Musgrave Commences Drilling on New Nickel-Copper Targets

- Vacuum drilling over new nickel-copper targets has commenced at Deering Hills
- 200 holes planned for ~3,000m over six targets
- Strong financial position with approximately $11M in cash

Musgrave Minerals Ltd (“Musgrave Minerals”) (ASX: MGV) is pleased to announce that it has commenced a vacuum drilling program over new versatile time-domain electromagnetic (VTEM) and geochemical targets at its Deering Hills Project in the Musgrave Province in far north South Australia.

The drilling will test four high priority VTEM targets (Figure 2) under shallow cover and infill co-incident nickel-copper-platinum group element (PGE) targets (West Pallatu and Minbar) identified by Musgrave Minerals in 2012.

The exploration target is mafic/ultramafic hosted massive nickel-copper sulphide mineralisation similar to the large deposits at Voisey’s Bay in Canada and Sirius’ Nova deposit in the Fraser Range of Western Australia.

The current drilling program will consist of up to 200 infill vacuum drill holes for approximately 3,000m of regolith drilling across the six targets. The results are expected in May-June and will be used to focus ground electromagnetic surveys in coming months in preparation for diamond drilling.

The new VTEM targets vary in length from single line anomalies nominally modeled at 100m in length to multi-line anomalies modeled with a length of more than 800m. Massive nickel-copper sulphide deposits commonly have a conductive response identifiable through electromagnetic surveys. Co-incident nickel and copper geochemical dispersion halos are also commonly found associated with this style of mineralisation.

Following the identification of the Minbar vacuum geochemical target where highly anomalous nickel, copper and PGE’s were identified over an area 1.5km long, the airborne EM data was re-interpreted and a subtle VTEM anomaly was identified co-
incident with the geochemical target (Figure 2) within favourable gabbroic and ultramafic rock types which host nickel sulphide mineralisation in the region.

The West Pallatu target (Figure 2) is located on the boundary of tenement ELA156/08 (100% MGV) where MGV has identified a number of strong airborne VTEM conductors under shallow sand cover adjacent to outcropping favourable Giles Complex rocks.

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).

Musgrave Minerals’ is also currently drilling at Menninnie Dam where a ten hole RC program is underway targeting silver-zinc-lead mineralisation. This drilling is testing high priority induced polarisation (IP) and geochemical targets.

Musgrave Minerals Managing Director Rob Waugh said the company was in a very strong financial position with $11 million in cash and looked forward to providing further updates to investors as results become available.

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Figure 1: Location of the Deering Hills 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/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 and precious metals explorer with a massive exploration footprint in the Musgrave Province in South Australia, with tenements covering an area of approximately 50,000km². 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 gridded image of new VTEM and vacuum drilling targets at Deering Hills shown on ortho-image