



ASX RELEASE
ASX: MGV

11 October 2017

PLACEMENT & SHARE PURCHASE PLAN TO RAISE \$3.6M

- **\$2,852,000 raised via a share placement to institutional, sophisticated and professional investors**
- **Musgrave is pleased to welcome several new institutional and sophisticated and professional investors to the Company**
- **Existing Eligible Shareholders invited to participate via a Share Purchase Plan (SPP) to raise \$750,000 at the same price as the placement shares**
- **New shares will be issued at 6.2 cents which represents a 9% discount to the VWAP over the last five trading days**
- **Drilling is now underway at Break of Day to test the extension of recently identified high grade shoots**

PLACEMENT

Musgrave Minerals Limited (**Musgrave** or the **Company**) (ASX: **MGV**) is pleased to announce that it has received firm commitments to raise \$2,852,000 (before costs) via a placement of 46,000,000 shares to professional and sophisticated investors at 6.2 cents per share (**the Placement**). The issue price of the placement represents a 9% discount to the volume weighted average price (**VWAP**) for Musgrave shares as traded on the Australian Securities Exchange (**ASX**) for the last 5 trading days to 6 October 2017.

Funds raised from the Placement and SPP will be directed towards drilling and evaluation programs to increase the high-grade gold resource at Break of Day, for drill testing of other high priority targets at the Cue Project and for working capital purposes. Veritas Securities acted as Lead Manager to the Placement. The placement shares will be issued to a select number of institutional, professional and sophisticated investors, in accordance with Section 708 of the Corporations Act. The Placement is within Musgrave's existing share issue capacity with 33,006,867 shares to be issued under ASX Listing Rule 7.1 and 12,993,133 shares under Listing Rule 7.1A and accordingly no shareholder approval is required in connection with the Placement. Settlement of the Placement is expected to occur on Monday 16 October 2017, with the new shares expected to be allotted on Tuesday 17 October 2017. The new shares will rank equally with existing ordinary shares.

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SHARE PURCHASE PLAN

The Company is pleased to offer existing eligible shareholders the opportunity to subscribe to a maximum of \$15,000 of new shares (**Offer Shares**), at the same price as the Placement (6.2 cents per share), via a Share Purchase Plan (**SPP**). The SPP is intended to raise \$750,000 and is not underwritten.

Pursuant to the SPP rules, existing shareholders who are recorded on the share register at Tuesday 10 October 2017 (**record date**) with a registered address in Australia or New Zealand will be eligible to participate and each eligible shareholder will be entitled to apply for up to \$15,000 of new fully paid ordinary shares of the Company at 6.2 cents per share without incurring any brokerage or other transaction costs. All Offer Shares issued under the SPP will rank equally with existing ordinary shares of the Company.

The Directors of Musgrave Minerals who are eligible shareholders intend to support the SPP through subscribing for their entitlements under the SPP.

Musgrave Minerals' Managing Director, Mr Rob Waugh said:

"The SPP provides existing shareholders with an opportunity to increase their participation and exposure to the Company's drill programs at the Cue Project. The recent high-grade gold results, including the best intersection to date on the project of 11m @ 54.0g/t Au (17MORC084) in the newly discovered south plunging high-grade shoot at Break of Day provides an immediate focus for the Company to significantly grow the resource at Break of Day which will enable development studies to commence in 2018."

Drilling is now underway at Break of Day to test the high grade shoots outside the existing resource (see ASX announcement 3 October 2017, "Drilling to test new high-grade gold shoot at Break of Day"). First assay results from the drilling are expected in early November.

The Cue Project consists of the Break of Day and Lena gold deposits in the Moyagee area, and the Hollandaire Copper Resources and surrounding exploration targets in the highly prospective Murchison province of Western Australia. Musgrave has grown the Lena and Break of Day resources to 352koz gold (3.55Mt @ 3.09g/t) (see ASX announcement 14 July 2017, "Resource Estimate Exceeds 350koz Gold").

The Company believes there is significant potential to extend the mineralisation at both Break of Day and at Lena and to grow the current resource base. There is also significant potential to discover new mineral deposits within the Project area.

PURPOSE OF THE CAPITAL RAISING

The funds raised from the Placement and SPP will be used to accelerate drilling and evaluation programs to increase the high-grade gold resource (868kT @ 7.15g/t for 199koz Au) at Break of Day, for drill testing of other high priority targets at the Cue Project and also for working capital purposes.

DETAILS OF THE SPP

Full details of the SPP will be contained in an offer document which is scheduled to be despatched to Eligible Shareholders on or around Monday 16 October 2017.

The SPP is only available to Australian and New Zealand shareholders who were registered as Musgrave shareholders at **5:00pm (WST) on Tuesday 10 October 2017 (Eligible Shareholders)**.

Eligible Shareholders will be able to purchase parcels of Offer Shares valued at \$2,500, \$5,000, \$10,000 or \$15,000 at an issue price of 6.2 cents per share, without incurring brokerage or transaction costs.

The SPP is intended to raise \$750,000. The Directors of the Company reserve the right to expand the size of the SPP (subject to the ASX Listing Rules) or to scale back SPP acceptances at their discretion.

The SPP is currently scheduled to close on Monday 30 October 2017. However, the Company reserves the right to close the SPP at any time depending on demand for shares. Eligible Shareholders are therefore encouraged to lodge their applications well ahead of the closing date.

All Offer Shares issued under the SPP will rank equally with existing ordinary shares in the Company.

IMPORTANT DATES

The proposed timetable for the SPP is set out below, however the Directors reserve the right to vary the dates and times without notice.

| Event | Date |
|--|----------------------------|
| Record Date (date for determining Shareholders' entitlements to participate in SPP Offer) (5:00 WST) | Tuesday, 10 October 2017 |
| Announcement of SPP Offer | Wednesday, 11 October 2017 |
| Despatch of SPP Offer Document | Monday, 16 October 2017 |
| Opening Date for SPP Offer | Monday, 16 October 2017 |
| Closing Date for SPP Offer (5:00 WST) | Monday, 30 October 2017 |
| Allotment and issue of Shares | Friday, 3 November 2017 |
| Despatch of Holding Statements | Friday, 3 November 2017 |
| Quotation of Offer Shares on ASX | Monday, 6 November 2017 |

For further information please contact:

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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 an 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.

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.