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ASX: MGV

Silver, Zinc and Graphite Intersected at Mannequin

- **Silver mineralisation intersected at Mannequin and Viper targets**
  - **20m @ 12.4g/t Ag from 68m at Mannequin**
  - **6m @ 49.4g/t Ag from 60m at Viper**
- **Zinc up to 3.5% intersected within same zone**
- **Graphite intersected in drilling**
- **RC drilling to re-commence in March**

Musgrave Minerals Ltd (Musgrave Minerals) (ASX: MGV) is pleased to announce that it has intersected silver, zinc and graphite at the Mannequin target at Menninnie Dam in the southern Gawler Craton region of South Australia (Figure1).

Results from broad spaced reverse circulation (RC) drilling at **Menninnie Dam** have returned **highly anomalous silver, zinc and total graphitic carbon (TGC) values at the Mannequin target** (Figure 2). Drill hole MDRC28 intersected **20m** @ **12.4g/t Ag** from 68m down hole in weathered clay. At the base of this anomalous silver zone was **1m** @ **3.5% Zn, 0.7% Pb and 21.1g/t Ag** from 87m down hole. The true width of the intersections is not known.

The silver intersection in MDRC28 is within the weathered zone and is likely to be secondary dispersion from more distal primary mineralisation. These results are extremely encouraging and, together with new soil geochemical data recently collected will help focus Musgrave's follow-up drilling at Mannequin.

Musgrave drilled 17 RC holes, for more than 1,950 metres to a maximum depth of 198m in late 2012. The drilling focused on three target areas, Mannequin, Phone Hill, and Viper (Figure 2). Results from the first 7 holes were reported in the latest MGV Quarterly report *(ASX announcement dated 30th January 2013)*. This announcement reports results recently received for the remaining 10 holes of this program (Appendix 1).

The initial drilling at Mannequin focused on a large (>2.5km long), strong, coincident induced polarisation (IP) chargeability and resistivity anomaly. The source of the IP anomaly appears to be a thick (>80m) sequence of graphitic gneiss. The true width of the intersections is not known.

Broad zones of graphite were intersected in all five holes drilled at Mannequin. A total of 13, one-metre samples were submitted from some of the thicker zones containing abundant visible graphite and submitted for TGC analysis. The highest result returned 7.2% TGC over a 1m interval from 44m in MDRC31. This is a very encouraging result from preliminary sampling and suggests the tenement area has the potential to host significant graphite mineralisation. An airborne electromagnetic survey is currently being planned to define potential shallow graphite and base metal sulphide targets for further drill testing.

Drilling at Viper targeted the up-dip projection of the interpreted Ag-Pb-Zn lodes. The positions of the intervals intersected with anomalous Ag, Pb and Zn values (**6m @ 49.4g/t Ag from 60m in MDRC26**) suggest that the Viper lodes may be offset by one or more faults.

Musgrave Minerals' will **re-commence RC drilling** at Menninnie Dam during the first week of March to test four regional high priority IP and geochemical targets. The drilling program will consist of at least **10 RC drill holes for approximately 2,000m** of drilling across four target areas (Figure 2).

In October 2012, 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 Menninnie Dam Project in the first stage, and up to a 75% interest thereafter.

The Project comprises five Exploration Licences covering a contiguous area of 2,471km^2 in the highly sought after and prospective Gawler Craton region of South Australia (Figure 1). 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. Menninnie Dam is located approximately 100km west of Port Augusta and is well positioned in regards to infrastructure and proximity to the coast.

The Menninnie Dam Project hosts the Menninnie Central and Viper zones with an inferred mineral resource of 7.7Mt @ 27g/t Ag, 3.1% Zn, 2.6% Pb (*estimated by Terramin Australia Limited in 2011 in accordance with the 2004 JORC code). Both zones are open down plunge.

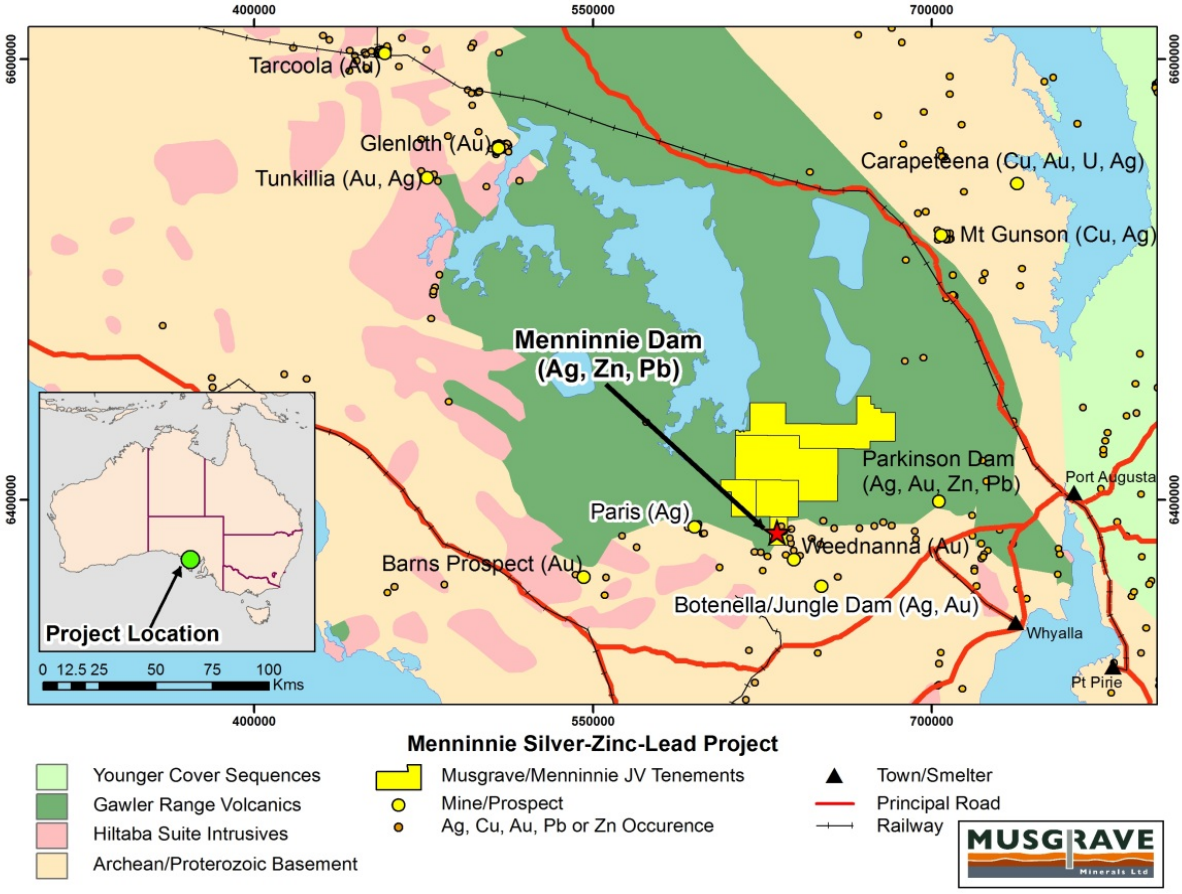

Figure 1: ***Location of the Menninnie Dam Project, South Australia***

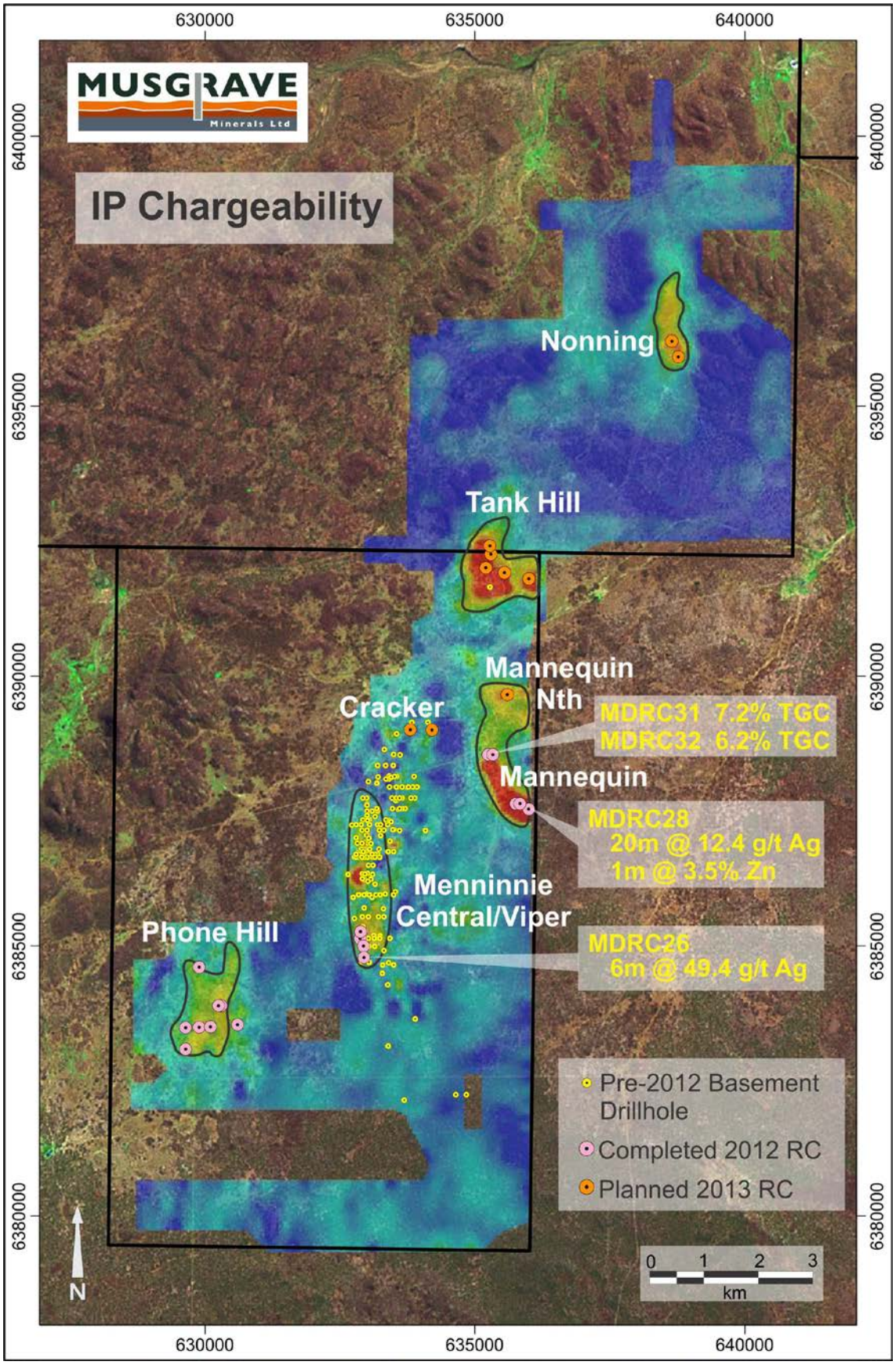

Figure 2: ***Menninnie Dam Drill Hole Locations on IP Chargeability Image and Landsat Background***

Enquiries:
Robert Waugh
Managing Director
Musgrave Minerals Ltd
0439 955 415

Robert Gundelach
Investor Relations
NWR Communications
0451 896 420

** JORC-compliant inferred resource for the Menninnie Central and Viper deposits was reported by Terramin Australia Limited (ASX: TZN) on 1st March 2011*

Zone	Tonnes x10^3	Zn (%)	Pb (%)	Ag (g/t)	Pb+Zn (%)
Total Menninnie Central	**5,240**	**3.5**	**2.7**	**28**	**6.1**
Total Viper	**2,460**	**2.3**	**2.4**	**24**	**4.8**
Total Menninnie Central and Viper	**7,700**	**3.1**	**2.6**	**27**	**5.7**

Inferred Resource (at 2.5% Pb+Zn cut-off) as at 15 February 2011

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/or 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^2. 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.

Appendix 1: ***Summary of New RC Drill Hole Locations and Significant Results***

Drill Hole ID	Prospect	Easting (m)	Northing (m)	Azimuth (degrees)	Dip (degrees)	Total Depth (m)	From (m)	To (m)	Interval (m)	Ag (g/t)	Zn (%)	Pb (%)
MDRC23	Phone Hill	629895	6384620	270	-60	48	19	21	2	-	0.46	-
MDRC24	Viper	632877	6385154	270	-60	84				NSA		
MDRC25	Viper	632943	6385007	270	-60	125	32	33	1	4.8	0.14	-
							0	1	1	2.3	0.42	0.42
							51	52	1	2.9	0.56	1.23
MDRC26	**Viper**	**632950**	**6384801**	**270**	**-60**	**156**	**60**	**66**	**6**	**49.4**	**0.46**	**0.47**
MDRC27	Viper	632885	6385276	270	-60	156	48	50	2	4.0	0.75	0.90
MDRC28	**Mannequin**	**635998**	**6387546**	**270**	**-60**	**156**	**68**	**88**	**20**	**12.4**	**0.26**	**0.07**
					Including		**87**	**88**	**1**	**21.1**	**3.49**	**0.74**
MDRC29	Mannequin	635755	6387645	270	-60	102				NSA		
MDRC30	Mannequin	635835	6387649	270	-60	102	13	14	1	7.3	-	-
MDRC31	Mannequin	635247	6388556	270	-60	132	30	31	1	5.3	-	-
							33	34	1	4.5	-	-
							50	51	1	11.4	-	-
							66	67	1	4.2	-	-
							84	85	1	1.0	0.43	-
							89	98	9	-	0.45	-
							121	122	1	2.4	0.44	0.12
MDRC32	Mannequin	635337	6388557	270	-60	90	55	56	1	5.7	-	-
							88	89	1	-	-	0.40

Drill Hole ID	Prospect	Easting (m)	Northing (m)	Azimuth (degrees)	Dip (degrees)	Total Depth (m)	From (m)	To (m)	Interval Sampled (m)	TGC (%)
MDRC31	**Mannequin**	**635247**	**6388556**	**270**	**-60**	**132**	**44**	**45**	**1**	**7.1**
MDRC32	**Mannequin**	**635337**	**6388557**	**270**	**-60**	**90**	**85**	**87**	**2**	**6.2**

Notes

1. *Co-ordinates are in UTM grid (GDA94 Z53) and have been measured by hand-held GPS*
2. *Drilling was undertaken utilising a truck mounted reverse circulation drilling rig*
3. *All samples are analysed as 5m composites or individual 1m samples*
4. *Individual 1m samples were analysed where elevated base metals was identified*
5. *Sample preparation and base metal and precious metal analysis is undertaken by Intertek Genalysis, in Wingfield, South Australia*
6. *Sample preparation by dry pulverisation and base metal analysis by ICP-OES and ICP-MS to 0.5ppm*
7. *Sample preparation and total graphitic carbon analysis was undertaken by Intertek Genalysis, in Maddington, Western Australia*
8. *Sample preparation by dry pulverisation and total graphitic carbon analysis by CS Analyser to 0.1%TGC*
9. *An accurate dip and strike of the mineralisation is yet to be determined and the true width of the intercepts is not yet known*
10. *NSA (no significant assay) – No assay above 4g/t Ag, 0.4% Zn or 0.4% Pb or 5.0% TGC*
11. *g/t (grams per tonne)*
12. *ppm (parts per million)*
13. *ppb (parts per billion)*