

CHAIRMAN'S ADDRESS
ANNUAL GENERAL MEETING
16 NOVEMBER 2018



Good Morning,

On behalf of the Board of Directors, it is my pleasure to welcome you to the 2018 Annual General Meeting for Musgrave Minerals Limited ('Musgrave' or 'Company').

2018 was a successful year for Musgrave; we expanded our resource base; identified new discovery opportunities; and advanced on a near term pathway to development that could potentially provide strong financial returns for shareholders. Our focus continues to be on the Cue Project ("Cue") which is located in the well-endowed, gold producing Murchison region of Western Australia.

Since writing the Letter to Shareholders for the Annual Report, the Company has announced some excellent drilling results thanks to the efforts and dedication of our talented team. Prior to considering the formal business of today's agenda I thought it worthwhile to highlight some of these results and to share our enthusiasm for the ongoing exploration success that we are having at Cue.

Our current focus is Lake Austin North where recent drilling at A-Zone is returning thick intersections of gold mineralisation beneath a layer of transported cover. The discovery hole at A-Zone, announced in August, intersected an impressive 36m @ 3.6g/t Au, including 20m @ 6.1g/t Au within a broad interval of 84m @ 1.7g/t Au. The most recent result (from a drillhole located 100m south of this discovery hole) is the thickest, highest grade result to date, having intersected 94m @ 2.4g/t Au including 52m @ 4.1g/t Au. The hole terminated in mineralisation at the depth capacity of the rig. We have now switched to diamond drilling to delineate the extent of the mineralisation which remains open in all directions. We believe A-Zone will continue to generate strong results as we delineate this very large and well mineralised new gold system.

Rob Waugh, our Managing Director, will take you through these results in further detail in his presentation at the end of the meeting.

Given the ongoing drilling success at Cue, the current resource figure of 440koz of gold is expected to grow.

As stated above, Cue is located in the gold producing Murchison region of Western Australia, a region that is host to four operating gold plants including Westgold's Tuckabianna plant. In May 2018, Westgold invested \$3.36M in Musgrave at a premium to the market price at the time, to become a substantial shareholder in the Company.

The current resources at Cue are the subject of a non-binding Term Sheet between Musgrave and Westgold that provides the scope on which a formal Mine Management and Profit Sharing Agreement is being negotiated. The proposed Mine Management and Profit Sharing arrangement does not cover prospects like Lake Austin North and any other new discoveries which Musgrave will retain 100%. This potential low-risk, low-cost development pathway is significant as it will enable the Company to focus on its exploration strengths and accelerate our drilling programs across a range of high priority targets including A-Zone.

The Company has also advanced its internal optimisation and development studies during the negotiations with Westgold. These studies provide baseline parameters and assist in forecasting production goals and potential cash-flow under the proposed arrangement. As they are not JORC compliant we cannot release the results but from this work it is clear that a Profit Sharing arrangement is the most risk effective process for the Company to achieve near term gold production.

I take this opportunity, on behalf of the board, to thank all of our shareholders for their ongoing support.

I would also like to thank the staff, management, contractors and my fellow directors for their ongoing efforts. 2019 will be another exciting year for Musgrave.

GRAHAM ASCOUGH
CHAIRMAN