



ASX RELEASE

22<sup>nd</sup> November 2012

ASX: MGV

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## Drilling Commences at Menninnie Dam

- **Drilling underway to test new silver-zinc-lead targets**
- **More than 30 holes planned for approximately 4,000m of drilling across five target areas**
- **Drilling will test four high quality targets outside the existing resource area and also test for possible shallow extensions to the resource**
- **Drilling will also target untested silver potential – the Menninnie Dam Project is located approximately 20km from the recent Paris silver discovery**
- **First drilling to be undertaken on the project since 2008**

Musgrave Minerals Limited (Musgrave Minerals) (ASX: MGV) is pleased to announce that it has commenced a reverse circulation (RC) drilling program at the Menninnie Dam silver-lead-zinc project in the southern Gawler Craton of South Australia (Figure1).

Musgrave Minerals entered into an Agreement with Menninnie Metals Pty Ltd, a wholly-owned subsidiary of Terramin Australia Limited (ASX:TZN) to earn a 51% interest in the Project in the first stage, and up to a 75% interest thereafter.

The current drilling will test high priority induced polarization (IP) and geochemical targets (Figure 2) at Tank Hill, Mannequin, Phone Hill and Nonning. These targets have had no effective basement drilling to date. The drilling will also test for possible shallow extensions to the existing mineralisation at Viper where the mineralisation remains open along strike.

The current drilling program will consist of more than 30 RC drill holes for approximately 4,000m of drilling across five target areas. Drill-hole depths will vary from approximately 100m to 250m. The drill program is expected to take approximately four weeks to complete, with results expected in the March 2013 quarter.

"This is a very exciting drilling program testing some high priority targets in a very prospective new silver-zinc province. The project has significant potential to provide a new discovery. The Company looks forward to providing further updates to investors as exploration progresses and results become available," Musgrave Managing Director Rob Waugh said.

The Menninnie Dam Project comprises five Exploration Licences covering a contiguous area of 2,471km<sup>2</sup> in the highly sought after and prospective Gawler Craton region of South Australia. The Project is well located in a new and very prospective silver province, with the Paris silver discovery (Investigator Resources Ltd.) (ASX: IVR) only 20km to the west. The Project is located approximately 100km west of Port Augusta and is well positioned in regards to infrastructure and proximity to the coast.

### **Target Summary**

The following targets (Figure 2) will be tested in the current RC drill program along with potential extensions of shallow mineralisation at the Viper deposit.

### **Tank Hill**

The Tank Hill target is a 2km long IP anomaly with coincident anomalous surface Zn, Pb, Cu and Au soil geochemistry. The target has not been adequately drill tested.

### **Mannequin**

The Mannequin IP target consists of two zones, Mannequin North and Mannequin South, with a combined strike of approximately 3km. The IP response is more extensive and intense than the responses over the known mineralisation at Menninnie Central. The modelled source of the IP response extends from near-surface to significant depth. The area is covered by transported overburden making geochemistry ineffective. The area has never been drill tested.

### **Phone Hill**

The Phone Hill target is a 1.5km long IP anomaly coincident with a large surface soil Ag, Zn, Pb geochemical anomaly and regional alteration. The IP response is relatively shallow and has never been drill tested. The Phone Hill target is only 30km east of the Paris silver deposit discovered by Investigator Resources Ltd (ASX: IVR), and just 2km ENE of IVR's Victory East silver prospect.

### **Nonning**

The Nonning target is a 1.5km long IP anomaly. The IP response is in an area of favourable geology with no previous drilling.

### ***Enquiries:***

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*Musgrave Minerals Ltd*

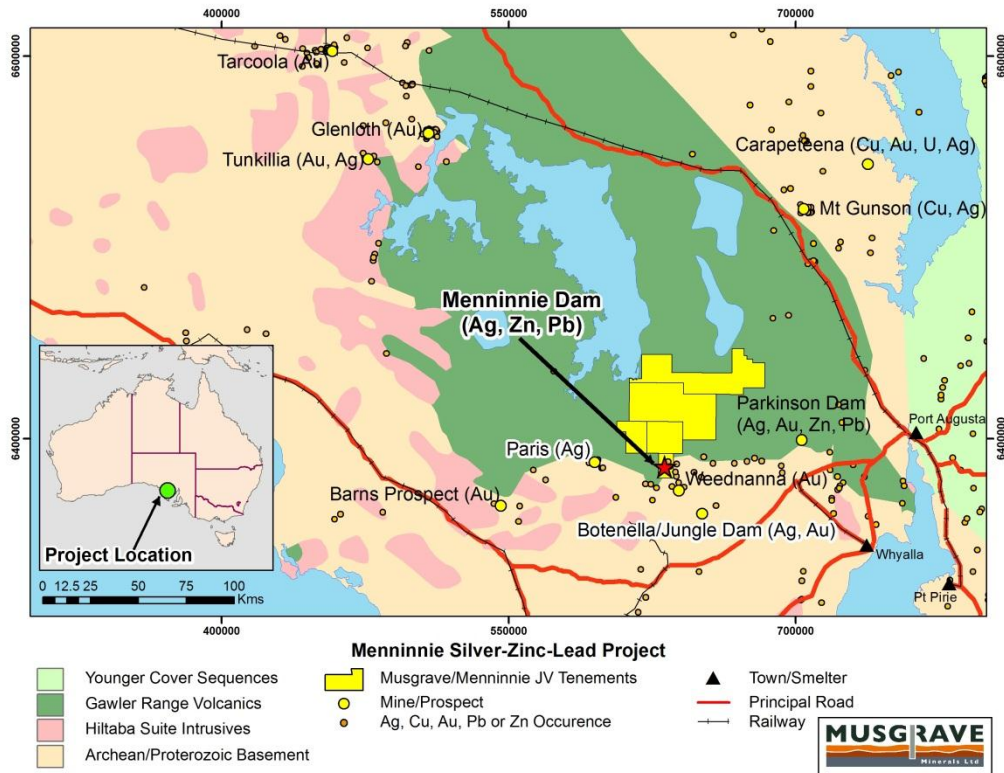
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**Figure 1: Location of the Menninnie Dam Project, South Australia**

**Competent Person's Statement**

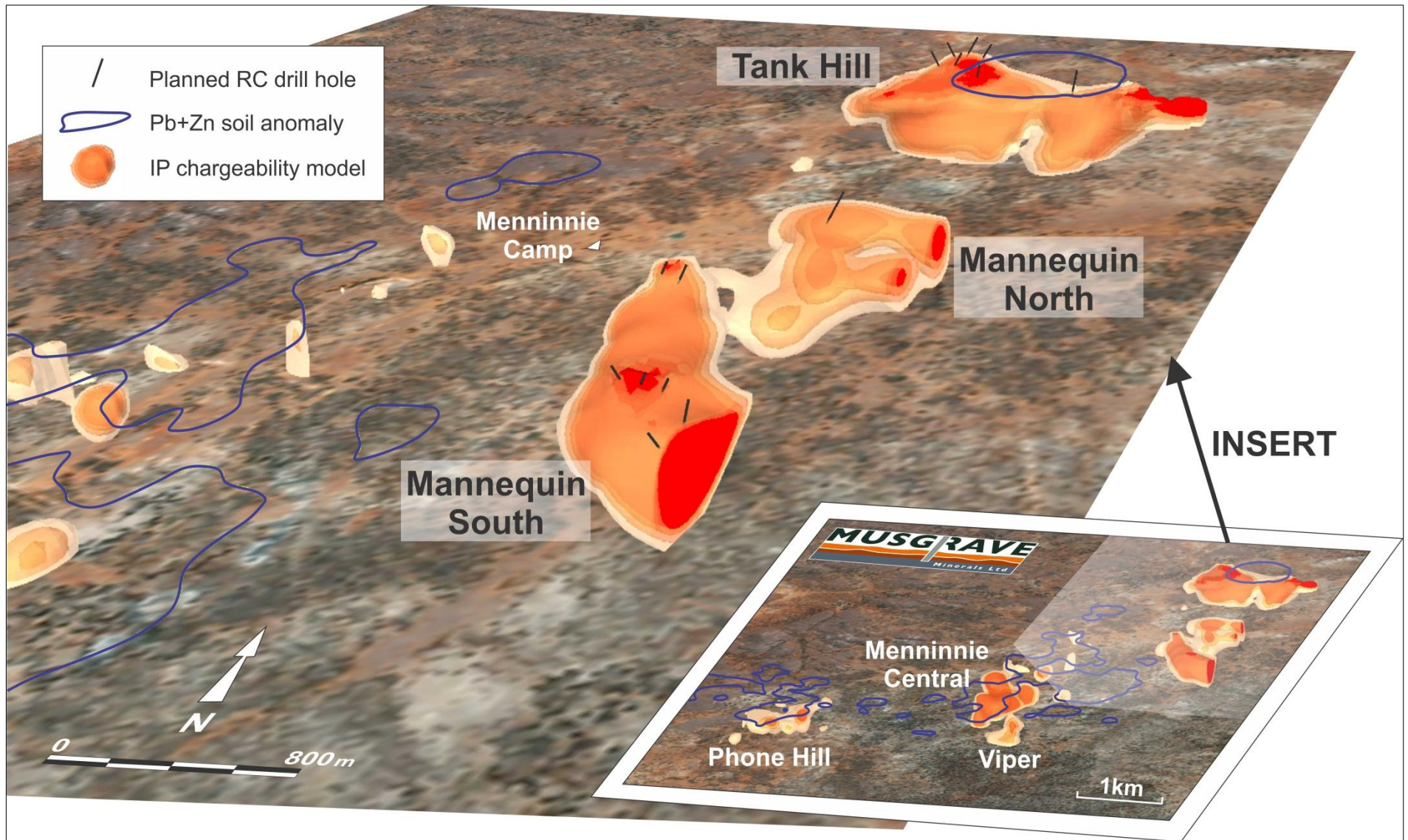
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and thoroughly reviewed by Mr Robert Waugh. Mr Waugh is a fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a member of the Australian Institute 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.

**About Musgrave Minerals**

Musgrave Minerals Ltd is an active Australian base metals explorer with a massive exploration footprint in the Musgrave Province in South Australia, with tenements covering an area of approximately 50,000km<sup>2</sup>. The Company also has an active advanced stage exploration project, Menninnie Dam in the prospective silver and base metals province of the southern Gawler Craton. Musgrave has a powerful shareholder base with six mining and exploration companies participating as cornerstone investors.







**Figure 2:** Schematic image of selected targets and proposed drill holes at Menninnie Dam shown as IP chargeability shells on Landsat with anomalous Pb+Zn soil contours in blue