



ASX RELEASE

18 November 2019

ASX: MGV

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## Drilling commences at Lake Austin North, Evolution JV, Cue Project

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- **Diamond drilling is underway testing four high-priority gold targets at the Lake Austin North prospect, Cue, WA**
- **Lake Austin North is part of the new Evolution Earn-in and Exploration Joint Venture and covers the northern extension of the shear corridor that hosts Musgrave's wholly owned Break of Day and Lena gold deposits**
- **Drilling will focus on identifying the basement gold source of large geochemical halos defined by aircore drill results that include:**
  - **50m @ 1.1g/t Au (19MOAC173)**
  - **26m @ 0.62g/t Au to EOH (19MOAC017)**
  - **17m @ 0.27g/t Au to EOH (19MOAC015)**
  - **4m @ 1.09g/t Au to EOH (19MOAC007)**

Musgrave Minerals Ltd (ASX: **MGV**) ("Musgrave" or "the Company") is pleased to announce that drilling has commenced as part of the recently signed Evolution Mining Ltd ("Evolution") Earn-in and Exploration Joint Venture ("JV") at the Company's flagship Cue Project in Western Australia's Murchison district (*Figure 1*).

The drilling program will consist of a minimum of 1,200m of diamond drilling to test four targets for high-grade basement gold mineralisation below transported cover at Lake Austin North (*Figure 2*). The targets are defined by regolith gold geochemical anomalies and have been prioritised by structure, geology, geochemistry and alteration. This initial program will consist of approximately four drill holes and will take approximately four-five weeks to complete. First assays are expected in early February.

The program will be funded by Evolution and managed by Musgrave under the JV through which Evolution can earn 75% by spending \$18 million in five years. The JV agreement also stipulates that Evolution must spend a minimum of \$4 million in the first two years (*see MGV release 17 September 2019, "Musgrave and Evolution sign an \$18 million Earn-in JV and \$1.5 million placement to accelerate exploration at Cue"*).

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Musgrave Managing Director Rob Waugh said “It’s a great result to be drilling these new targets at Lake Austin North so soon after signing the joint venture with Evolution. Evolution has a strong commitment to the project which is illustrated by an initial JV budget of \$2 million for the remainder of the 2019-20 financial year. The rapid progress to this point is a strong endorsement of Evolution’s commitment to the project and to making new discoveries.”

“Musgrave is also continuing reverse circulation drilling at its wholly owned Mainland, Break of Day and Lena prospects.”

The diamond drilling at Lake Austin North will follow-up significant aircore geochemical regolith gold anomalies generated in conjunction with the ongoing interpretation of structural, geochemical and geological data. Aircore results include:

- 50m @ 1.1g/t Au (19MOAC173)
- 26m @ 0.62g/t Au to EOH (19MOAC017)
- 17m @ 0.27g/t Au to EOH (19MOAC015)
- 4m @ 1.09g/t Au to EOH (19MOAC007)

(See MGV releases dated 28 February 2019, 27 March 2019 and 28 May 2019)

Musgrave is continuing its reverse circulation drilling program on its 100% owned ground at Mainland, Break of Day and Lena with the focus on making new gold discoveries at Mainland and growing the existing resources at Break of Day and Lena through extensional drilling. First assay results from the Mainland drilling are expected in late November with results from Break of Day and Lena to follow.

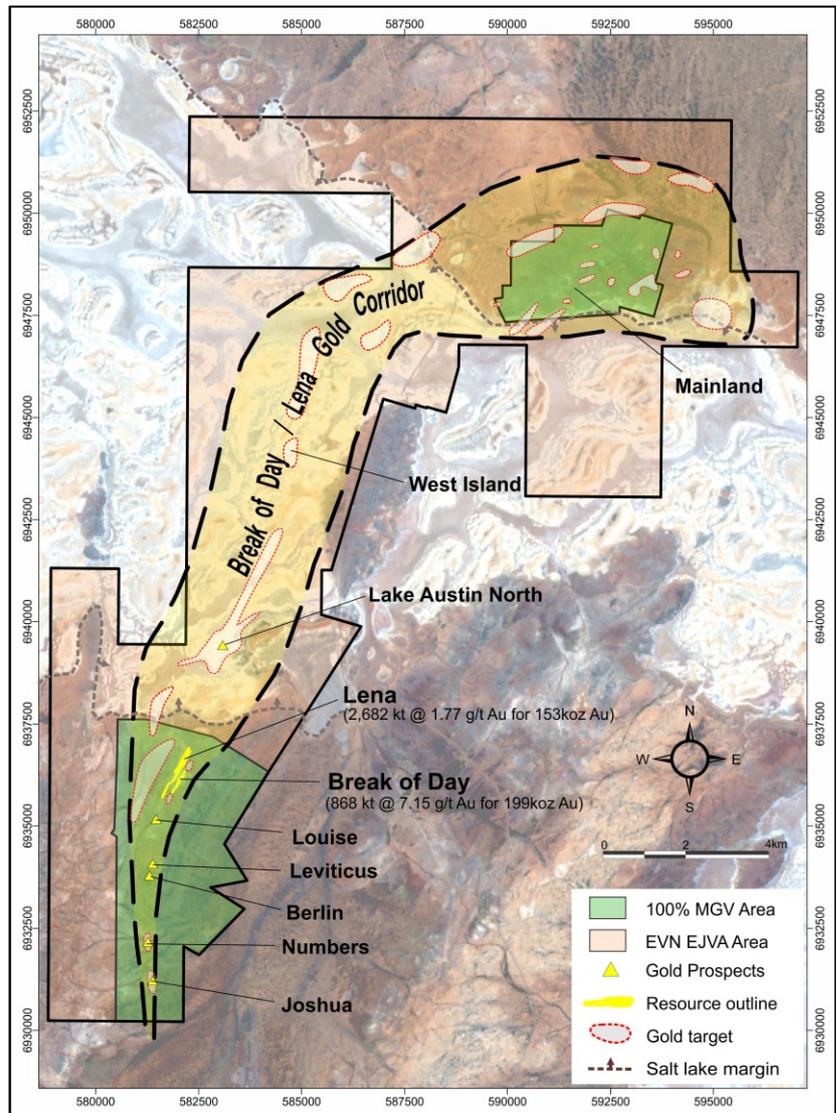


Figure 1: Evolution joint venture area and prospect locations

## Ongoing Exploration

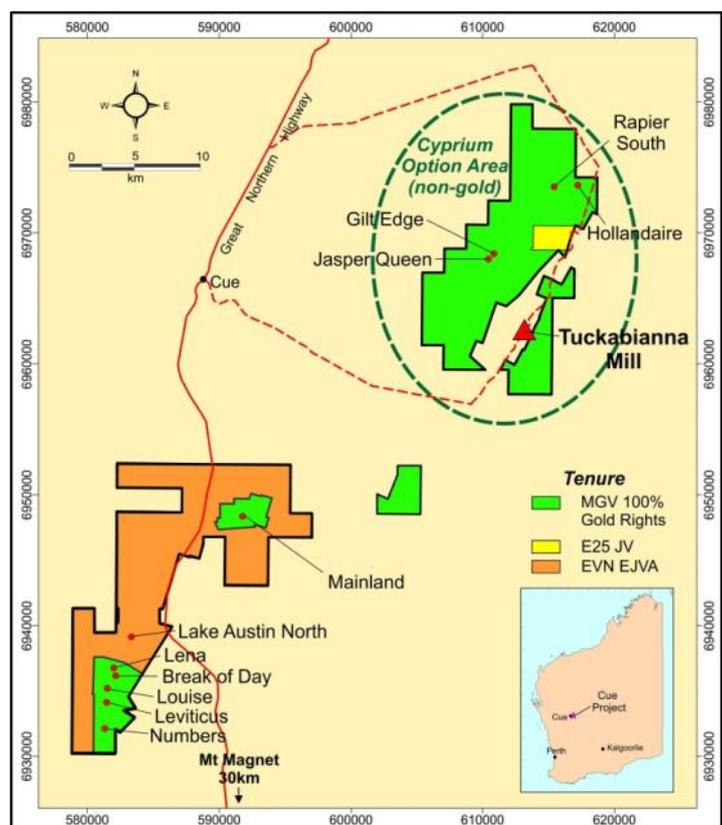
- RC drilling following up recent high-grade gold drill results and surface rock-chip samples at Mainland is underway. First assays are expected in late November.
- Further RC drilling at Lena and Break of Day to extend and grow the existing resources has commenced with first assays expected in early December.
- The Company is working towards delivering a Lena resource update in Q1 2020.
- Assay results from the Lake Austin North JV drilling are expected in early February.
- On the JV area over Lake Austin at Cue, Evolution and Musgrave are planning a large aircore drilling program to further define gold targets for basement drill testing. This drilling is scheduled to commence in Q1 2020.

## THE CUE PROJECT

The Cue Project (“the Project”) is located in the Murchison district of Western Australia (*Figure 2*). The Company has defined a +28km-long prospective gold corridor that hosts the Break of Day and Lena gold resources (Break of Day hosts 868Kt @ 7.15g/t Au for 199Koz Au and Lena 2,682Kt @ 1.77g/t Au for 153Koz Au; see *MGV ASX release 15 October 2018, “Annual Report”*) and the new Lake Austin North gold discovery.

The Company believes there is significant potential to extend existing mineralisation and discover new gold deposits within the Project area, as demonstrated by the recent drilling success at Break of Day, Lena and Lake Austin North. Musgrave’s intent is to investigate options to best develop a low-cost operation, capable of delivering strong financial returns for its shareholders.

Musgrave has executed an \$18 million Earn-in and Exploration Joint venture with Evolution Mining Ltd over the Lake Austin portion of the Cue Project (*Figure 2*).



*Figure 2: Cue Project location plan and tenure*

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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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## **Additional JORC Information**

Further details relating to the information provided in this release can be found in the following Musgrave Minerals' ASX announcements:

- 30 October 2019, "Mainland drilling commences and more high-grade gold intersected at Lena, Cue Project"
- 24 October 2019, "September Quarterly Activities and Cashflow Report"
- 18 October 2019, "Annual Report"
- 18 October 2019, "Notice of Annual General Meeting / Proxy Form"
- 17 October 2019, "Company Presentation – Brisbane Resources Round-up"
- 9 October 2019, "High-grade gold intersected at Break of Day and ultra-high-grade rock-chip sample from Mainland, Cue Project"
- 24 September 2019, "Further High-grade gold intersected at Lena below the existing resource, Cue Project"
- 17 September 2019, "Musgrave and Evolution sign an \$18 million Earn-In JV and \$1.5M placement to accelerate exploration at Cue"
- 3 September 2019, "High-Grade Gold Extension at Break of Day, Cue Project"
- 20 August 2019, "High-Grade Gold Intersected at Lena and Mainland, Cue Project"
- 30 July 2019, "Quarterly Activities and Cashflow Report"
- 12 July 2019, "Opportunity to Extend Lena High-Grade Resource at Cue"
- 4 July 2019, "Drilling commences at newly acquired Mainland Prospect, Cue"
- 28 May 2019, "Scout Drilling Extends Gold Zone to >3km at Lake Austin North"
- 1 May 2019, "Drilling at A-Zone Continues to Deliver Thick, High-Grade Gold Intersections"
- 6 March 2019, "Musgrave Secures More Key Gold Tenure at Cue"
- 3 December 2018, "Diamond Drilling Confirms Significant Gold Discovery at Lake Austin North"
- 15 October 2018, "Annual Report"
- 16 August 2017, "Further Strong Gold Recoveries at Lena"
- 14 July 2017, "Resource Estimate Exceeds 350koz Au"
- 6 July 2017, "Excellent Gold Recoveries Achieved from Initial Metallurgical Test Work at Lena"
- 16 June 2017, "More Gold Intersected Near Surface at Lena"
- 6 June 2017, "High Grade Gold Intersected Near Surface at Lena"
- 24 May 2017, "High Gold Grades Continue at Break of Day and Lena"
- 20 April 2017, "Excellent High Grade Gold Hits at Break of Day and Lena"
- 18 April 2017, "More High Grade Gold Results at Lena"
- 3 April 2017, "Strong Gold Results Continue at Break of Day and Lena"
- 17 March 2017, "Drilling Extends High Grade Gold at Break of Day and Lena"
- 30 January 2017, "Diamond Drilling Confirms High Grade Gold at Break of Day and Extends High Grade Gold at Lena"

### **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.