

March 2015 Quarterly Activities Report

Musgrave Minerals Ltd is a dedicated exploration Company focused on base metals, silver and gold in the highly prospective Musgrave and Southern Gawler Craton regions of South Australia and the Fraser Range Province of Western Australia.

ASX Code: MGV
Issued Shares: 121M
Cash Balance: \$3.6M
ABN: 12 143 890 671

Directors

Graham Ascough
Robert Waugh
Kelly Ross
John Percival

Top shareholders

Mithril Resources Ltd
Independence Group NL
Barrick (Australia Pacific) Ltd
Silver Lake Resources Ltd

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Highlights

Mamba Project

- The Mamba tenement in the Fraser Range was granted during the period
- A deep penetrating ground EM survey is due to commence this month covering up to 11 targets derived from detailed aeromagnetic interpretation
- A heritage survey has been completed over the entire tenement

Corunna Project

- PACE co-funding approval for \$55,000 has been received for aircore drilling of silver, gold and base metal targets

Musgrave Region

- Musgrave is eligible to receive \$90,000 in PACE co-funding towards the initial drilling campaign at Roslin (zinc) and Zarek (nickel-copper) targets in the Musgrave region.
- New independent study highlights priority target areas for nickel-copper exploration

Planned Activity

- Completion of the ground EM survey at Mamba
- RC drilling of priority ground EM conductors at Mamba
- Follow-up geochemistry of the Corunna silver, gold and base metal targets
- Heritage survey at Corunna

Introduction

Musgrave Minerals Ltd (ASX:MGV) is an Australian-based exploration and development company focused on base metal, gold and silver exploration in the Fraser Range region of Western Australia and the Musgrave Geological Province and Gawler Craton regions of South Australia (Figure 1).

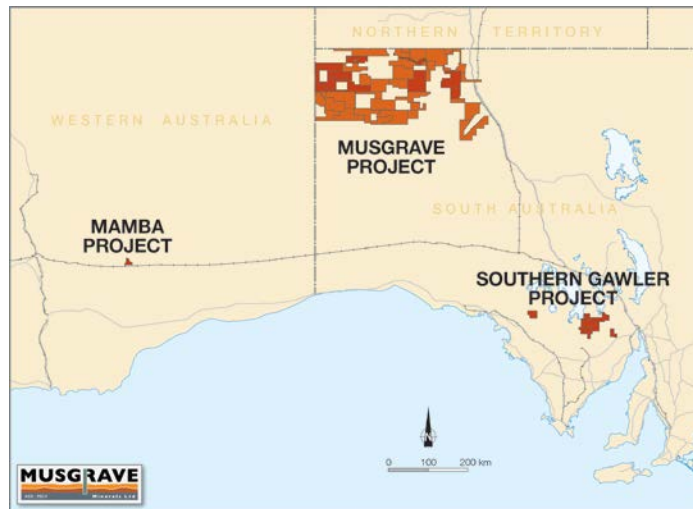


Figure 1: Musgrave Minerals' Project Location Map

Corporate

During the period, the Company spent \$0.5 million on exploration activities as summarised in the Exploration Activities section of this report. At the end of the March 2015 quarter, the Company was well resourced to explore its Fraser Range, Musgrave and Gawler Craton projects with \$3.6 million in cash.

During the quarter the company implemented a significant reduction in staffing, corporate and administration costs aligned with market conditions, a review of projects and exploration activities. As a function of this process Musgrave has changed its principal place of business in Perth.

On February 12, 2015 the Board of Musgrave Minerals Ltd ("Musgrave" or "the Company") (ASX: MGV) informed the market that investigations into a number of irregular transactions reported in the financial statements for the year ended 30 June 2014, had been completed.

These irregularities have been brought to the attention of the Major Fraud Squad, Western Australia Police for investigation and prosecution.

The Directors of Musgrave are pursuing various avenues for recovery of the funds and to date approximately \$36,000 has been returned to the Company.

Musgrave Minerals continues to assess a large range of projects for joint venture or acquisition within Australia.

Exploration Activities

During the quarter, Musgrave Minerals completed a detailed review of its projects and portfolio. Exploration for the quarter focussed on interpretation of data received for the Menninnie Dam diamond drilling program undertaken in late 2014 and planning for upcoming field programs at Mamba, Corunna and the Musgrave region. Musgrave is eligible to receive a total of \$145,000 for drilling at Mimili and Corunna through the South Australian Government's Plan for Accelerating Exploration (PACE) Frontiers Initiative.

Fraser Range

Mamba Project

E28/2405 (100% Musgrave Minerals Ltd)

Wholly owned tenement E28/2405 in the Fraser Range region of Western Australia was granted on 5 February 2015. The Mamba nickel-copper project is in the same belt as the world class Nova-Bollinger nickel-copper sulphide discoveries of Sirius Resources NL in south-eastern WA. The tenement is located only 5km from the Trans Australian rail line access corridor (Figure 2).

Following a detailed interpretation of the new aeromagnetic survey data and integration with historical exploration data 11 priority targets have been identified for follow-up exploration.

The targets comprise two broad target styles interpreted from the aeromagnetic data (Figure 3) and integrated with the regional gravity data. The first style includes discrete magnetic highs or lows

interpreted to be mafic/ultramafic intrusive bodies prospective for magmatic nickel-copper deposits

and the second style includes de-magnetised zones associated with major structural intersections or fold closures that could represent increased areas of fluid flow and potential mineralisation.

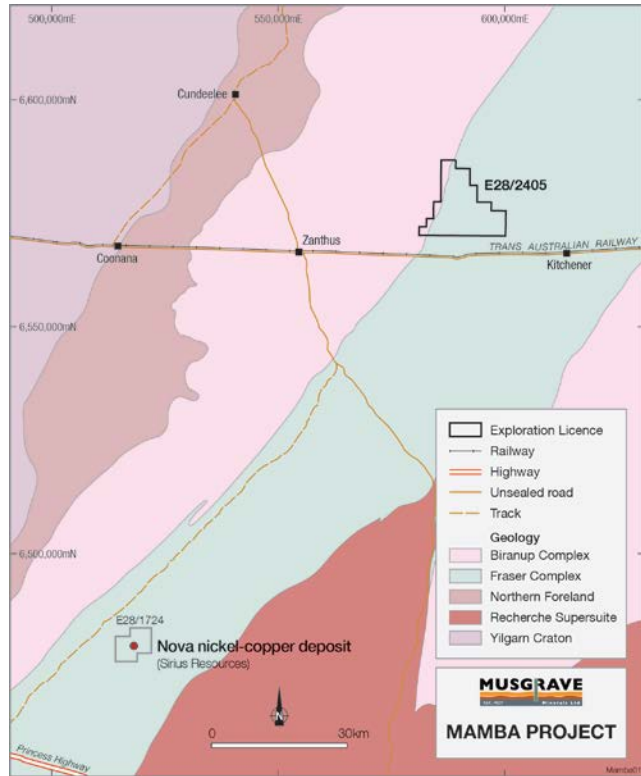


Figure 2: Mamba Project Location

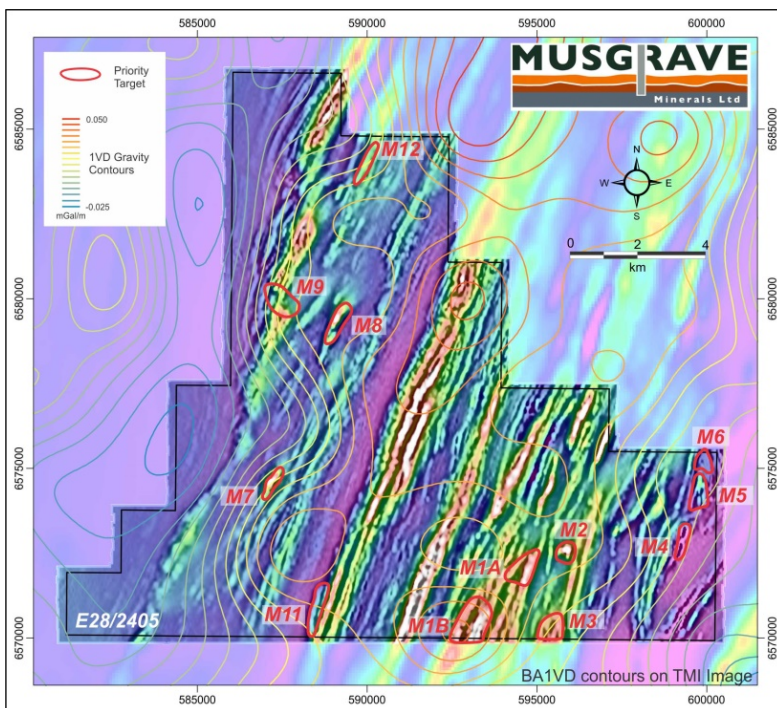


Figure 3: Priority Mamba Targets on Detailed Aeromagnetic Data

The targets show magnetic characteristics consistent with mafic-ultramafic intrusive bodies, the prospective host for nickel-copper sulphide mineralisation in the district.

A deep penetrating ground EM survey is due to commence late this month on the 11 priority targets. The high powered (150-200A) EM system being used has been developed to detect highly conductive “Nova-Bollinger” style massive nickel-copper sulphide bedrock conductors to a depth of more than 700m below surface. The system will be optimized to test individual targets. The integration and interpretation of regional gravity data has helped prioritise individual targets (Figure 3). A strong positive gravity

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response could reflect an accumulation of denser mafic magma at depth, the potential host to nickel-copper sulphide mineralisation.

A heritage survey has successfully been completed over the entire tenement area which will expedite the drill testing of priority targets defined by the ground EM survey.

Gawler Craton

Corunna Project

EL5497 (100% Musgrave Minerals Ltd)

The Corunna Project (Figure 4) 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. 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 Minerals has identified four high-priority silver-lead-zinc epithermal targets for drill testing (see *MGV ASX announcement 27 October 2014*).

Musgrave is eligible to receive \$55,000 for drilling at the Corunna silver-lead-zinc project in the Southern Gawler Craton region of South Australia (Figure 5) through the South Australian Government's Plan for Accelerating Exploration (PACE) Frontiers Initiative. The grant is subject to Musgrave matching 50% of direct drilling costs and completing the drilling program before 1 May 2016.

Follow-up soil geochemistry has been planned and will be completed in the current quarter. A heritage survey will be undertaken prior to aircore drill testing of the targets.

Menninnie Dam Project

EL5039, 4813, 5453, 4669, 4865 (Musgrave Minerals Ltd earning up to 51% in the first instance and up to 75% thereafter)

Menninnie Dam, approximately 100km west of Port Augusta in South Australia, is a silver-zinc-lead project comprising five licences which cover an area of 2,471km² in the Southern Gawler Craton. Musgrave Minerals entered a Joint Venture 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 75% thereafter.

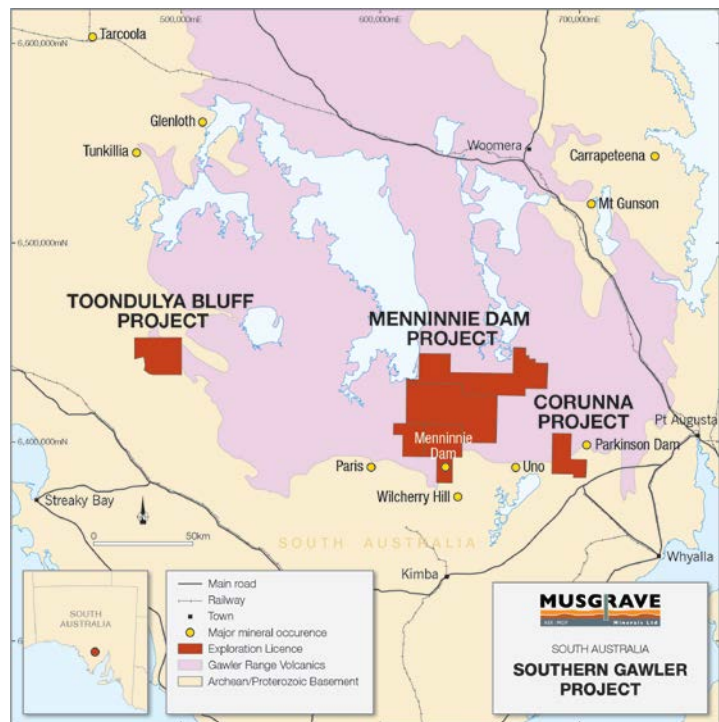


Figure 4: Location of Musgrave's Southern Gawler Projects in South Australia

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During the quarter, Musgrave Minerals undertook a review of all available data and completed drill site and track rehabilitation of the diamond drilling program completed in late 2014. All drilling results were reported in the December 2014 Quarterly Report.

Musgrave Region Projects

Musgrave has been successful in securing funds to drill test the Zarek and Roslin targets at Mimili in the Musgrave region. Musgrave is eligible to receive \$90,000 for drilling at the Zarek nickel-copper and Roslin zinc targets on the Mimili project (Figure 5) through the South Australian Governments Plan for Accelerating Exploration (PACE) Frontiers Initiative. The grant is subject to Musgrave matching 50% of direct drilling costs and completing the drilling program before 1 May 2016 (see ASX announcement 22 April 2015).

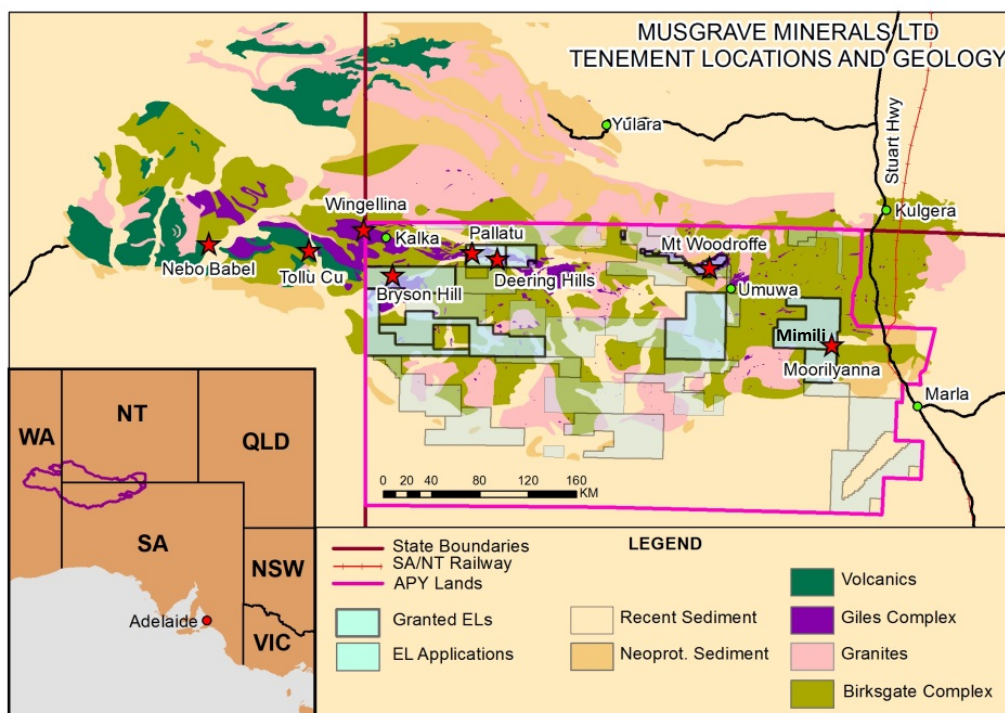


Figure 5: Location of MGV's Musgrave Region Projects, South Australia

Deering Hills Project

EL5172, EL5173 and EL5317 (100% Musgrave Minerals Ltd)

The Deering Hills Project is in the centre of the Musgrave geological province; about 200km west of the Stuart Highway and Adelaide to Darwin rail line in far north-west of South Australia (Figure 5).

Musgrave has previously intersected massive and disseminated sulphide at Pallatu (see ASX announcement dated 21 August 2014) These early results combined with strong magnetic, gravity and nickel-copper-PGE geochemical support confirm that the 20km long untested contact is prospective for massive nickel sulphide at Deering Hills.

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Mimili Project

EL5175 (100% Musgrave Minerals Ltd)

The Mimili Project consists of one wholly-owned exploration licence (EL5175) and is located in the eastern portion of the Musgrave region (*Figure 5*).

A follow-up ground EM and drill program has been planned for both the Zarek and Roslin targets at Mimili. The Zarek prospect is a 200m long Ni, Cu, Co geochemical anomaly associated with a gossan on the margin of a discrete gabbroic intrusive. The gossan and geochemical response may reflect the surface expression of weathered nickel-copper sulphide mineralisation. Ground EM is required to define a conductive response below the geochemical target.

The Roslin target is only 10km east of Zarek. The zinc gossan is associated with, Cu, Co and Mn anomalism and is co-incident with a basement ground EM response. Further work is required to better define the target prior to drilling.

Upcoming Activity

During the June 2015 quarter, Musgrave Minerals is planning the following activities:

- Completion of high powered ground EM survey at Mamba and interpretation and modelling of results
- Re-sampling of historical aircore drill holes at Mamba
- Preparation for drilling at Mamba pending EM results
- Follow-up geochemical sampling at Corunna
- Heritage survey at Corunna in preparation for aircore drilling
- Planning for follow-up of Roslin and Zarek targets in the Musgrave
- Continue evaluation of other advanced project opportunities to balance the Company's project portfolio

Notes Specific – March 2015 Quarter ASX Announcements

Additional details including JORC 2012 reporting tables, where applicable, can be found in the following announcements lodged with the ASX during the quarter:

- 09/02/2015 Mamba Exploration Licence in the Fraser Range Granted
- 12/02/2015 Irregularities in Financial Records
- 13/03/2015 Half Yearly Report and Accounts
- 25/03/2015 Change in Principal Place of Business
- 22/04/2015 Musgrave Secures Drilling Funding
- 23/04/2015 BRR Interview – Musgrave Secures Drilling Funding

For enquiries contact:

Robert Waugh
Managing Director
Musgrave Minerals Ltd
08 9324 1061

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled 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 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 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 large exploration footprint in the Musgrave Province in South Australia and a new nickel-copper sulphide project in the highly prospective Fraser Range region of Western Australia. Musgrave has a powerful shareholder base with four mining and exploration companies participating as cornerstone investors.

* JORC (2004 Edition)-compliant inferred resource for the Menninnie Central and Viper deposits was reported by Terramin Australia Limited (ASX: TZN) on 1st March 2011

Deposit	Tonnes x10 ³	Zn (%)	Pb (%)	Ag (g/t)	Pb+Zn (%)
Total Menninnie Central	5,240	3.5	2.7	28	6.1
Total Viper	2,460	2.3	2.4	24	4.8
Total Combined Menninnie Central and Viper	7,700	3.1	2.6	27	5.7

Inferred Resource (at 2.5% Pb+Zn cut-off) as at 15 February 2011

MGV is not aware of any new information that would affect the material nature of this resource calculation.

Competent Person's Statement

The information in this report that relates to Mineral Resources or Ore Reserves is based on information 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.

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Tenement information in accordance with Listing Rule 5.3.3

Tenement ID	Previous Tenement ID	Project	State	Status	MGV Interest at start of quarter	MGV Interest at end of quarter
EL5317		Musgrave	SA	Granted	100%	100%
EL4850		Musgrave	SA	Granted	100%	100%
EL4851		Musgrave - PMC JV	SA	Granted	0% (may earn up to 75%)	0% (may earn up to 75%)
EL4852		Musgrave	SA	Granted	100%	100%
EL4853		Musgrave	SA	Granted	100%	100%
EL5171	EL3940	Musgrave	SA	Granted	100%	100%
EL5172	EL3941	Musgrave	SA	Granted	100%	100%
EL5173	EL3942	Musgrave	SA	Granted	100%	100%
EL5175	EL3955	Musgrave	SA	Granted	100%	100%
EL5205	EL4047	Musgrave - PMC JV	SA	Granted	0% (may earn up to 75%)	0% (may earn up to 75%)
EL5039		Musgrave - Menninnie Metals JV	SA	Granted	0% (may earn up to 75%)	0% (may earn up to 75%)
EL4813		Musgrave - Menninnie Metals JV	SA	Granted	0% (may earn up to 75%)	0% (may earn up to 75%)
EL5453	EL4285	Musgrave - Menninnie Metals JV	SA	Granted	0% (may earn up to 75%)	0% (may earn up to 75%)
EL4669		Musgrave - Menninnie Metals JV	SA	Granted	0% (may earn up to 75%)	0% (may earn up to 75%)
EL4865		Musgrave - Menninnie Metals JV	SA	Granted	0% (may earn up to 75%)	0% (may earn up to 75%)
EL5403		Toondulya Bluff	SA	Granted	100%	100%
EL5497		Corunna	SA	Granted	100%	100%
E28/2405		Mamba	WA	Granted	0%	100%