



ASX RELEASE

25th August 2014

ASX: MGV

Musgrave Successful in Ballot for Tenement in the Southern Gawler Craton

- **New 100% owned exploration licence application located in the in the emerging epithermal porphyry province of the Southern Gawler Craton in South Australia**
- **Tenement prospective for silver-lead-zinc and copper-gold mineralisation**
- **Historical rock chip sample with 148g/t silver and 0.5% lead**
- **Tenement covers approximately 260km² in a favorable structural position at the junction of two major regional faults**

Musgrave Minerals Ltd (“Musgrave Minerals” or “the Company”) (ASX: MGV) is pleased to announce it has been successful in a ballot for the Southern Gawler Craton tenement EL 2014/00092 in South Australia, now named the Corunna Project. The Company was in the ballot with five other applicants which went before the South Australian Department of State Development. Musgrave Minerals has accepted the tenement covering approximately 260km².

The new tenement application is in the emerging epithermal porphyry province of the Southern Gawler Craton which hosts the Menninnie Dam Zn-Pb-Ag deposit and the 20Moz Paris epithermal silver deposit (Figure 1).

Musgrave Minerals Managing Director Rob Waugh said, “We are excited about winning the new Corunna Project tenement in the recent ballot, as it covers a portion of the Southern Gawler Craton which is very prospective for epithermal silver-lead-zinc and copper-gold deposits. It also complements Musgrave’s nearby Menninnie Dam joint venture Project just 30 kilometres to the west.”

Exploration in the 1980’s identified anomalous silver and lead in a surface rock chip sample with values up to 148g/t silver and 0.5% lead (Figure 2). The tenement has the right geological characteristics for epithermal mineralisation including the major Uno fault and

significant cross cutting structures that are often important for controlling the emplacement of mineralising intrusives and fluids.

Recently, the tenement was held by a uranium explorer and has had limited exploration for base and precious metals in the last decade. Musgrave can now apply recent advances in geological understanding of the region to the Corunna Project for the first time.

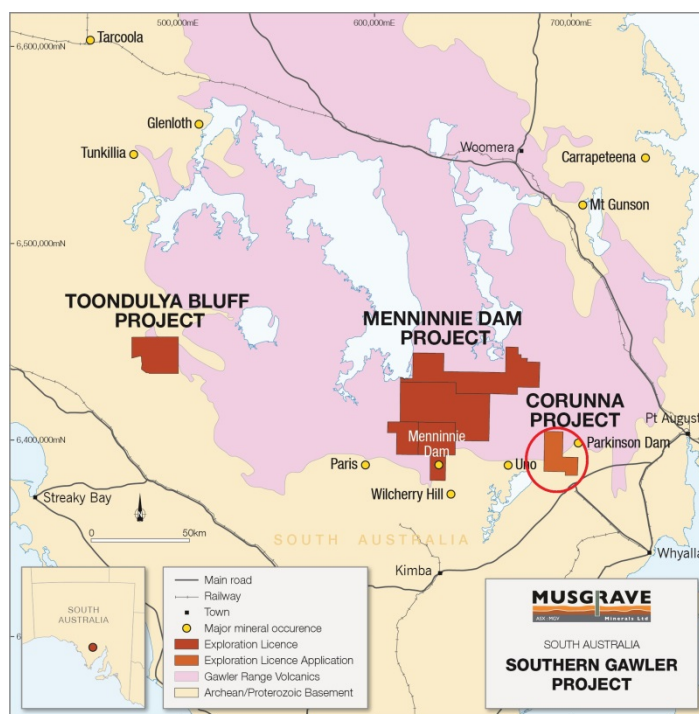


Figure 1: **Location of Musgrave’s new Corunna Project in the Southern Gawler Craton**

The location of this highly anomalous sample is consistent with the recent work reported by SA Department of State Development (DSD) geologists in the area that highlights the regions epithermal and porphyry potential¹. DSD geologists identified epithermal quartz veins and vein breccias in the area with geological characteristics associated with low sulphidation epithermal systems.

“The recent work by DSD geologists in the area and the historical silver anomalism are both very positive indicators for the prospectivity of the tenement,” Mr Waugh said. “No systematic exploration for silver or epithermal systems has occurred here in the past, opening a window of opportunity for us to apply modern exploration techniques to this very prospective area”.

Musgrave is in a strong financial position with approximately \$6M in cash to conduct an aggressive exploration campaign over the new Corunna Project tenement, which the Company expects to be granted late this quarter. Musgrave will undertake detailed geochemical sampling, mapping and geophysics prior to drill testing.

1. Wade et al; May 2014: Department of Manufacturing, Innovation, Trade, Resources and Energy Report Book 2014/00004, Unlocking SA’s Mineral Wealth Technical Forum, Presentation and Poster Abstracts “Porphyry–epithermal potential of the southern Gawler Ranges: evidence from veining, brecciation and alteration”.

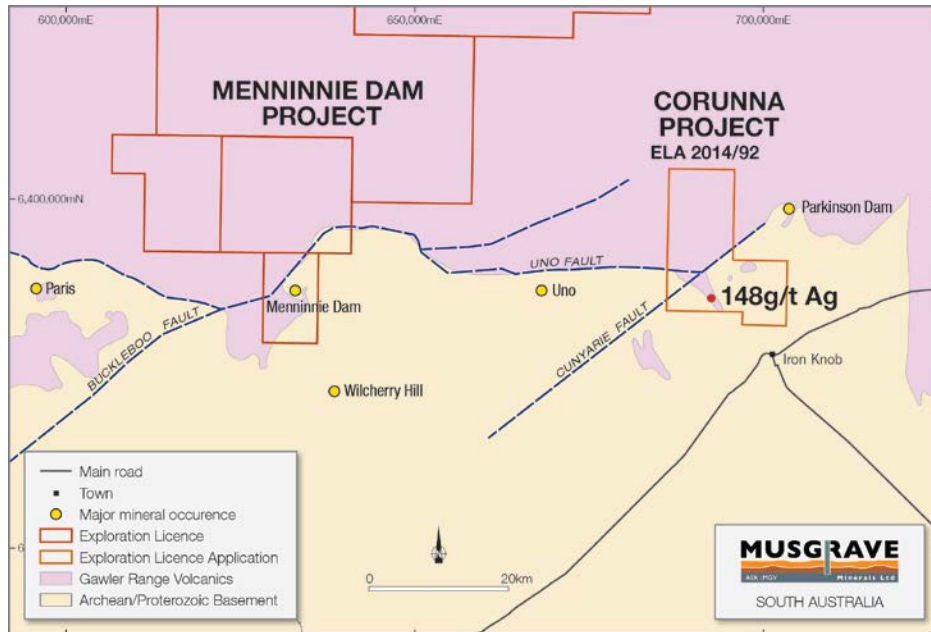


Figure 2: **Musgrave's new Corunna Project with location of historical silver sample**

Enquiries:

Rob Waugh
 Managing Director
 Musgrave Minerals Ltd
 +61 8 9324 1061

Nathan Ryan
 Investor Relations
 NWR Communications
 +61 420 582 887

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 large exploration footprint in the Musgrave Province in South Australia, with tenements covering an area of approximately 50,000km². The Company also has a new Ni-Cu sulphide project in the highly prospective Fraser Range of Western Australia and an active advanced stage exploration project, Menninnie Dam, in the prospective silver and base metals province of the southern Gawler Craton of South Australia. Musgrave has a powerful shareholder base with six mining and exploration companies participating as cornerstone investors.

Corunna Project

JORC TABLE 1

Section 2 Reporting of Exploration Results

Criteria	Explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Corunna tenement (ELA2014/92) is still under application, pending grant to Musgrave Minerals Ltd (MGV). Upon grant MGV will be 100% owner.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The Corunna tenement (ELA2014/92) is still under application, pending grant to Musgrave Minerals Ltd (MGV). Upon grant MGV will be 100% owner.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Some very limited historical drilling has been undertaken in focused areas on the tenement by third parties. Some previous mapping, rock chip sampling and limited soil sampling has historically been undertaken by previous explorers in the region focused on uranium and base metals. Historical rock chip samples by Shell Company of Australia Ltd were analysed by Comlabs in 1982 using AAS (Cu, Zn, Ag, Bi, Mn, Ba) and XRF (Sn, Pb, W). This historical data will be fully assessed upon grant of the tenement.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	Geology comprises Mesoproterozoic Gawler Range Volcanics with Paleoproterozoic Hutchison Group intruded by Lincoln Complex granites. Musgrave is exploring for multi commodity style deposits consistent with an interpreted porphyry-epithermal type model.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	An accurate dip and strike and the controls on mineralisation are yet to be determined and the true width is not yet known.
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to figures body of this announcement.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Musgrave Minerals Ltd has yet to undertake any exploration on this tenement. All existing information is historical in nature.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	A range of exploration techniques are being considered to progress exploration including drilling.