



ASX RELEASE

10th April 2012

ASX: MGV

Copper Drilling Commences at Moorilyanna

- **A 3,000 metre RC drilling program has commenced at the Moorilyanna copper prospect**
- **Program will test six co-incident Induced Polarisation (“IP”) geophysical and geochemical targets**

Musgrave Minerals Limited (“Musgrave Minerals”) (ASX: MGV) is pleased to announce that a reverse circulation (“RC”) drilling program has commenced at the Moorilyanna copper prospect in South Australia. The drilling will test six basement targets at shallow-moderate depths. All six of the targets are co-incident with existing near-surface copper mineralisation and IP geophysical anomalies.

The Moorilyanna Prospect, part of the Mimili Project, is situated on Musgrave Minerals’ wholly-owned tenements located approximately 40km west of the Stuart Highway and the Adelaide to Darwin railway line in South Australia, on the eastern edge of the Musgrave Geological Province (Figure 1).

Musgrave Minerals Managing Director Rob Waugh said: “The co-incident nature of the IP anomalies and near surface copper mineralisation at the Caprica East target is extremely positive. The exploration team is eagerly looking forward to drill testing these new targets.”

The drilling program will consist of approximately 20 RC drill holes testing all six targets over seven drill traverses for a total of approximately 3,000m. Drill hole depths are expected to vary from 80m to 200m. First assay results are expected to be received in June.

IP data for the Caprica East zone at Moorilyanna, where near-surface copper mineralisation extends over more than 900 metres, shows a significant anomaly steeply dipping to the south-west co-incident with the existing known copper mineralisation (Figures 2 and 3). The copper mineralisation at surface at Caprica East has been identified over a width of up to 80 metres. The mineralisation is open along strike to the north-west and is associated with elevated silver and gold.

The Caprica East IP anomaly and associated copper results are located in an area of sparse outcrop and shallow sand cover. The broad nature of the copper results and the associated IP anomalies is very positive and present compelling targets for RC drilling.

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Deering Hills Update

Musgrave Minerals is also continuing to explore highly ranked nickel-copper sulphide targets at Deering Hills where the Company is continuing geological mapping and surface geochemical and geophysical surveys. This work will enable Musgrave Minerals with its strong cash position to prioritise targets for basement drill testing in 2012.

The Company is in a very strong financial position with approximately \$14 million in cash and has an aggressive exploration program planned for the next 12 months.

Drilling of nickel-copper sulphide targets at Deering Hills is expected to commence in late April.

Mr Waugh said the Company looked forward to providing further updates to investors as exploration continues and results become available.

About Musgrave Minerals

Musgrave Minerals Ltd is an active copper, nickel and gold explorer and has a massive exploration footprint in the Musgrave Province in South Australia, with tenements covering an area of approximately 50,000km². 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.

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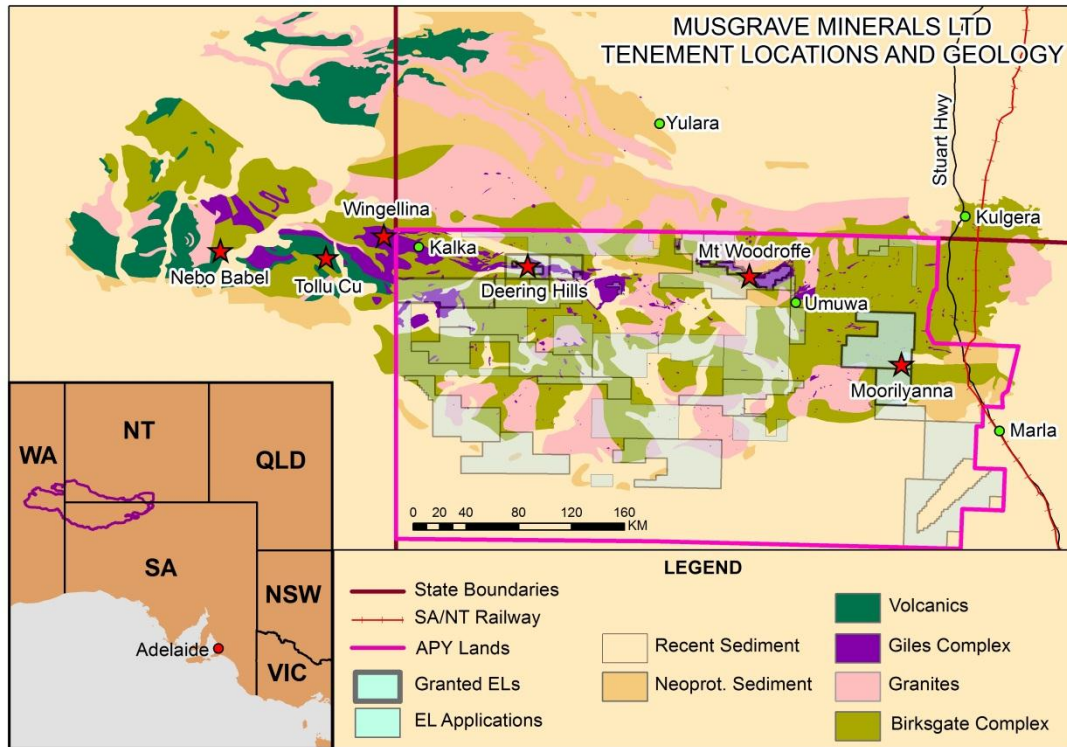


Figure 1: Location of Moorilyanna project area

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.

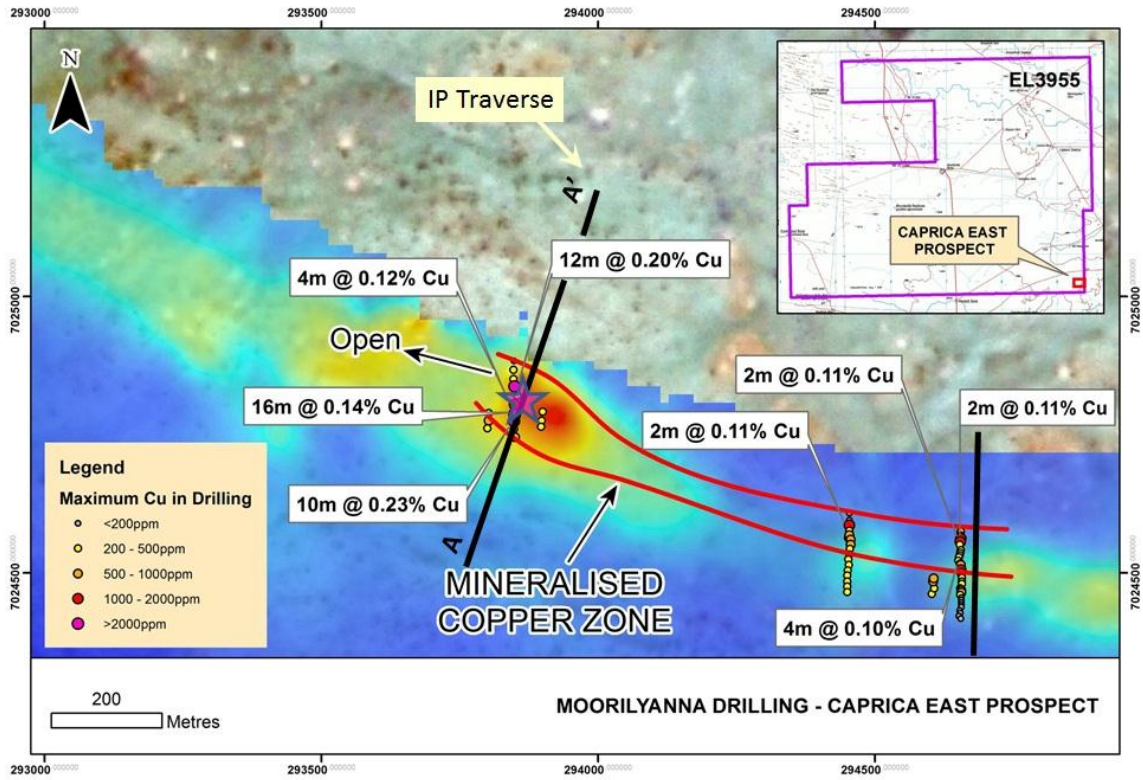


Figure 2: Location of Caprica East IP survey and regolith drill results on geochemical Cu grid and satellite image

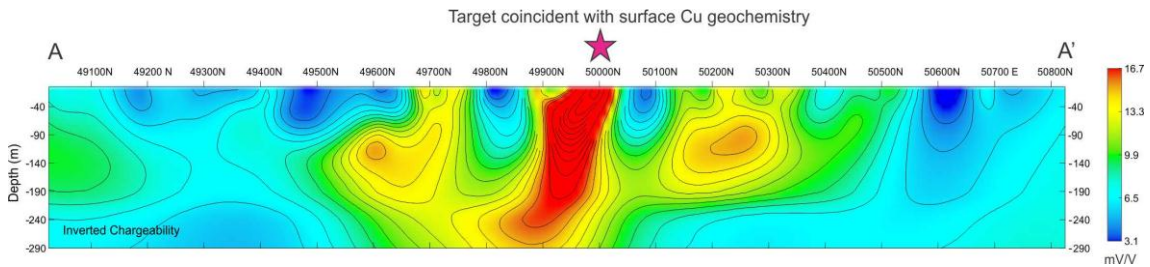


Figure 3: Caprica East modelled chargeability section A-A'