



ASX RELEASE

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ASX: MGV

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## **Musgrave Commences Follow-up Drilling at Deering Hills**

- **Vacuum drilling over new nickel-copper geochemical targets has commenced**
- **200 holes planned for >4,000m over eight targets**
- **Vacuum drilling results will be used to prioritize targets for diamond drilling**

Musgrave Minerals Limited ("Musgrave Minerals") (ASX: MGV) is pleased to announce that it has commenced a follow-up vacuum drilling program over geochemical targets at its Deering Hills Project in the Musgrave Province in far north South Australia.

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

The drilling will infill eight nickel-copper-platinum group element (PGE) anomalies identified by Musgrave Minerals in the regional vacuum drilling program completed earlier this year. The targets vary in extent from 600m to more than 5,000m in strike length (Figure 2). The Minbar target has a strike length of more than 5,000m with peak values of 1,847ppm Ni, 482ppm Cu and 114ppb Pt + Pd which is considered highly anomalous. The current regional vacuum drill hole spacing is nominally 500m x 1,000m. All eight geochemical targets are associated with co-incident magnetic and gravity anomalies and interpreted Giles Complex mafic-ultramafic rocks, in areas of sand and alluvial cover.

The current drilling program will consist of up to 200 infill drill holes for approximately 4,000m of regolith drilling across the eight targets. Additional regional vacuum drilling will be undertaken to cover the strike extent of the interpreted Giles Complex host sequence under areas of shallow (<30m) cover.

Diamond drilling at Deering Hills to date has intersected sulphides interpreted within Giles Complex mafic intrusives, which is extremely encouraging for the Project. The mafic rocks which host the sulphide mineralisation show similarities to those at large

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nickel-copper deposits including Voisey's Bay in Canada and BHP Billiton's Nebo-Babel deposit in the West Musgrave.

The July 2012 discovery of high-grade magmatic nickel-copper sulphides at the Nova deposit in the Fraser Range of Western Australia by Sirius Resources has highlighted the potential of the Musgrave region to host similar nickel-copper sulphide deposits. Similar age mafic gneisses are present within the Birksgate Complex in the central Musgrave. This previously unrecognized target style is potentially significant and could open a new window of opportunity within the Musgrave Province for similar nickel-copper sulphide deposits to that at Nova.

Musgrave Minerals Managing Director Rob Waugh said the company looked forward to providing further updates to investors as results become available.

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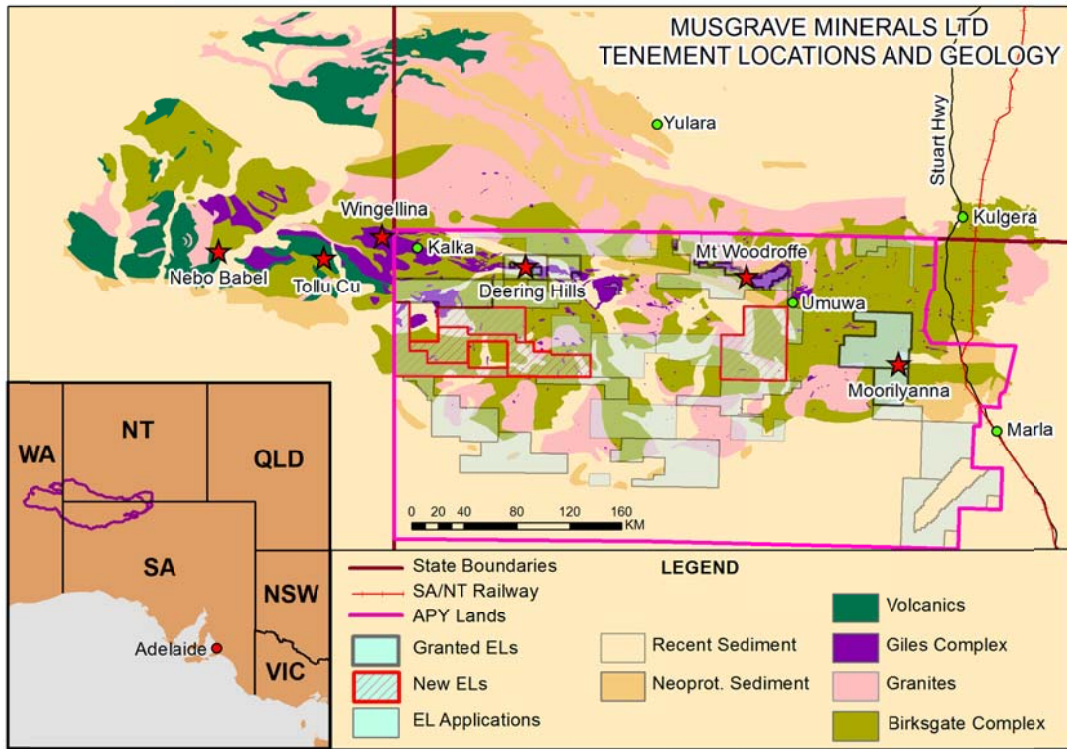
**About Musgrave Minerals**

*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.*

*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.*

**Competent Person's Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Waugh. Mr Waugh is a fellow 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 1: Location of Deering Hills Project Area**



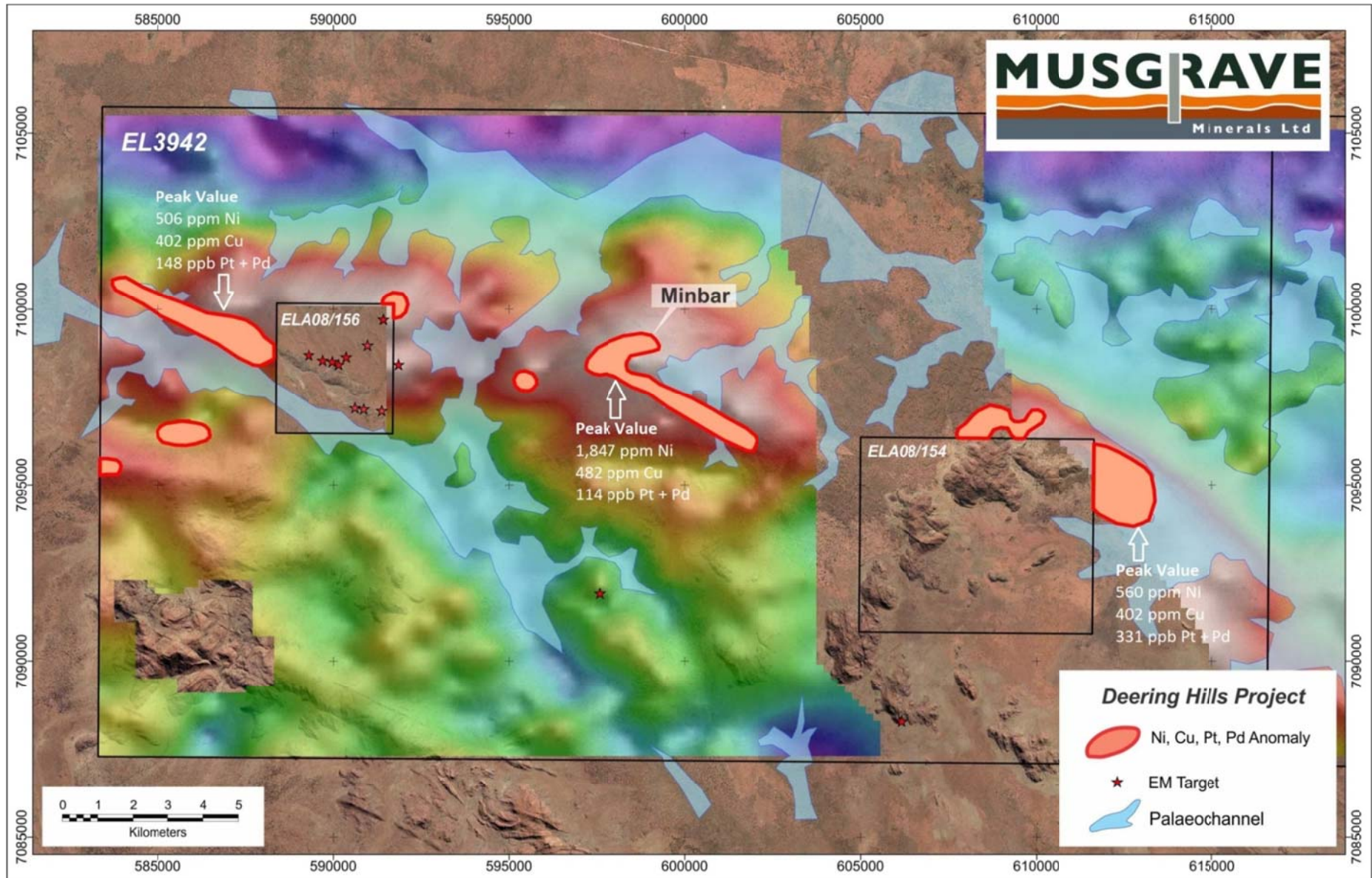


Figure 2: Deering Hills' geochemical targets on gravity and ortho-photo image