



ASX RELEASE

28 May 2018

ASX: MGV

Westgold Invests \$3.36M in Musgrave Minerals

- **Placement completed at a premium to market and Westgold to hold a 15% stake in the Company on completion**
- **Funding will allow Musgrave to accelerate its regional exploration programs and development studies at Cue**
- **Current regional aircore/RC drill program testing 10 new high priority gold targets at Cue is progressing well with approximately 65% of the drilling complete and further assays expected within the next two weeks**

Musgrave Minerals Ltd (ASX: **MGV**) ("Musgrave" or "the Company") is pleased to announce that Westgold Resources Limited (Westgold) has subscribed for 48 million ordinary shares in Musgrave through a share placement ("Placement") at a price of 7.0 cents per share. The \$3.36 million investment by Westgold is at a 15.4% premium to the 15-day VWAP and represents a holding of 15% (undiluted) in Musgrave.

Musgrave and Westgold are also in discussions to study the commercialization of Musgrave's known deposits at Cue.

Musgrave Managing Director Rob Waugh said *"The Company is pleased to welcome Westgold to the Musgrave register. Westgold has three operating mills in the region of our Cue Project, and is a highly regarded professional gold miner and processor. This is a positive result for Musgrave and a strong endorsement of the Company's projects, gold resources and upside exploration potential."*

"The strong cash position will enable Musgrave to accelerate exploration while also progressing development studies on the existing Break of Day and Lena resources within its 100% owned Cue Project in the Murchison district of Western Australia."

On completion of the Placement the Company will hold approximately \$5.5M in cash.

The Placement is within Musgrave's existing issue capacity with 41,602,668 shares to be issued under ASX Listing Rule 7.1 and 6,397,332 shares under 7.1A and accordingly no shareholder approval is required in connection with the Placement. Settlement of the Placement is expected to occur on or around 29 May 2018. The new shares will rank equally with existing ordinary shares and will be subject to voluntary escrow for a period of 6 months.

ONGOING EXPLORATION

- Gold focused aircore/RC drilling program now approximately 65% complete. Drilling is expected to continue for another three weeks with further drill assay results expected within the next two weeks
- Exceptional early stage assay results received at Break of Day North and Lake Austin North prospects (see *MGV ASX announcements 18 May 2018, “New Drill Results Highlight Cue Regional Discovery Potential”*) with follow-up drilling currently underway
- Development studies are progressing on the Break of Day and Lena deposits to evaluate options to optimise cash flow and maximise shareholder returns

THE CUE PROJECT

The Cue Project (“the Project”) is located in the Murchison district of Western Australia, with key tenure wholly owned by Musgrave Minerals (*Figure 1*). The Project consists of the Moyagee Gold and Hollandaire Copper Resources (see *MGV ASX announcements 14 July 2017, “Resource Estimate Exceeds 350koz Gold”* and *24 October 2017, “Annual report 2017”*).

The Company believes there is significant potential to extend existing mineralisation and discover new mineralisation within the Project area, as demonstrated by the recent drilling success at Break of Day and Lena. Musgrave’s aim is to build the resource base and complete studies with a view to identifying a development option that creates the best value for shareholders.

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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 has had significant exploration success at Cue with the ongoing focus on increasing the 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 a large exploration tenement package in the Ni-Cu-Co prospective Musgrave Province in South Australia.

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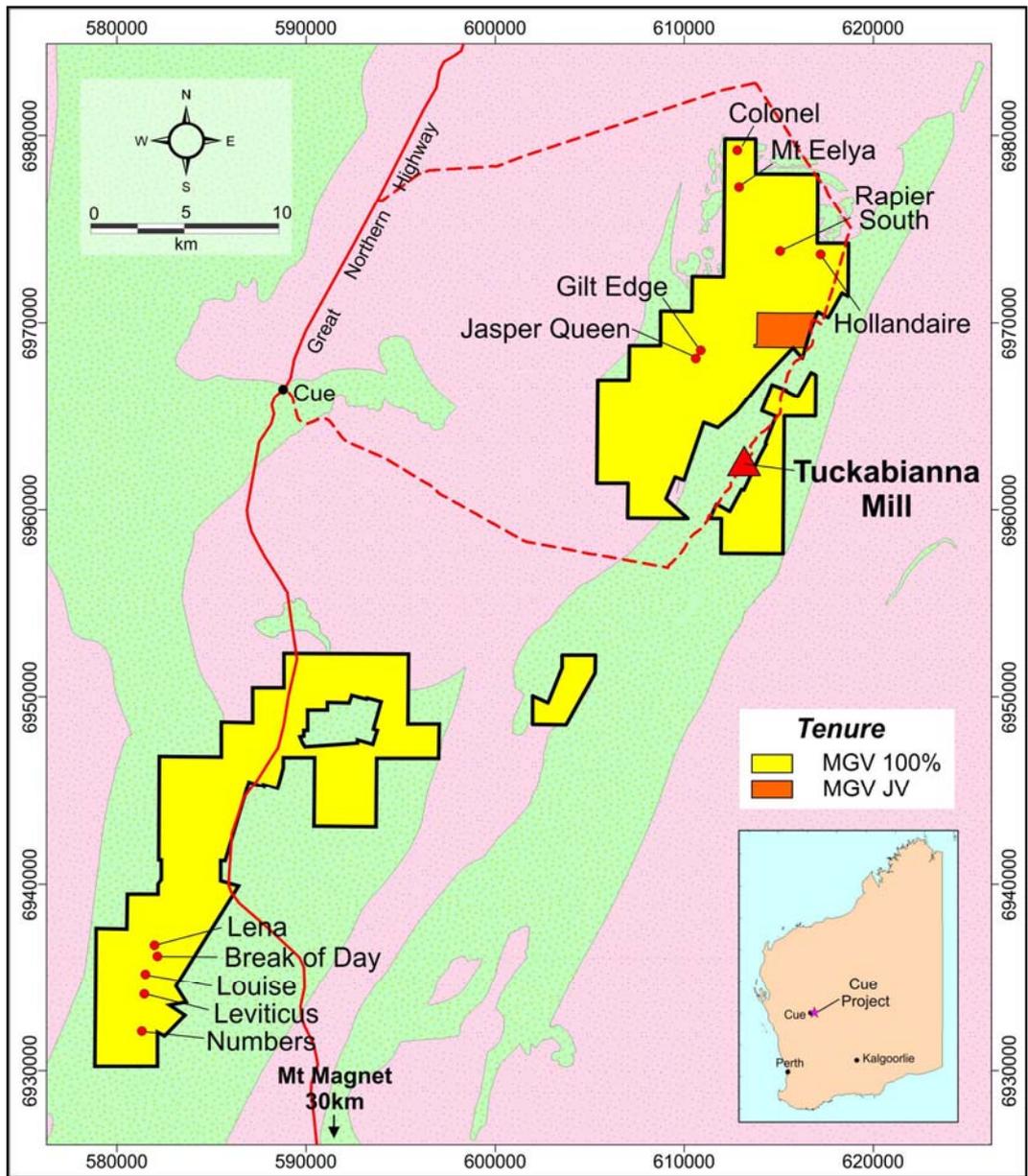


Figure 1: Cue Project location plan and tenure

**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.