ASX RELEASE 3 March 2016

ASX: MGV

Copper-Gold Mineralisation Confirmed at Mt Eelya

- **First drill hole at the Mt Eelya Prospect on the Cue Project confirms 8 metre zone of copper-gold sulphide mineralisation**
- **Assay results returned 8m @ 1.6% Cu, 0.6g/t Au from 115m to 123m (down hole intercept) in RC drilling, including 1m @ 4.3% Cu, 1.6g/t Au from 115m**
- **Mineralisation open down dip and down plunge**
- **A DHEM survey at Mt Eelya will commence in two weeks ahead of further drilling to test this new discovery**
- **Assay results for the remaining ten RC drill holes from Musgrave's maiden drill program are expected within the next three weeks**

Musgrave Minerals Ltd ("Musgrave" or "the Company") (ASX: MGV) is pleased to confirm the discovery of significant copper-gold mineralisation at the Mt Eelya Prospect, 6km north-west of the Hollandaire volcanic massive sulphide ("VMS") deposit on the Cue Project in the Murchison region of Western Australia (*Figure 1*). Assay results returned 8m @ 1.6% Copper and 0.6g/t gold from 115m to 123m including 1m @ 4.3% Cu, 1.6g/t Au from 115m down hole in 16EHRC001 with elevated silver and zinc (*Table 1*).

Musgrave drilled a single reverse circulation ("RC") drill hole at Mt Eelya as part of an initial drill program on the Cue Project, testing six individual targets including gold targets at Moyagee and Vostok (*Figure 1 and 4*). The drill program consisted of 11 drill holes for a total of 1,493m (*Figure 4, Table 1*). All drill samples have been submitted for assay with the results expected within two-three weeks.

The Cue Project ("The Project") is a Farm-In and Joint Venture Agreement with Silver Lake Resources Limited ("Silver Lake") (ASX: SLR) where Musgrave can earn up to an 80% interest. The Project consists of the Moyagee Gold and Hollandaire Copper Resources.

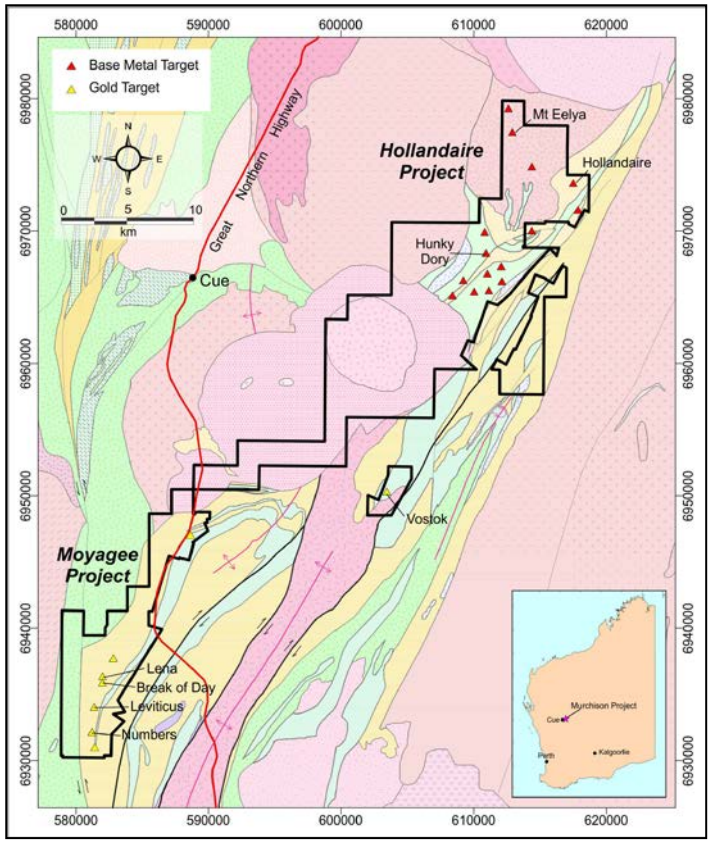

Figure 1: Cue Project location plan comprising Hollandaire and Moyagee projects and showing the location of the Mt Eelya Prospect

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The mineralisation at Mt Eelya is interpreted to be hosted in an altered felsic/basaltic sequence and striking to the north-west and dipping steeply to the south (*Figure 2 and 3*). The mineralisation is open down dip. The mineralised sulphide interval in 16EHRC001 contains visible, medium to coarse grained chalcopyrite (copper sulphide) with pyrite and pyrrhotite the dominant sulphide. The sulphide interval was submitted for priority assay (*Table 2*).

Gossanous float, the weathered product of sulphide mineralisation, can be traced at surface over a strike of approximately 300m at Mt Eelya (*Figure 2*). The gossan forms three intermittent but subparallel zones. Interpretation of the recent versatile time domain electromagnetic survey ("VTEM") data has identified three potential conductors aligned parallel with the gossans (*Figure 2*). To date the drilling has been focused on testing only one of these three potential zones of mineralisation. Infill surface geochemical sampling and ground EM is required to confirm this interpretation.

A down hole electromagnetic ("DHEM") survey will commence in two weeks to better define the conductor(s) (sulphide mineralisation) at depth. Further drilling is planned at Mt Eelya.

Musgrave Managing Director Rob Waugh said, *"This is a great first result at Mt Eelya and a fantastic start to our campaign on the Cue Project. It supports Musgrave's view on the potential of the project to host multiple deposits. VMS deposits usually occur in fields and this could be no exception. There is significant opportunity to extend the Mt Eelya mineralisation and also discover new deposits. We are also looking forward to receiving in the next few weeks, the assay results from our gold focused drilling that we have just completed at Cue."*

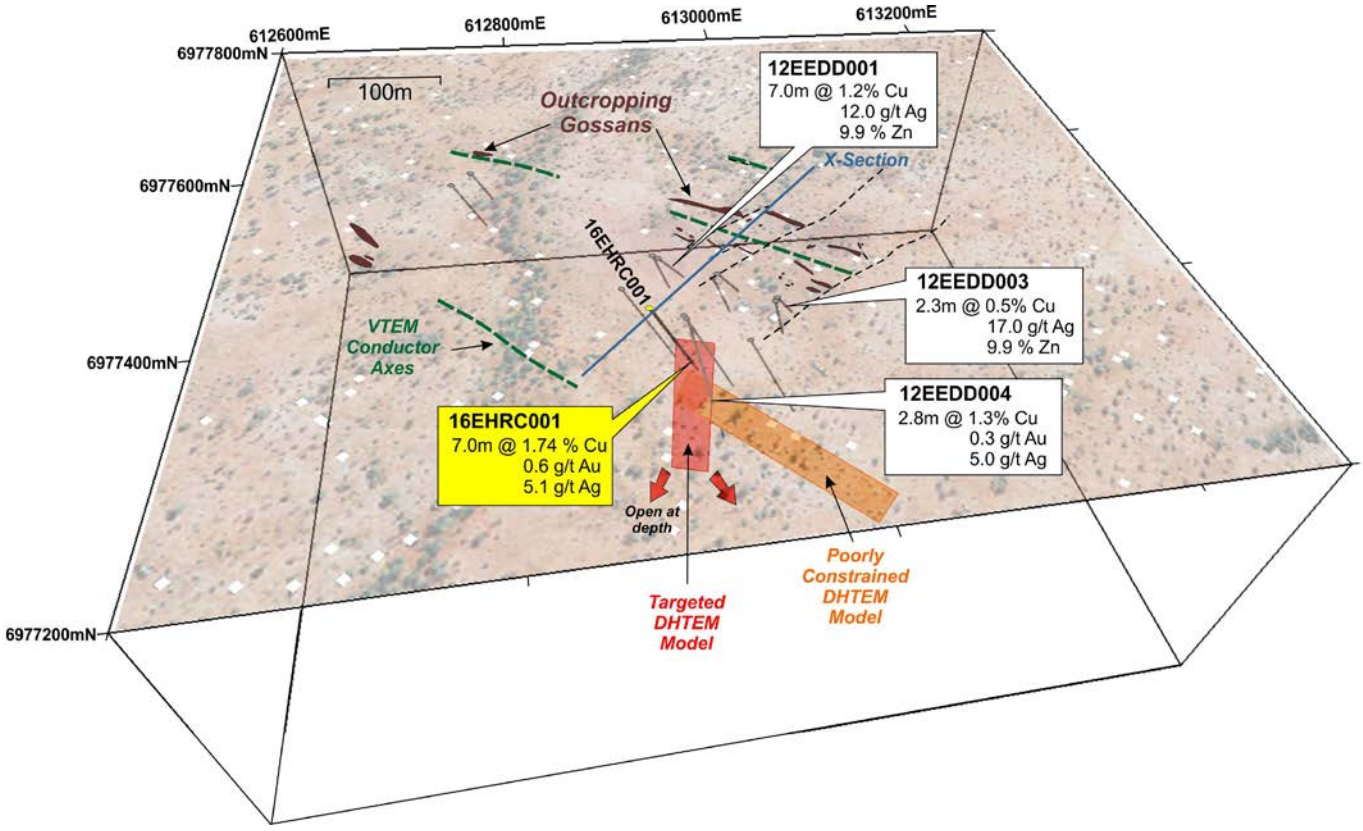

Figure 2: Three dimensional image of Mt Eelya drill hole location plan showing drill holes, significant intersections, outcropping gossans, VTEM conductors and DHEM model targets

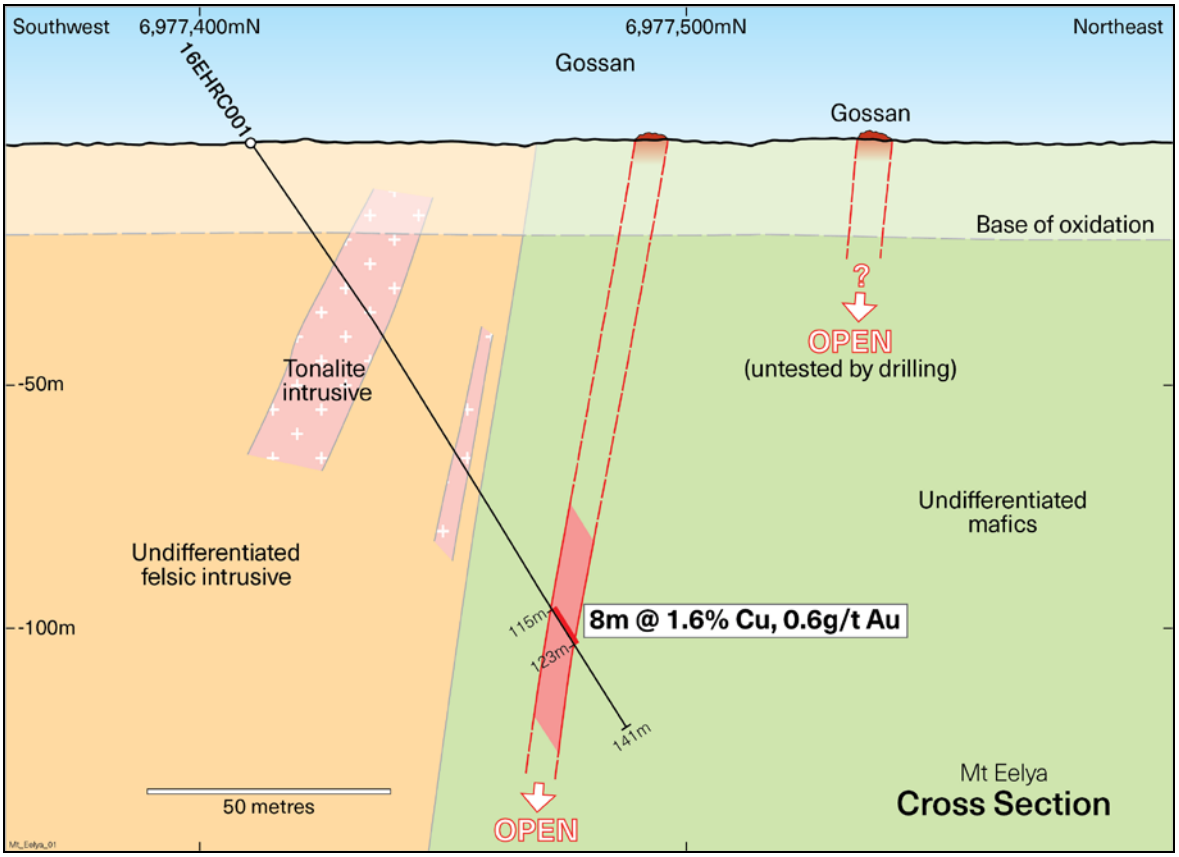

Figure 3: Mt Eelya cross section for drill hole 16EHRC001

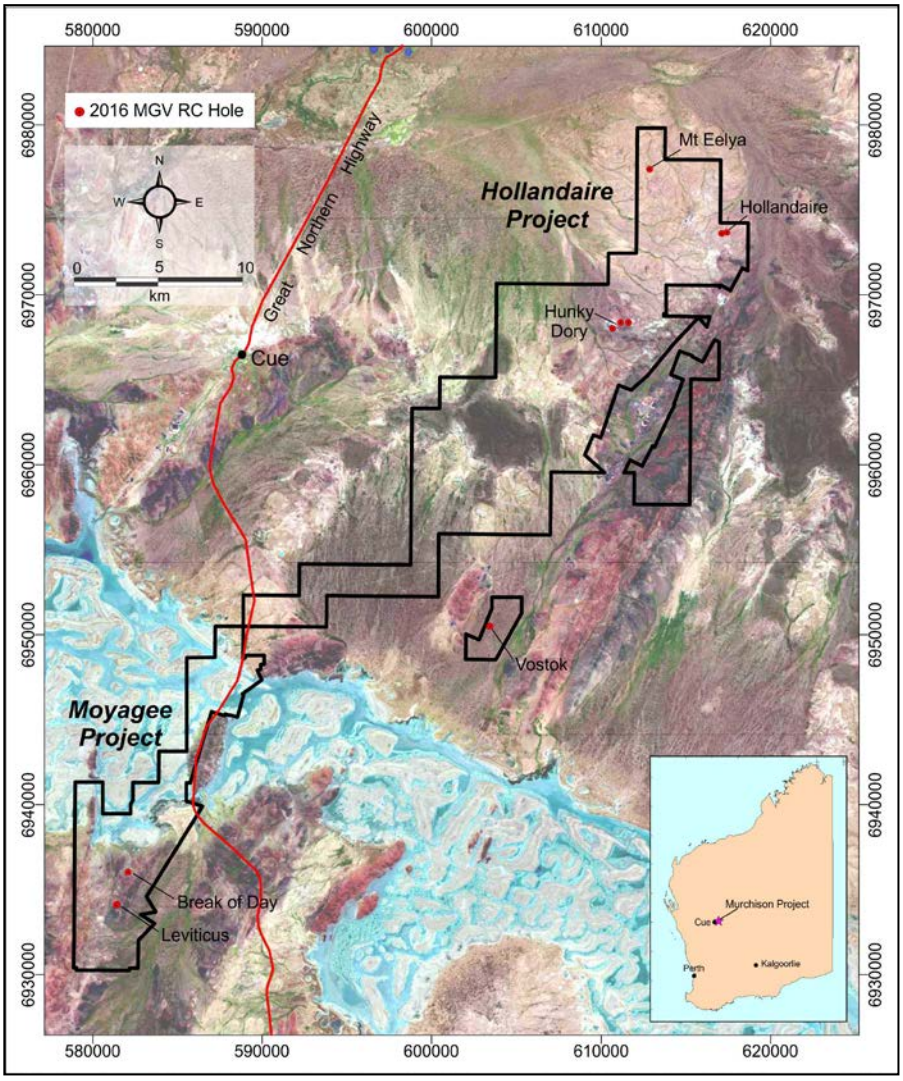

Figure 4: Musgrave RC drill hole locations on false colour landsat image

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About Musgrave Minerals

Musgrave Minerals Limited is an active Australian gold and base metals explorer. The Cue Project in the Murchison region of Western Australia is an advanced gold and copper project. Musgrave's focus is to increase gold and copper resources through discovery and extensional drilling to underpin studies that will demonstrate a viable path to development in the near term. Musgrave also holds the highly prospective Mamba Ni-Cu sulphide project in the Fraser Range of Western Australia and an active epithermal Ag-Pb-Zn-Cu project in the prospective silver and base metals province of the southern Gawler Craton of South Australia and a large exploration footprint in the Musgrave Province in South Australia. Musgrave has a powerful shareholder base with four mining and exploration companies currently participating as cornerstone investors.

Competent Person's Statement
Exploration Results

The information in this report that relates to Exploration Targets and Exploration Results 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.

Appendix 1: ***Summary of Drill Hole Locations and Significant Assay Intervals***

Drill Hole ID	Drill Type	Prospect	Easting (m)	Northing (m)	Azimuth (degrees)	Dip (degrees)	RL (m)	Total Depth (m)	From (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)
16EHRC001	RC	Mt Eelya	612890	6977410	040	-60	454	141	115	8	1.59	0.56	4.5
16MORC001	RC	Break of Day	582065	6936019	300	-60	418	150	Assays pending				
16MORC002	RC	Leviticus	581392	6934112	294	-60	431	146	Assays pending				
16MORC003	RC	Leviticus	581359	6934054	300	-60	430	80	Assays pending				
16VORC001	RC	Vostok	603400	6950500	270	-60	449	84	Assays pending				
16VORC002	RC	Vostok	603460	6950500	270	-60	449	104	Assays pending				
16HDRC001	RC	Hunky Dory	610691	6968026	302	-60	462	224	Assays pending				
16HDRC002	RC	Hunky Dory	611180	6968400	320	-55	464	170	Assays pending				
16HDRC003	RC	Hunky Dory	611640	6968380	320	-55	464	201	Assays pending				
16HORC001	RC	Hollandaire (West)	617155	6973639	0	-58	476	153	Assays pending				
16HORC002	RC	Hollandaire (Main)	617459	6973698	10	-60	476	40	Assays pending				

Appendix 2: ***Individual Assay Data for Drill Hole 16EHRC001***

Drill Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Cu (ppm)	Au (g/t)	Ag (g/t)	Zn (ppm)	Fe (%)	Mn (ppm)	Ba (ppm)
16EHRC001	112	113	1	0.08	826	0.03	x	270	10.72	476	66
16EHRC001	113	114	1	0.05	546	0.02	x	994	15.79	855	X
16EHRC001	114	115	1	0.27	2742	0.07	x	1210	16.48	1002	25
16EHRC001	115	116	1	4.30	43020	1.61	23	4573	23.44	1128	58
16EHRC001	116	117	1	1.42	14246	0.74	7	1682	52.92	231	X
16EHRC001	117	118	1	1.09	10861	0.39	x	1083	47.75	521	21
16EHRC001	118	119	1	1.54	15362	0.72	x	1037	53.00	234	X
16EHRC001	119	120	1	1.10	11005	0.18	x	946	49.62	319	X
16EHRC001	120	121	1	1.06	10575	0.08	x	731	46.42	232	30
16EHRC001	121	122	1	1.67	16723	0.5	6	876	32.32	339	32
16EHRC001	122	123	1	0.53	5330	0.25	x	576	33.01	390	86
16EHRC001	123	124	1	0.01	125	x	x	248	6.07	972	141

Notes to Appendix 1 and 2

1. *An accurate dip and strike and the controls on mineralisation are only interpreted and the true width of mineralisation is not yet confirmed although it could be 60-70% of the intersection width.*
2. *Only a 12 metre interval through and surrounding the sulphide mineralisation has to date been received for 16EHRC001*
3. *The 8m composite interval in Appendix 1 comprises values above 0.5% Cu*
4. *All analysis was undertaken by Genalysis-Intertek using four acid digest and ICPOES multi-element analysis and 25g gold fire assay.*
5. *g/t (grams per tonne), ppm (parts per million), ppb (parts per billion), X = below detection limit.*

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JORC TABLE 1
Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. 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.*	Sampling is undertaken using standard industry practices including the use of duplicates and standards at regular intervals. All Reverse circulation (RC) samples are split to 1-3kg in weight through a cyclone splitter. A Thermo Scientific Niton GoldD XL3+ 950 Analyser is available on site to aid geological interpretation. No XRF results are reported.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	All co-ordinates are in UTM grid (GDA94 Z50) and have been either surveyed or measured by hand-held GPS with an accuracy of >±5 metres.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	RC samples were collected at 4m composites for all drill holes with the exception of the sulphide intersection at Mt Eelya which was sampled at 1m intervals through the mineralisation. All samples are split to 1-3kg in weight through a cyclone splitter which is air blasted clean at the end of each 6m rod. Individual samples weigh less than 3kg to ensure total preparation at the laboratory pulverization stage. The sample size is deemed appropriate for the grain size of the material being sampled. Samples are sent to the Genalysis – Intertek laboratory in Maddington. Samples are pulverized to 85% passing -75um and analysed using a four acid digest with 12 element ICP-OES multi-element analysis and 25g gold fire assay.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	A 11 hole RC drilling program was undertaken by Challenge Drilling with a 5 ¼ inch hammer. Only one RC hole was drilled at Mt Eelya. Historically Silver Lake Resources Ltd (SLR) undertook diamond drilling at Mt Eelya for a total of 12 drill holes. A combination of historical RAB, aircore, RC and diamond drilling has been utilised by multiple companies over a thirty year period across the broader project area.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC bulk sample weights are observed and noted in a field Toughbook computer by MGV field staff.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Drillers use industry appropriate methods to maximise sample recovery and minimise downhole contamination. A cyclone splitter was utilised to split 1-3kg of sample by weight. The splitter is air blasted clean at the end of each 6m rod.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No significant sample loss or bias has been noted.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All geological, structural and alteration related observations are stored in the database.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of lithology, structure, alteration, mineralisation, colour and other features of core or RC chips is undertaken on a routine 1m basis. Photography of diamond core is undertaken prior to cutting and sampling.
	The total length and percentage of the relevant intersections logged.	All drill holes are logged in full on completion.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No diamond drilling was undertaken during this program.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples are routinely cyclone split and kept dry by the use of pressurised air. Wet samples are speared using a PVC sampler.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Drill sample preparation and base metal and precious metal analysis is undertaken by a registered laboratory (Genalysis – Intertek). Sample preparation by dry pulverisation to 85% passing 75 micron.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field QC procedures involve the use of certified reference standards (1:100), duplicates (1:50) and blanks (1:50) at appropriate intervals for early stage exploration programs.
	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.	Sampling is carried out using standard protocols and QAQC procedures as per industry best practice. Duplicate samples are inserted (1:50) and routinely checked against originals.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate for grain size of sample material to give an accurate indication of base metal anomalism at Mt Eelya. Sample is collected from full width of sample interval to ensure it is representative of samples lithology.

Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Drill sample analysis is undertaken by a registered laboratory, multi element analysis by four acid digest and ICP-OES (Ag, As, Ba, Cu, Fe, Mn, Mo, Ni, Pb, S, Sb, Te, Zn) to acceptable detection limits. Standard 25g Fire Assay analysis is undertaken for gold. Internal certified laboratory QAQC is undertaken including check samples, blanks and internal standards. This methodology is considered appropriate for base metal mineralisation.
	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.	No geophysical tools were used to estimate mineral or element percentages. Musgrave utilise a Thermo Scientific Niton GoldD XL3+ 950 Analyser to aid geological interpretation.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Standards, duplicates, blanks, and repeats are utilised as standard procedure. Certified reference materials that are relevant to the type and style of mineralisation targeted are inserted at regular intervals.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Samples are verified by the geologist before importing into the main database (Datashed).
	The use of twinned holes.	Few twin holes have been drilled and none by Musgrave Minerals Ltd.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data is collected using a standard set of templates. Geological sample logging is undertaken on one metre intervals for all RC drilling with colour, structure, alteration and lithology recorded for each interval. Data is verified before loading to the database. Geological logging of all samples is undertaken.
	Discuss any adjustment to assay data.	No adjustments or calibrations are made to any assay data reported.
Location of data points	*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.*	All maps and locations are in UTM grid (GDA94 Z50) and have been surveyed or measured by hand-held GPS with an accuracy of >±5 metres. Down hole surveys are undertaken at nominal 30m intervals using a digital down hole camera and spear.
	Specification of the grid system used.	Drill hole and sample site co-ordinates are in UTM grid (GDA94 Z50) and converted from local grid references.
	Quality and adequacy of topographic control.	Historical drill hole collars and RL's are surveyed by qualified surveyors in most instances in the resource areas. Hand held GPS is used for exploration drill holes including at Mt Eelya with an accuracy of +-5 metres.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Variable drill hole spacings are used to adequately test targets and are determined from geochemical, geophysical and geological data together with historical drilling information. Historical drill hole spacings at Mt Eelya are variable although SLR drilled three short drill traverses spaced at 50m intervals in 2012 for a total of 12 holes.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	There is no current mineral resource at Mt Eelya. The current drill spacing at Mt Eelya is not considered to be adequate to determine a mineral resource.
	Whether sample compositing has been applied.	No drill sample compositing has been undertaken within ore zones at Mt Eelya and Break of Day. All other prospects and drill holes were sampled utilising 4m composites and spear sampling.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Drilling is designed to cross the mineralisation as close to perpendicular as possible. Most drill holes are designed at a dip of approximately 50-60 degrees, however, the Lena mineralisation dips at ~85 degrees and the Hollandaire mineralisation dips at ~35 degrees.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No orientation based sampling bias is known at this time.
Sample security	*The measures taken to ensure sample security.*	Chain of custody is managed by internal staff. Drill samples are stored on site and transported by a licenced reputable transport company to a registered laboratory in Perth (Genalysis-Intertek at Maddington). When at the laboratory samples are stored in a locked yard before being processed and tracked through preparation and analysis (Lab-Trak system).
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No external audits or reviews of modelling techniques and data have been undertaken.

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 Mt Eelya prospect is located on granted exploration licence E20/608. The primary tenement holder is Silver Lake Resources Ltd. Musgrave minerals commenced a Farm-In and Joint Venture on the project on 24 November 2015 (see MGV ASX announcement 25 November 2015: "Musgrave Secures Advanced Gold and Copper Project". The Cue project tenements consist of 39 licences (Lena is M21/106 and Hollandaire E20/699) as outlined in the Farm-In and Joint Venture Agreement. The tenements are subject to standard Native Title heritage agreements and state royalties. Third party royalties are present on some individual tenements.
	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 tenements are in good standing and no known impediments exist.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Historical drilling, soil sampling and geophysical surveys have been undertaken in different areas on the tenements intermittently by multiple third parties over a period of more than 30 years. At Mt Eelya historical exploration and gossan sampling has been undertaken by Cambrian Resources in the 1990's and a drill program consisting of 12 holes was completed by Silver Lake Resources Ltd in 2012. DHEM was undertaken on two drill holes and three lines of surface EM were completed.
Geology	*Deposit type, geological setting and style of mineralisation.*	Geology comprises typical Archaean Yilgarn greenstone belt lithologies and granitic intrusives. Two main styles of mineralisation are present, typical Yilgarn Archaean lode gold and volcanic massive sulphide (VMS) base metal and gold mineralisation within the Eelya Felsic Complex.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.*	All relevant historical drill hole information has previously been reported by SLR. All new drill holes completed by MGV are referenced in this release.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	All significant new drill hole assay data are reported in this release. No cut-off has been applied to any sampling.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	All significant new drill hole assay data are reported in this release. No cut-off has been applied to any sampling.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been reported.
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 (e.g. 'down hole length, true width not known').*	All significant new drill hole assay data are reported in this release. True widths are not known but all drilling is planned close to perpendicular to interpreted targets.
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.*	Diagrams referencing new data can be found in the body of this release. Some diagrams referencing historical data can be found in the body of this report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Representative reporting of significant samples is represented.

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.*	All new meaningful data is reported in this release. All material results from geochemical and geophysical surveys and drilling related to these prospects has been reported or disclosed previously. The Geotech VTEM Max helicopter airborne geophysical system was flown. Flight line spacing was 200m with sensor height at approximately 30m.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	A range of exploration techniques will be considered to progress exploration including additional surface sampling and drilling.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to figures in the body of this announcement.