



ASX RELEASE

1<sup>st</sup> May 2013

ASX: MGV

## Drilling Re-commences at Tank Hill

- **Drilling has re-commenced to test new zinc-silver-gold mineralisation at Tank Hill, Menninnie Dam**
- **More than 1,500m of RC drilling planned**
- **Drilling will focus around MDRC39 following recent intersections of:**
  - **6m @ 4.9% Zn, 62g/t Ag, 1.2g/t Au within a broader zone of:**
  - **30m @ 1.9% Zn, 21g/t Ag, 0.27g/t Au**

Musgrave Minerals Limited (Musgrave Minerals) (ASX: MGV) is pleased to announce that it has re-commenced reverse circulation (RC) drilling at the Tank Hill prospect on the Menninnie Dam silver-zinc-lead project in the southern Gawler Craton of South Australia (Figure 1). Musgrave Minerals has entered an agreement with Menninnie Metals Pty Ltd, a wholly-owned subsidiary of Terramin Australia Limited (ASX: TZN) to earn a majority interest in the Menninnie Dam Project.

The current drilling will test the dip and strike extension of the mineralisation in hole MDRC39 which intersected 6m @ 4.9% Zn, 0.7% Pb, 62g/t Ag, 1.2g/t Au from 133m down hole in fresh rock within a broader zone of 30m @ 1.9% Zn, 0.5% Pb, 21g/t Ag, 0.27g/t Au from 132m down hole (Figure 2 & 3).

The mineralisation is open in all directions with the closest existing drill hole approximately 700m to the west. The discovery is only 5km north-east of the existing Menninnie Central and Viper deposits at Menninnie Dam (Figure 2). Menninnie Dam is located in a new and very prospective silver province, only 20km east of Investigator Resources' recent Paris silver discovery.

The planned drilling program will consist of at least 6 RC drill holes for approximately 1,500m of drilling. Drill-hole depths will vary from approximately 100m to 230m. The program is expected to take approximately two weeks to complete, with assay results expected in July 2013.

“The mineralisation in MDRC39 is open in all directions, so we are very excited about this follow-up drilling. The indicators we are seeing from the recent surface geochemistry, surface alteration and the co-incident IP anomaly at Tank Hill are all very positive. The project has significant potential to provide a new discovery.” Musgrave Managing Director Rob Waugh said.

“We are looking forward to providing further updates to investors as exploration progresses and as results become available.”

An airborne versatile time domain electromagnetic survey (VTEM) is also planned for Menninnie Dam and is expected to commence in May. This survey will help to define new base metal and graphitic targets within the Menninnie Dam project area.

### **About Menninnie Dam**

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<sup>2</sup> in the highly sought after and prospective Gawler Craton region of South Australia (Figure 1). 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). Musgrave Minerals is not aware of any new information that would materially change this resource estimation. Both zones are open down plunge.

#### ***Enquiries:***

*Robert Waugh  
Managing Director  
Musgrave Minerals Ltd  
0439 955 415*

***Robert Gundelach***  
*Investor Relations  
NWR Communications  
0451 896 420*

### Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and/or thoroughly reviewed by Mr Robert Waugh, a Competent Person who 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 and a full-time employee of Musgrave Minerals Ltd. Mr Waugh has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration 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 his 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.

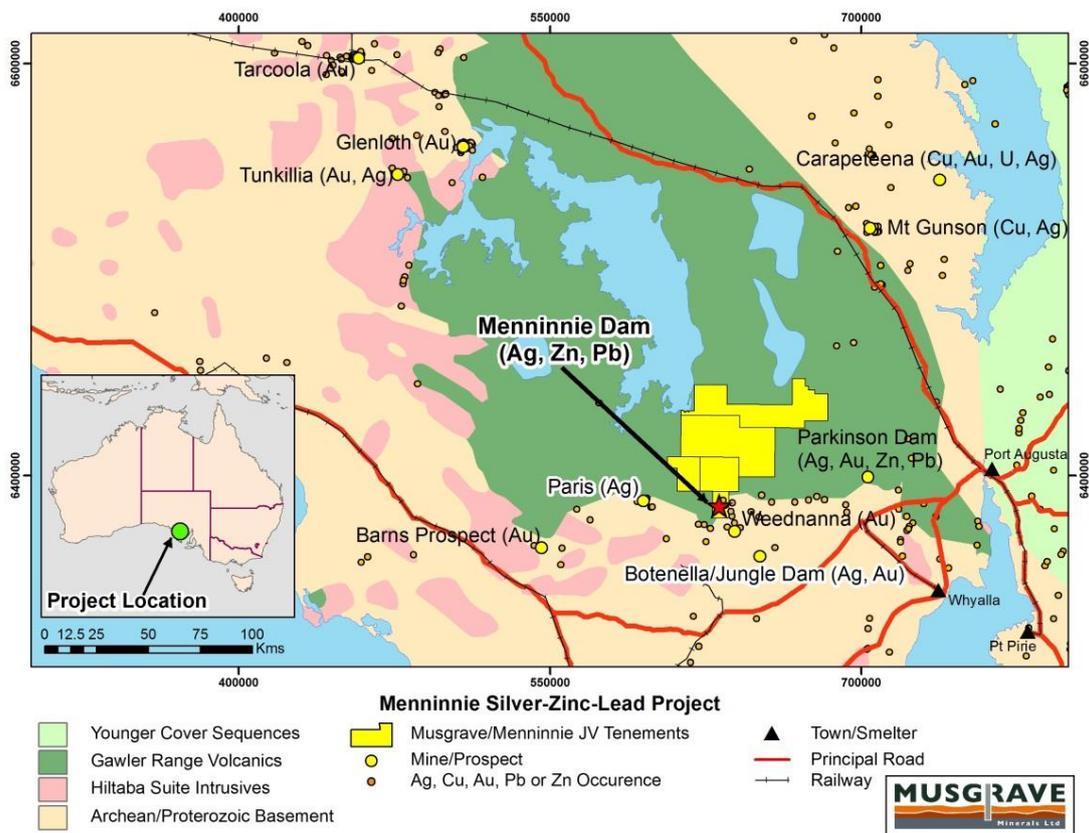


Figure 1: Location of the Menninnie Dam Project, South Australia

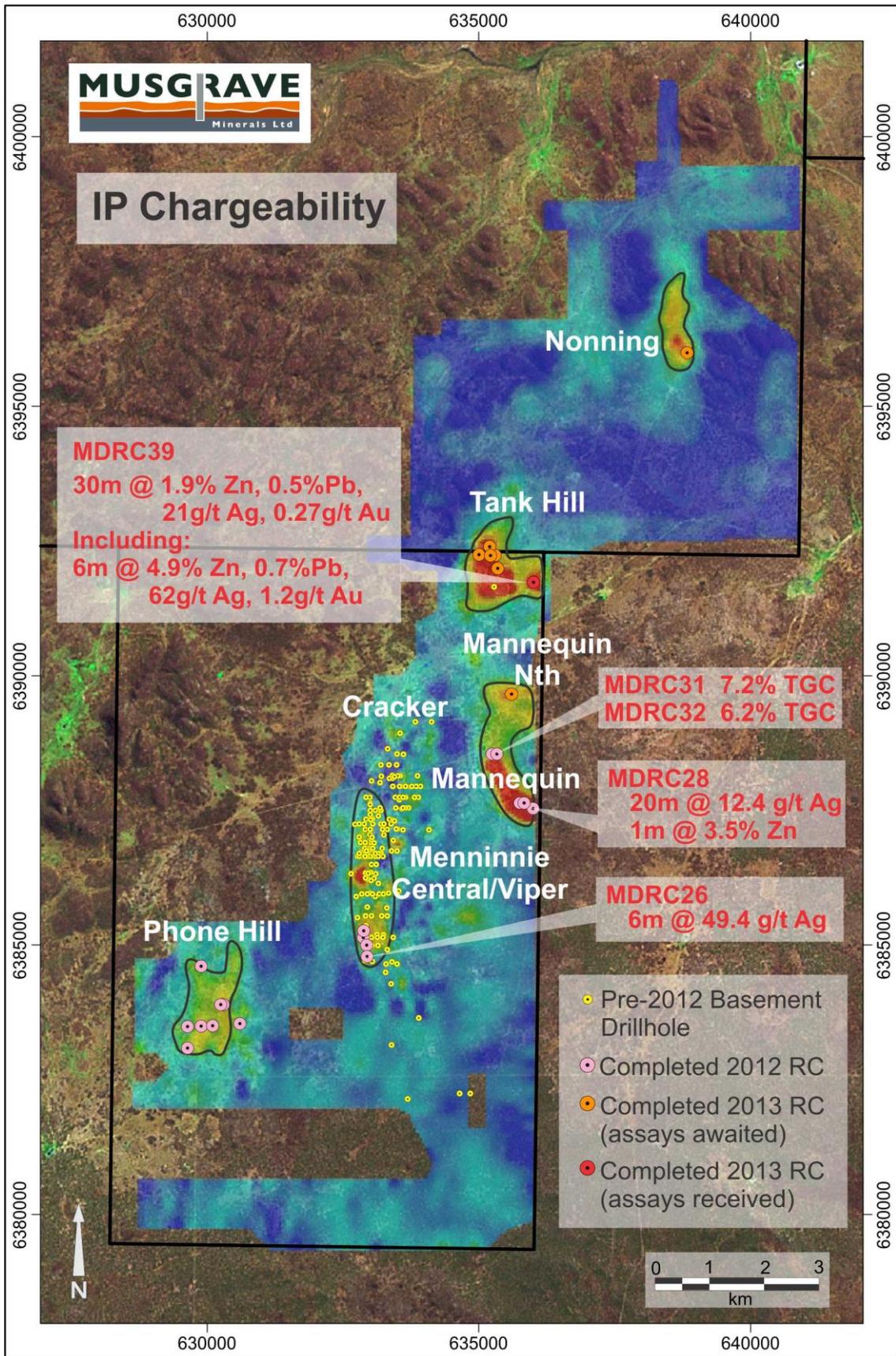


Figure 2: **Menninnie Dam Drill Hole Locations on IP Chargeability Image and Landsat Background**



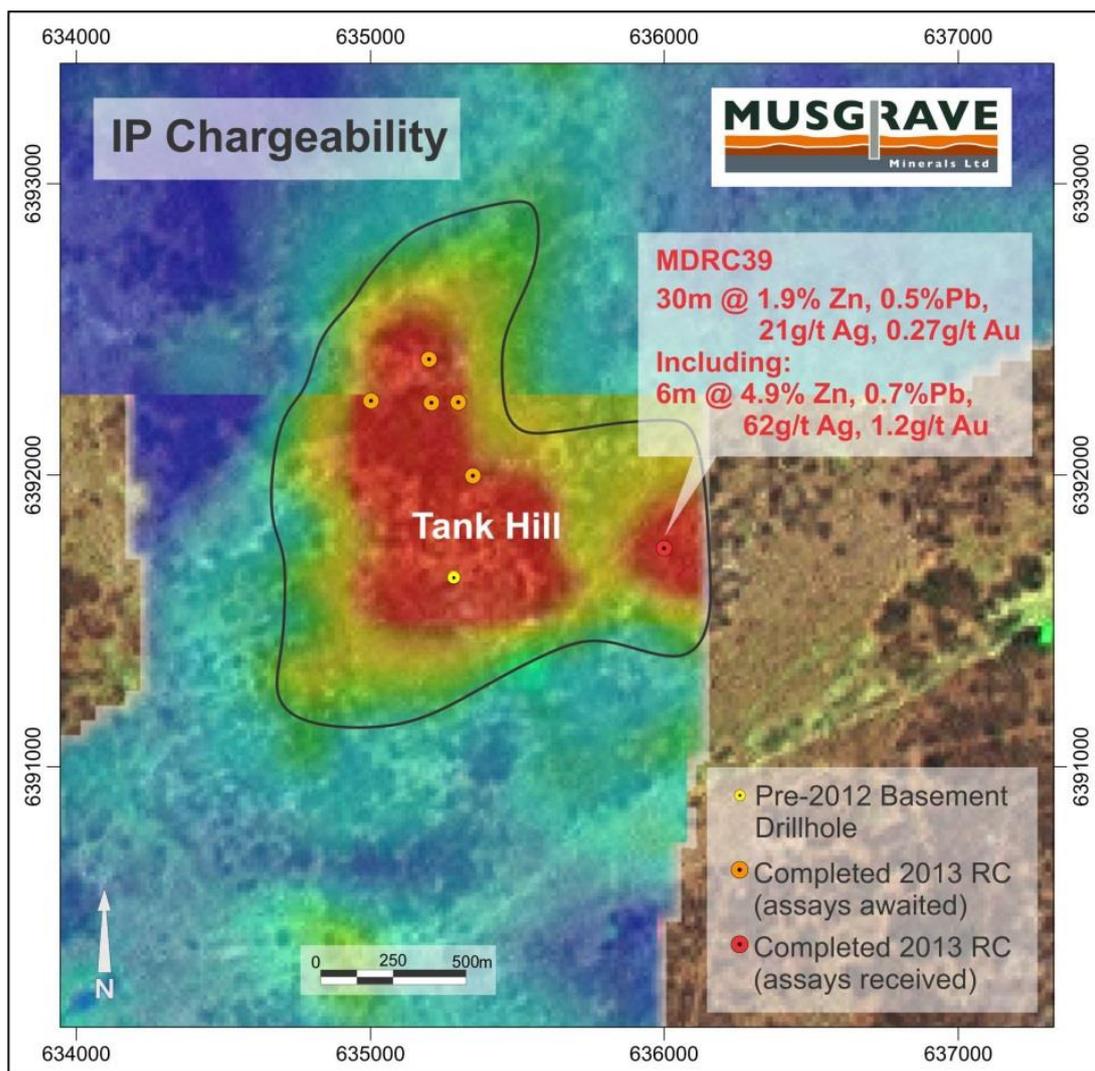


Figure 3: **Tank Hill Drill Hole Locations on IP Chargeability Image and Landsat Background Showing MDR39**

