



ASX RELEASE

22nd October 2014

ASX: MGV

Musgrave Identifies New Silver-Lead-Zinc Targets at Corunna

- **New 100% owned exploration licence EL5497 in the Gawler Craton granted on the 13 October 2014**
- **Four high-priority untested silver-lead-zinc targets identified from historical soil sampling and aeromagnetic data**
- **Silver anomalism in historical soil samples up to 9.7g/t**

Musgrave Minerals Ltd ("Musgrave Minerals" or "the Company") (ASX: MGV) is pleased to announce that it has identified four new high-priority silver-lead-zinc epithermal targets from a review of historical soil sampling on newly granted and wholly owned tenement EL5497.

The Corunna Project was granted on the 13th of October 2014 and is in the emerging epithermal porphyry province of the Southern Gawler Craton which hosts the Menninnie Dam Zn-Pb-Ag deposit and the Paris epithermal silver deposit (Figure 1).

Recent exploration at Corunna by previous tenement holders focused on uranium. Musgrave's examination of historic open file data has identified low level regional multi-element soil sampling results of interest. The historical survey assayed for a full suite of elements including Ag, Au, base metals and path finder elements on a nominal 400m grid. Musgrave geologists have reviewed the historical data and have identified four areas of significantly elevated silver anomalism with up to 9.7g/t in one of the soil samples (Figure 2). These target areas are coincident with regional structures interpreted from aeromagnetic data and have never been drill tested.

Exploration at Corunna 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.

Musgrave Minerals Managing Director Rob Waugh said, "The epithermal targets have high levels of silver anomalism coincident with regional structures that are often important in controlling mineralisation in epithermal systems. We look forward to drilling these targets once the necessary approvals have been obtained."

The Corunna Project is located approximately 50km west of Port Augusta and is well positioned in regards to infrastructure and proximity to the coast.

Musgrave is currently negotiating an access agreement with the relevant party and is planning field programs to validate the historical data prior to air core drilling in the coming months.

Musgrave is in a strong financial position with approximately \$5.3M in cash to progress exploration over the new Corunna Project tenement as well as its other projects in South Australia and Western Australia.

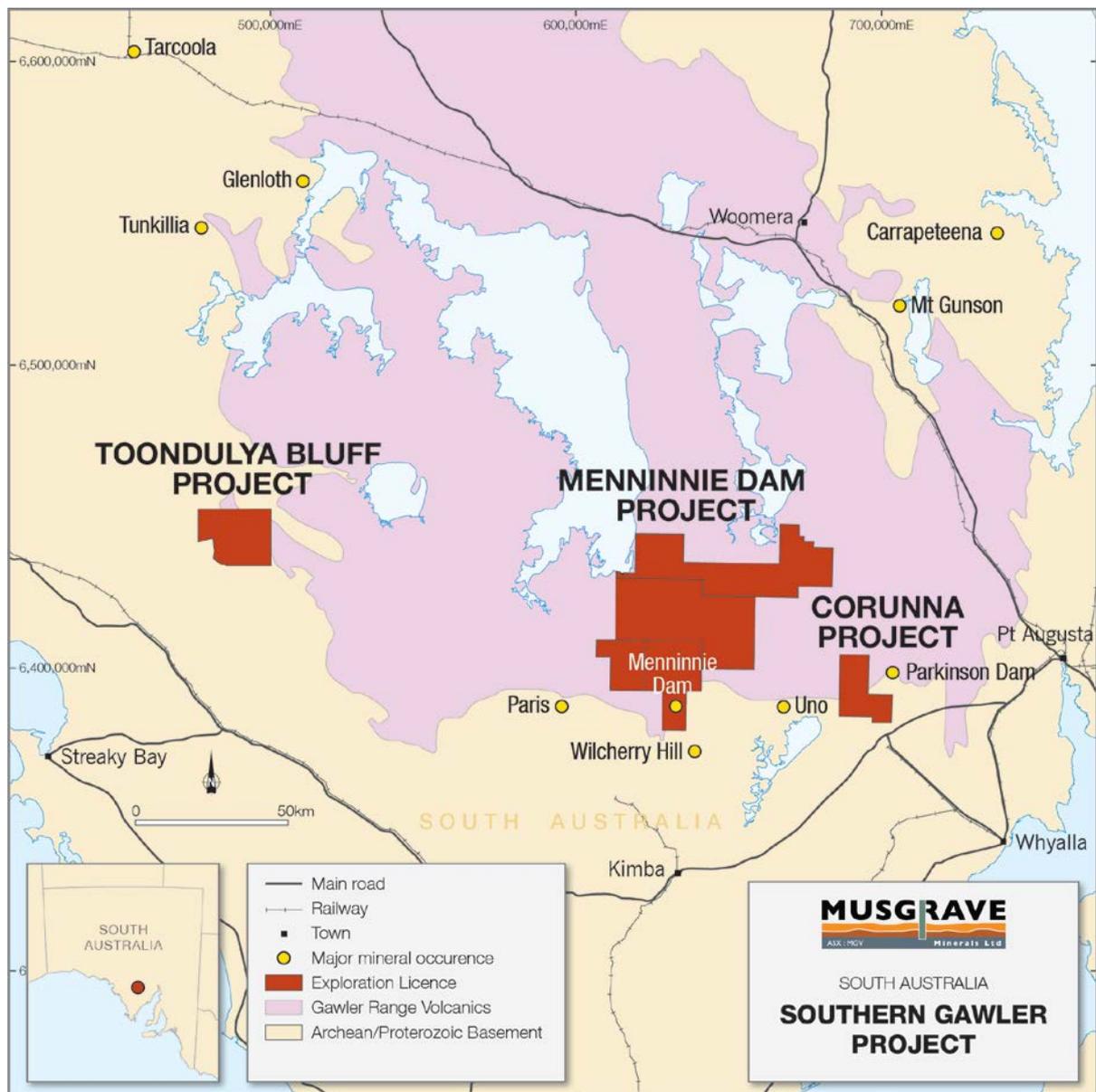


Figure 1: *Location of Musgrave's new Corunna Project in the Southern Gawler Craton*



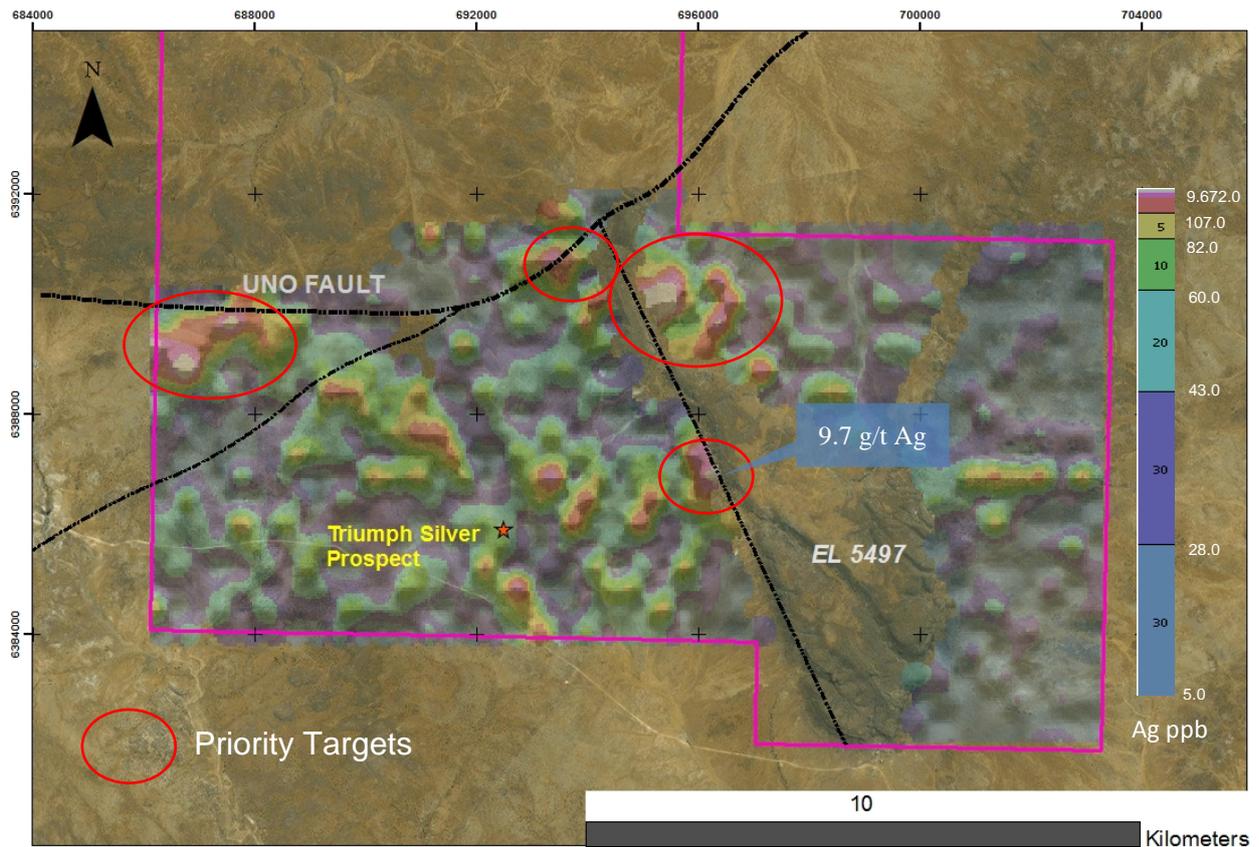


Figure 2: **High priority epithermal silver targets shown on gridded silver soil geochemical image with landsat backdrop.**

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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 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 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
<i>Sampling techniques</i>	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Mega Hindmarsh Ltd Soil Sampling -2mm (~250g) at a nominal 10cm depth on 400m x 400m grid.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Soil sample co-ordinates are in UTM grid (GDA94 Z53) and have been measured by hand-held GPS with an accuracy of ±4 metres.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Mega Hindmarsh Ltd Soil samples are collected dry and field sieved using at -2mm. Approximately 250g is collected for analysis. Samples were not pulverised.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Mega Hindmarsh Ltd soil samples were delivered to Intertek Genalysis laboratory in Adelaide then prepared and sent to Perth for analysis. The technique is appropriate for the methodology undertaken.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Mega Hindmarsh Ltd soil samples field QC procedures are within industry standard ranges and included field duplicates and blanks.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Mega Hindmarsh Ltd soil samples had field duplicates inserted at 1 in 25 samples. Blanks were inserted every 100 samples. Musgrave will undertake independent validation to support historical soil sample results.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered appropriate for the commodities and elements explored and analysed for.
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Soil sample analysis is undertaken by Intertek Genalysis Perth. Internal certified laboratory QAQC is undertaken including check samples, blanks and internal standards. Samples area analysed using Intertek's proprietary Terra Leach (TL8/OMA93) partial leach method for 28 elements (ICP-MS & ICP-OES) for Ag, Au, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, Ga, K, La, Li, Mg, Mo, Nb, Ni, P, Pb, Pd, Pt, S, Sb, Sn, Th, Ti, U, V, W, Y, Yb, Zn and Zr.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No geophysical tools were used to estimate mineral or element percentages.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	In addition to Mega Hindmarsh Ltd, duplicates and blanks, Genalysis incorporate laboratory QAQC including standards, blanks and repeats as a standard procedure. Certified reference materials that are relevant to the type and style of mineralisation targeted are inserted at regular intervals.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	No information recorded for Mega Hindmarsh Ltd soil samples.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations were made to any assay data reported by Musgrave.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	All maps and locations are in UTM grid (GDA94 Z53) and have been measured by hand-held GPS with an accuracy of ±4 metres.
	<i>Specification of the grid system used.</i>	Soil sample co-ordinates are in UTM grid (GDA94 Z53)
	<i>Quality and adequacy of topographic control.</i>	Soil sample RL's are approximate using hand held GPS.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Mega Hindmarsh Ltd soil samples were taken on a nominal 400m by 400m grid.
	<i>Whether sample compositing has been applied.</i>	No sample compositing was applied to soil samples.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Soil Samples are collected in individually numbered zip

		lock bags and packed for transport. Mega Hindmarsh Ltd staff deliver samples to Intertek Adelaide for dispatch to Intertek laboratory in Perth.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No external audits or reviews of modeling techniques and data have been undertaken.

Corunna Project JORC TABLE 1

Section 2 Reporting of Exploration Results

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	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.	The Corunna tenement (EL5497) was granted to Musgrave Minerals Ltd (MGV) on the 13 th of October 2014 for a period of two years. MGV is the 100% owner.
	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.	The tenement is in good standing. A 9b access agreement is currently being negotiated to enable exploration to commence. A heritage survey will be required prior to ground disturbing activities commencing.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	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). Historical soil sampling was conducted by Mega Hindmarsh Pty Ltd in 2012.
Geology	Deposit type, geological setting and style of mineralisation.	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.
Relationship between mineralisation widths and intercept lengths	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').	An accurate dip and strike and the controls on mineralisation are yet to be determined and the true width is not yet known.
Diagrams	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.	Refer to figures in the body of this announcement.
Other substantive exploration data	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.	Musgrave Minerals Ltd has yet to undertake any exploration on this tenement. All existing information is historical in nature.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	A range of exploration techniques are being considered to progress exploration including drilling.