



ASX RELEASE

14th August 2013

ASX: MGV

Musgrave Granted New Pallatu Tenement with High Priority Nickel Sulphide Targets

- **New “Pallatu” Exploration Licence (“EL”) granted to Musgrave Minerals Ltd in the Musgrave Province of South Australia**
- **New EL hosts high priority Versatile Time Domain Electromagnetic (VTEM) targets**
- **Ten priority VTEM targets clustered within Pallatu licence**
- **VTEM targets co-incident with gravity and magnetic features**
- **Planning and permitting is underway for ground EM and drilling**

Musgrave Minerals Limited (“Musgrave Minerals” or “the Company”) (ASX: MGV) is pleased to announce the grant of the “Pallatu” Exploration Licence (“EL”) as part of the Deering Hills Project (Figure 1) in the Musgrave Geological Province in the far north of South Australia.

Musgrave Minerals holds a 100% interest in the new licence (EL5317) and the surrounding Deering Hills licence EL5173.

The new licence (Figure 2) covers a very prospective area of known Giles Complex intrusives adjacent to a number of high priority VTEM conductors modelled under shallow sand cover. Giles Complex intrusives are known to host nickel sulphide mineralisation elsewhere in the Musgrave Province. A VTEM survey flown by Musgrave Minerals in 2011 to detect massive sulphide mineralisation highlighted a cluster of 10 priority conductive targets at Pallatu for follow-up.

Commenting on the grant of the licence Musgrave’s Managing Director Rob Waugh said “The Company’s exploration strategy since first listing in 2011 remains to discover a high grade massive nickel-copper sulphide ore system in this highly prospective region”.

“We had identified this area as a priority and the targets at Pallatu show all the right criteria for a large nickel sulphide system. Musgrave is fully funded to test these targets in 2013”.

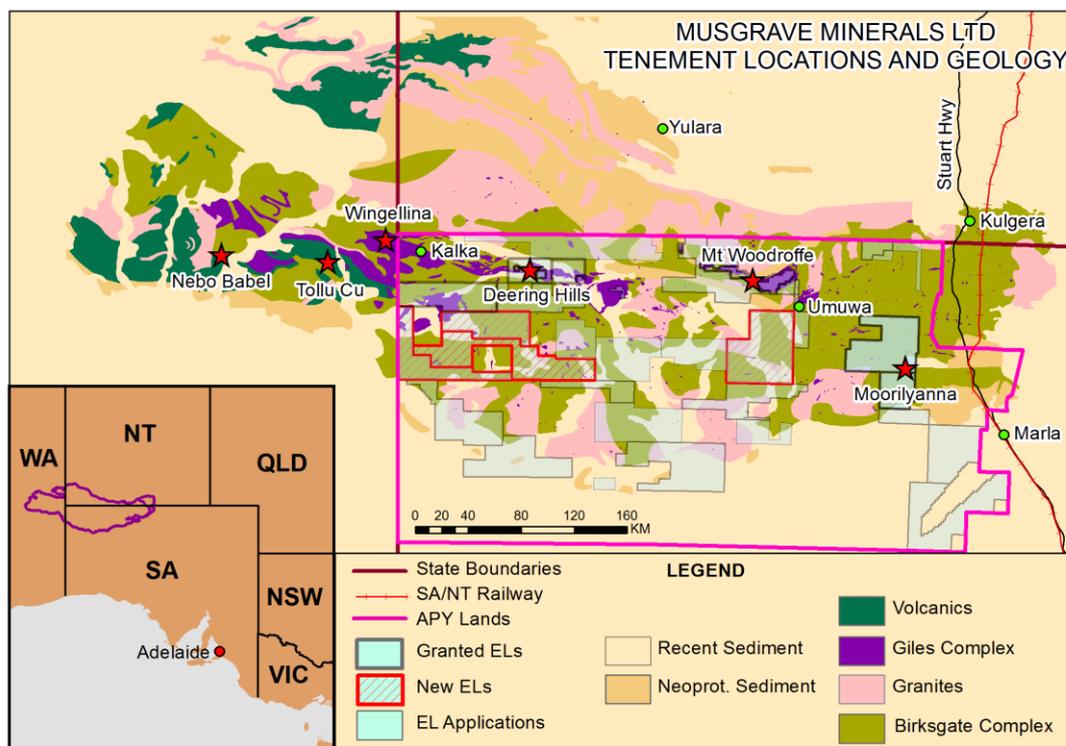


Figure 1: **Location of Musgrave Minerals’ Exploration Licences in the Musgrave Province**

The VTEM targets at Pallatu are along strike from the anomalous nickel-copper-PGE (platinum group element) geochemical anomalies identified from shallow vacuum drilling at Caliban and Minbar (Figure 2) and are co-incident with a large gravity anomaly and magnetic response (Figure 3). This is consistent with the geophysical response from other known magmatic nickel sulphide deposits of this model type.

Mr Waugh said granting of the new licence highlighted the strong relationship Musgrave Minerals has forged with Anangu Pitjantjatjara Yankunytjatjara (“APY” – a body corporate established by the APY Lands Rights Act 1981, SA) and Traditional Owners and was another positive step for the Company.

Musgrave Minerals’ unique knowledge of the region, use of new technologies, its systematic and efficient approach to exploration and strong cash position means it is well placed to successfully drill test the VTEM targets within the new licence.

The Company is in a very strong financial position with approximately >\$9M million in cash. The Company will undertake a heritage survey before commencing ground EM and defining drill hole locations for the targets. Drilling is currently scheduled to commence early in the fourth quarter.

Mr Waugh said the Company looked forward to drilling these high quality VTEM targets on the new Pallatu licence.



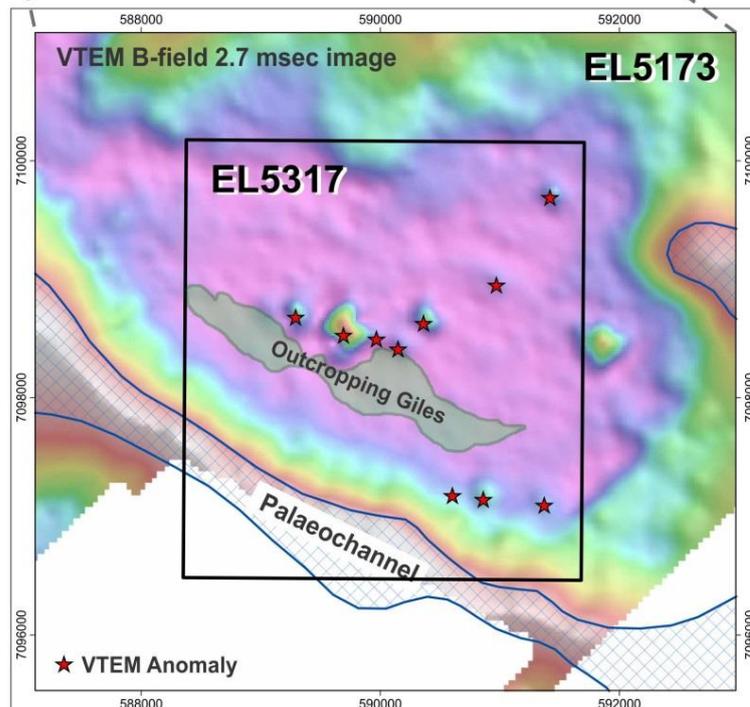
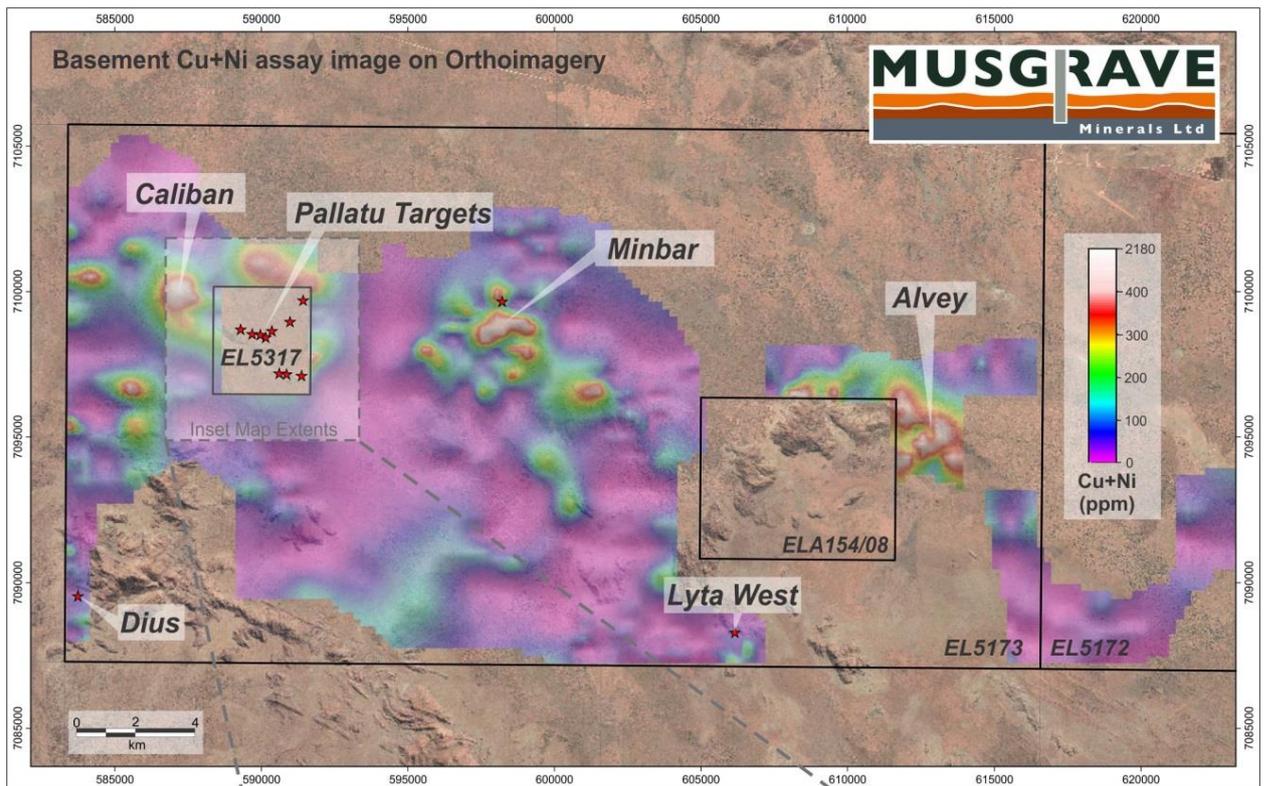


Figure 2: **Image showing new Pallatu licence with Ni-Cu vacuum geochemical drilling results on ortho-image and VTEM B-field image as insert**



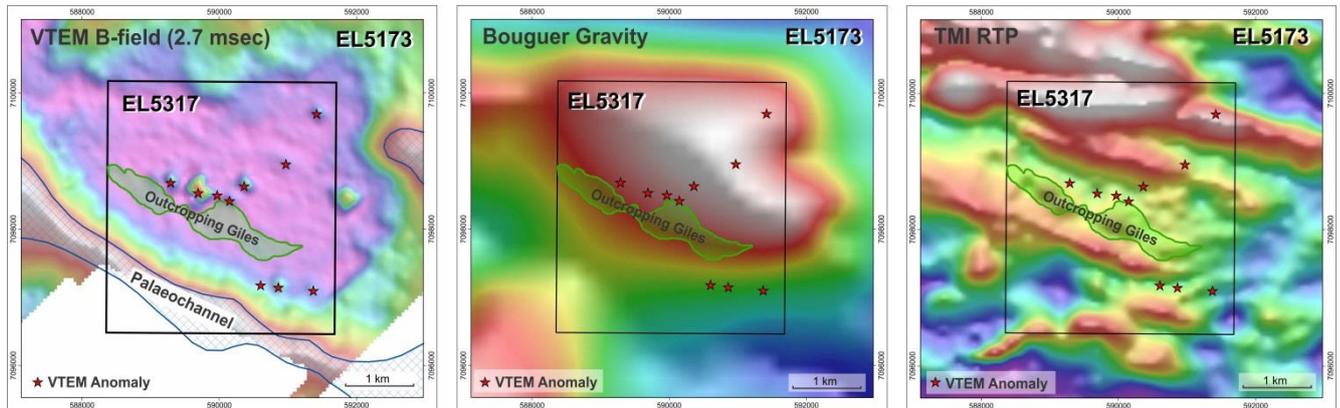


Figure 3: **Image showing new Pallatu licence with VTEM targets, co-incident bouguer gravity anomaly and magnetic anomalies in relation to the known Giles Complex mafic/ultramafic intrusives. The remainder of the licence is under shallow sand cover.**

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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 2012 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 50,000km². 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.