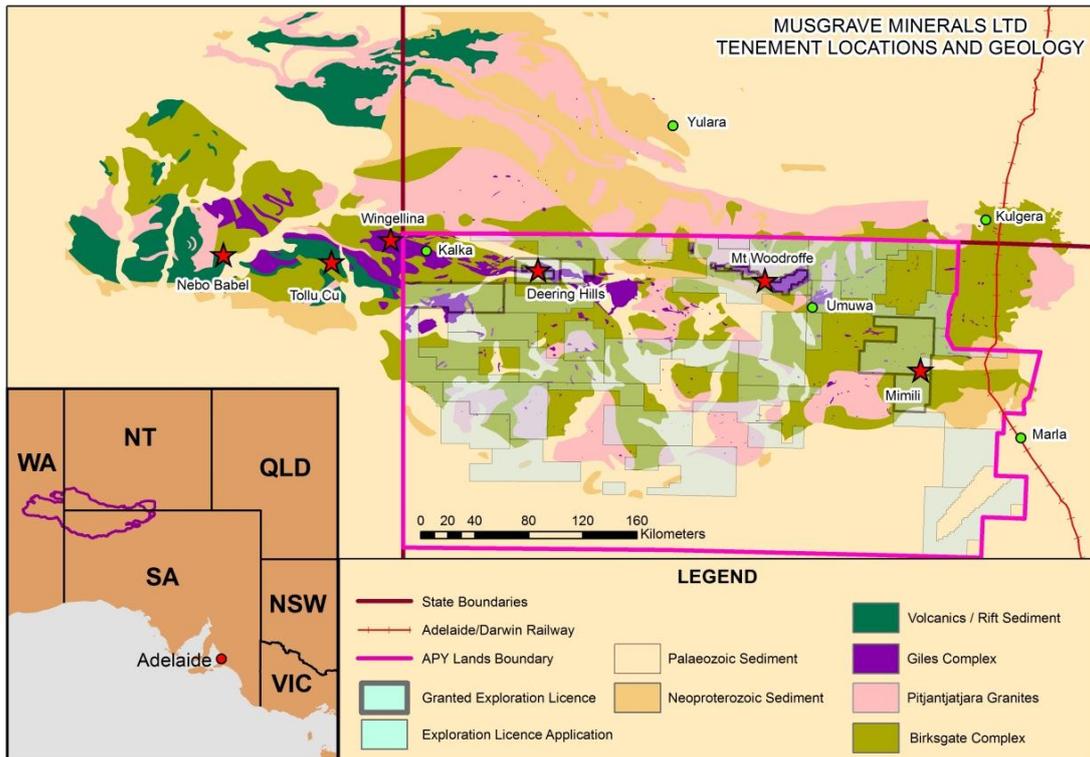


Figure 1: Location of Musgrave Minerals' tenements

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.

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

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.

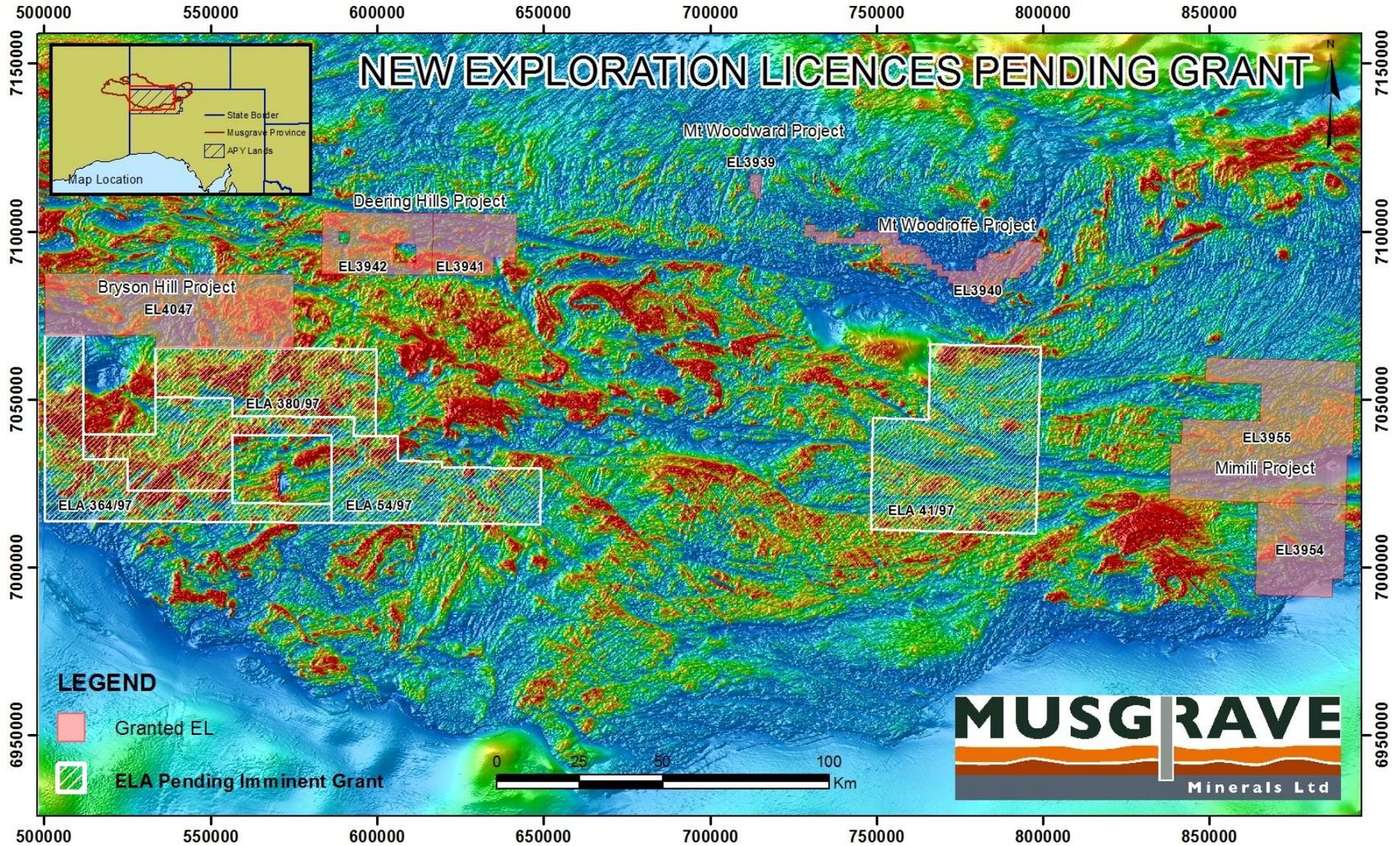


Figure 2: Location of new tenements included in recently executed Deed of Exploration with APY on magnetic image