



ASX RELEASE

8 August 2017

ASX: MGV

Gold Drilling Re-commences at Break of Day

- A drilling program comprising up to 12 holes for over 2,500m has commenced at the high-grade Break of Day gold deposit
- Drilling will focus on extending the high grade gold mineralisation to the south as the deposit remains open along strike and down plunge
- Drill testing of the new Louise gold target is planned as part of the current drill program
- First assay results from the drilling are expected in early September

Musgrave Minerals Ltd (“Musgrave” or “the Company”) (ASX: **MGV**) is pleased to announce the commencement of reverse circulation (“RC”) drilling at the wholly owned high-grade Break of Day gold deposit on the Cue Project in the Murchison region of Western Australia (*Figure 3*).

The planned RC drilling program will consist of 12 drill holes for a total of 2,500 metres. The primary objective of the drilling is to extend the high-grade gold mineralisation at Break of Day (*Figure 1*) where Musgrave recently announced a Mineral Resource of 868kt @ 7.15g/t Au for 199koz of gold (see ASX announcement 14 July 2017, “Resource Estimate Exceeds 350koz Gold”).

Musgrave will also drill test the new high-priority Louise gold target located 600m south of Break of Day along the same mineralised corridor.

First assay results are expected from early September.

BREAK OF DAY

Break of Day hosts a combined (Indicated and Inferred) Mineral Resource of 868kt @ 7.15g/t Au for 199koz Au (ASX announcement 14 July 2017, “Resource Estimate Exceeds 350koz Gold”). The high-grade gold mineralisation at Break of Day occurs in vertical to steep westerly dipping, semi-parallel quartz lodes (Twilight and Velvet) with minor pyrite (1-2%), within a dolerite-basaltic stratigraphic sequence. The separation of the Twilight and Velvet gold lodes varies along strike from 10 to 60 metres. The gold mineralisation is open along strike and down plunge.

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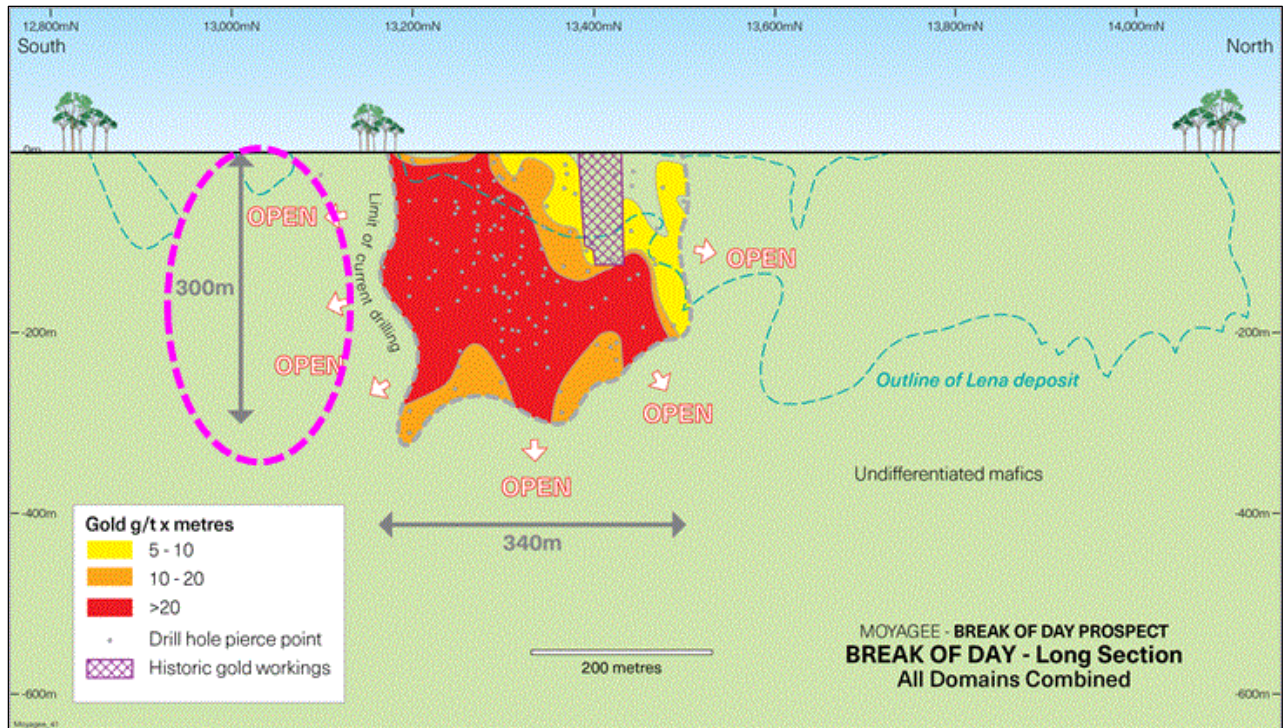


Figure 1: Break of Day schematic long section of the combined Twilight and Velvet gold lodes (a long section or longitudinal section is a section along the plane of the lode and in this instance shows gold grade x thickness variability with depth of the combined Lodes) and the projected outline of the Lena deposit which is located approximately 130m west of Break of Day together with new drill target

LOUISE

The Louise gold target is a high-priority soil geochemical anomaly 600m south of Break of Day along the same mineralised shear zone (Figure 2). The gold anomaly is 250m wide and has a strike of over 500m with a peak gold soil value of 1,382ppb Au (1.3g/t Au) and has never been effectively drill tested. The soil anomaly follows a series of old workings analogous to Break of Day.

THE CUE PROJECT

The Cue Project (“the Project”) is located in the Murchison district of Western Australia with important key tenure wholly owned by Musgrave Minerals (Figure 3). The Project consists of the Moyagee Gold and Hollandaire Copper Resources (see MGV ASX announcement 14 July 2017, “Resource Estimate Exceeds 350koz Gold” and Silver Lake Resources Limited’s ASX announcement 26 August 2016, “Mineral Resources and Ore Reserves Update”).

The Company believes there is significant potential to extend existing mineralisation and also discover new mineralisation within the Project area, shown by the recent drilling success at Break of Day and Lena.

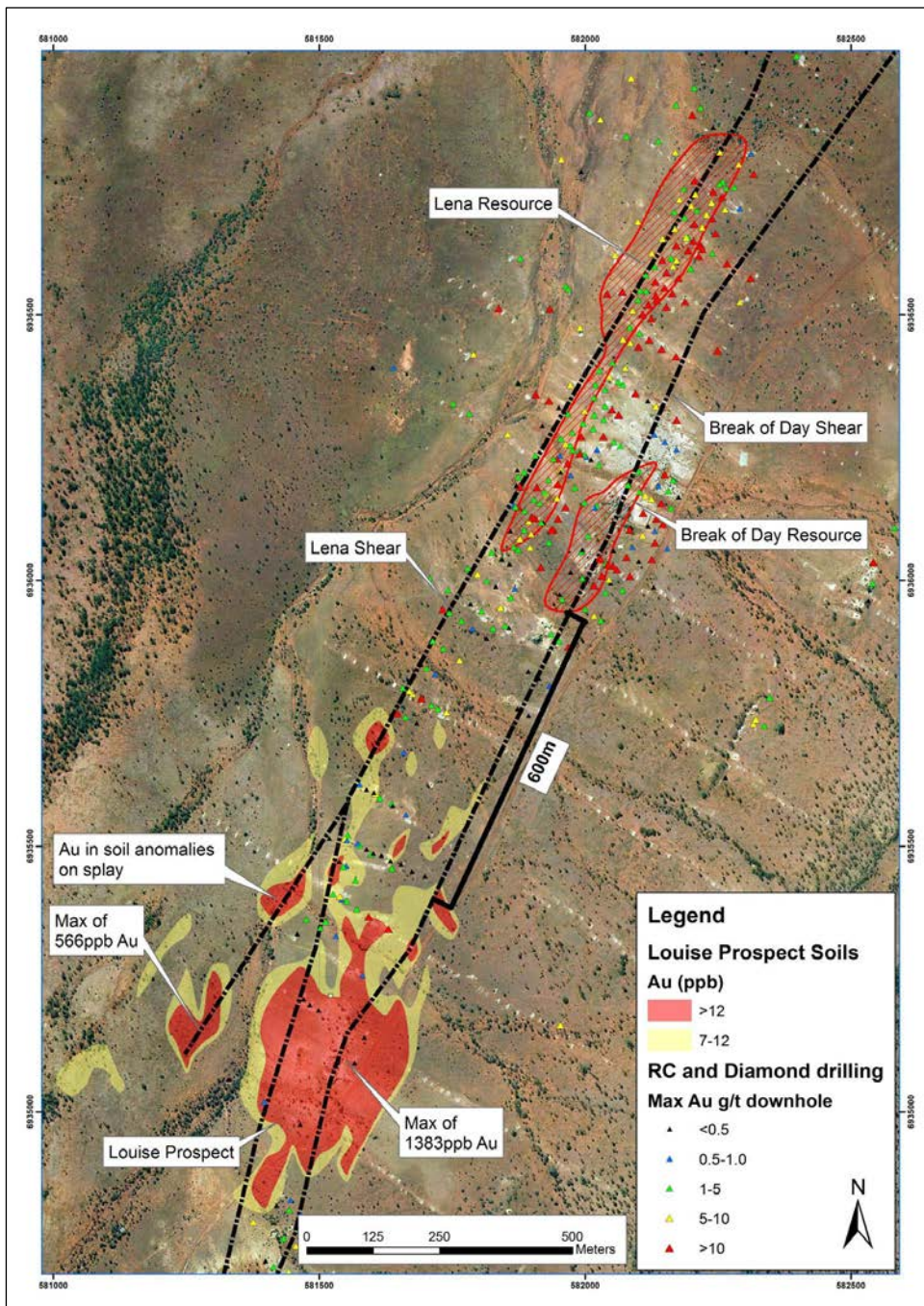


Figure 2: Plan showing new Louise gold target south of the Break of Day and Lena gold deposits

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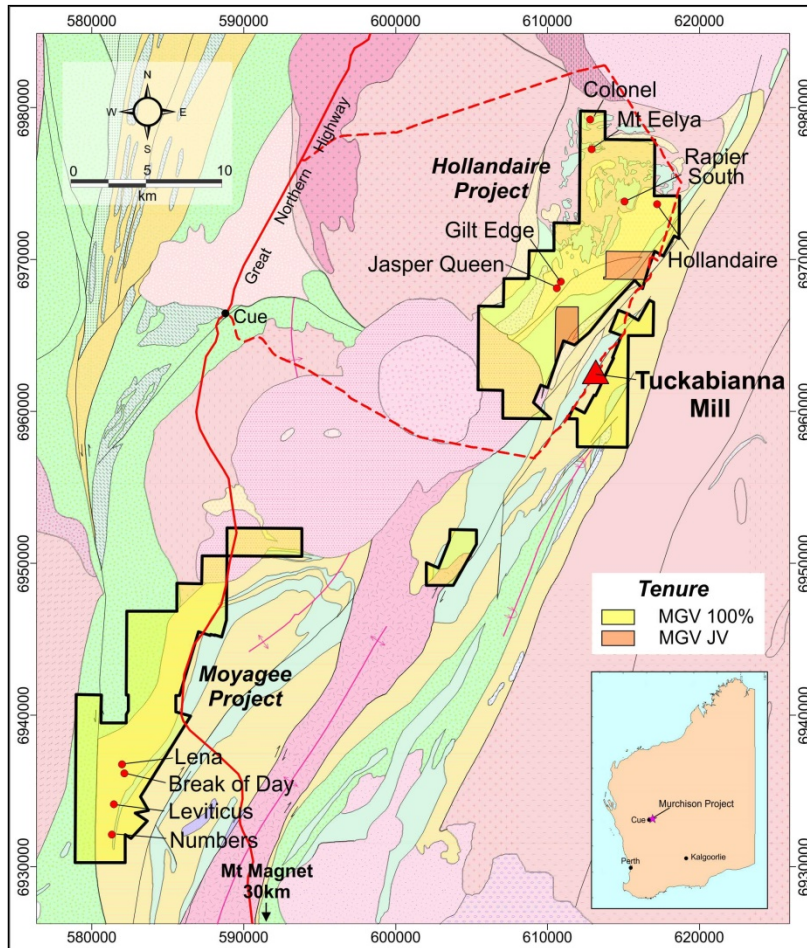


Figure 3: Cue Project location plan and tenure

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 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 three 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.

Forward Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Musgrave Minerals Limited's (Musgrave's) current expectations, estimates and projections about the industry in which Musgrave operates, and beliefs and assumptions regarding Musgrave's future performance. When used in this document, words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Musgrave believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Musgrave and no assurance can be given that actual results will be consistent with these forward-looking statements.

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