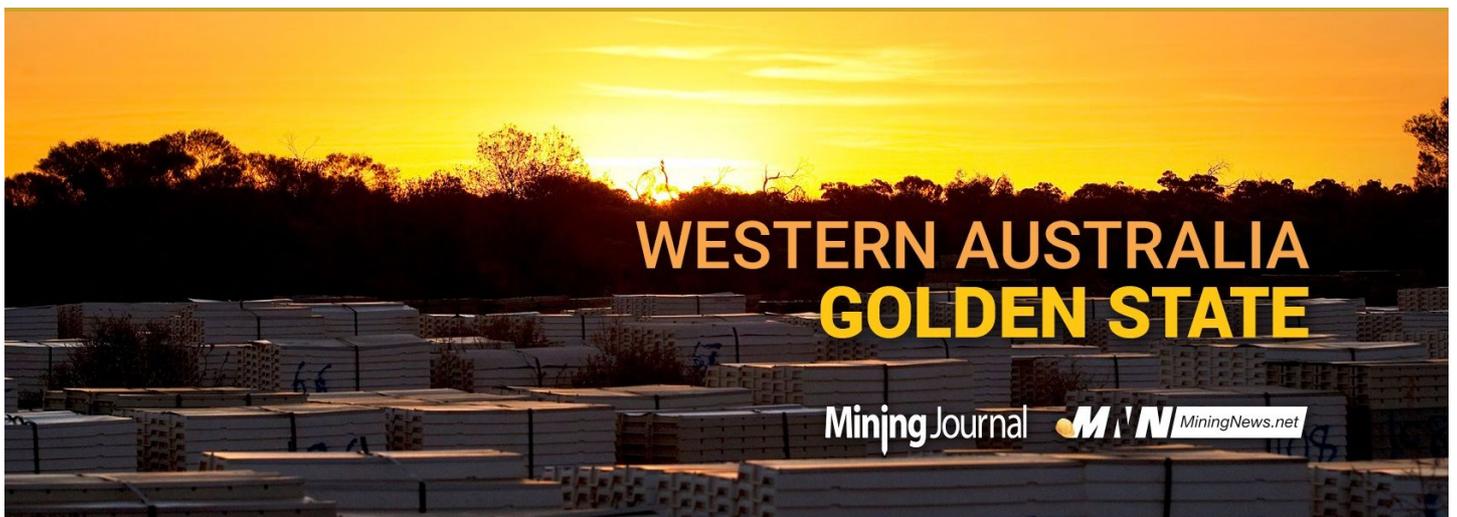


Starlight takes top billing in WA, as Crow flies

MUSGRAVE Minerals has scored four of the top 10 gold drill hits in Western Australia this year, a year that is seeing junior stocks add significant market value via the drill bit as they enhance brownfield projects while the likes of De Grey Mining and sector heavyweight Newcrest Mining reignite investor excitement around greenfield exploration with discoveries in the state's north.



Gold And Silver Research > Opaxe data compiled for *MNN* has Musgrave's 42m grading 77.3gpt from shallow resource drilling at Break of Day (Starlight) reported June 9 as the second best mineral drill intersection in Australia this year, on a gold-equivalent value per metre basis, behind the latest big gold hit at Fosterville in Victoria, and the fourth best in the world (all gold) up to the end of July.

Comments

Share

Staff Reporter The 42m of 77.3gpt from only 30m down-hole, which sent the stock soaring, is among a number of spectacular results posted by Musgrave through June and July.

De Grey Mining has since thrown up another contender with its 64m of 13.4gpt from 141m at the Crow zone of its Hemi gold project in northern WA (including 19m of 42gpt and 8m of 85gpt), but the quality of Musgrave's results means they outshine even these sorts of drill hits albeit the company is currently drilling over a smaller area than De Grey.

Musgrave has built up the pace of drilling at Cue in WA's Murchison region this year as striking results flowed from activity immediately south of the circa-200,000oz (average 7.2gpt) Break of Day resource, at Starlight, which will feed a new resource estimate for the project in the next month.

Musgrave's share price has meanwhile risen tenfold since March - currently about 20c below that mark at 60c, capitalising the company at A\$280 million - and the company raised funds at 10.5c to give itself plenty of cash to move Cue exploration forward.

rank	country	company	project	status	commodity	date	hole	intersection	intercept details provided in report	section ¹	share price chg ²	(AuEq.)m ³
1	Australia	Musgrave Minerals Ltd. (ASX)	Cue	Resource development	Gold	9-Jun	20MORC037	42m @ 77.3g/t Au from 30m	"the true width of drill intersections at Starlight are interpreted to be between 50-70% of the drill intersection width"	Y	↑ 43.8%	3247
2	Australia	Musgrave Minerals Ltd. (ASX)	Cue	Resource development	Gold	28-Jul	20MORC068	14m @ 191.1g/t Au from 4m	"true widths are not confirmed but from intercept and model geometries are expected to be 50-70% of intercept widths"	Y	↑ 8.0%	2675
3	Australia	Musgrave Minerals Ltd. (ASX)	Cue	Resource development	Gold	3-Jun	20MORC033	12m @ 112.9g/t Au from 36m	"the true width of drill intersections at Starlight are interpreted to be between 50-70% of the drill intersection width"	U	↑ 63.3%	1355
4	Australia	Musgrave Minerals Ltd. (ASX)	Cue	Resource development	Gold	6-Jul	20MORC058	85m @ 11.6g/t Au from 7m	"true widths are not confirmed but all drilling is planned close to perpendicular to interpreted targets"	Y	↑ 27.1%	986
5	Australia	Rox Resources Ltd. (ASX)	Youanmi	Resource development	Gold	16-Jun	RXRC287	25m @ 34.79g/t Au from 143m	"no definite relationships between mineralisation widths and intercept lengths are known from this drilling"	U	↑ 112.5%	870
6	Canada	Superior Gold Inc. (TSX-V)	Plutonic	Resource development	Gold	17-Jun	UDD22011	15.1m @ 56.3g/t Au from 45.6m	estimated true width of 30.6m	U	↑ 18.8%	850
7	Australia	Silver Lake Resources Ltd. (ASX)	Deflector	Resource development	Gold	5-Jun	DFUG192	7.4m @ 98.7g/t Au from 139m	"drillhole intersection angle may be oblique to the strike and dip of the ore zone"	Y	↑ 1.0%	730
8	Australia	Vango Mining Ltd. (ASX)	Marymia	Resource development	Gold	3-Mar	VK2RC0007	7m @ 103.6g/t Au from 48m	"true widths not determined"	Y	↑ 15.0%	725
9	Australia	Newcrest Mining Ltd. (ASX)	Paterson	Exploration	Gold	11-Jun	HAD059	109m @ 6.3g/t Au from 668m	"drilling is not always perpendicular to the dip of mineralisation and true widths are less than downhole widths"	Y	↑ 4.1%	687
10	Australia	Pantoro Ltd. (ASX)	Norseman	Resource development	Gold	21-Jul	SFDD20_005	8.1m @ 67.29g/t Au from 78.6m	"true widths are not known at this time as the orebodies in the area are prone to variable orientations and widths"	N	↑ 19.6%	545

Opaxe data showing Western Australia's top 10 best gold drilling results for 2020 (to July 31). Calculated intercept is for Au only; all other commodities have been excluded from the calculation.

Other juniors that have reported standout high-grade drill results this year, including Rox Resources, Vango Mining, Pantoro, Kingwest Resources and Toronto-listed Superior Gold, are also drilling on known deposits and around mines that have moved share prices in the past.

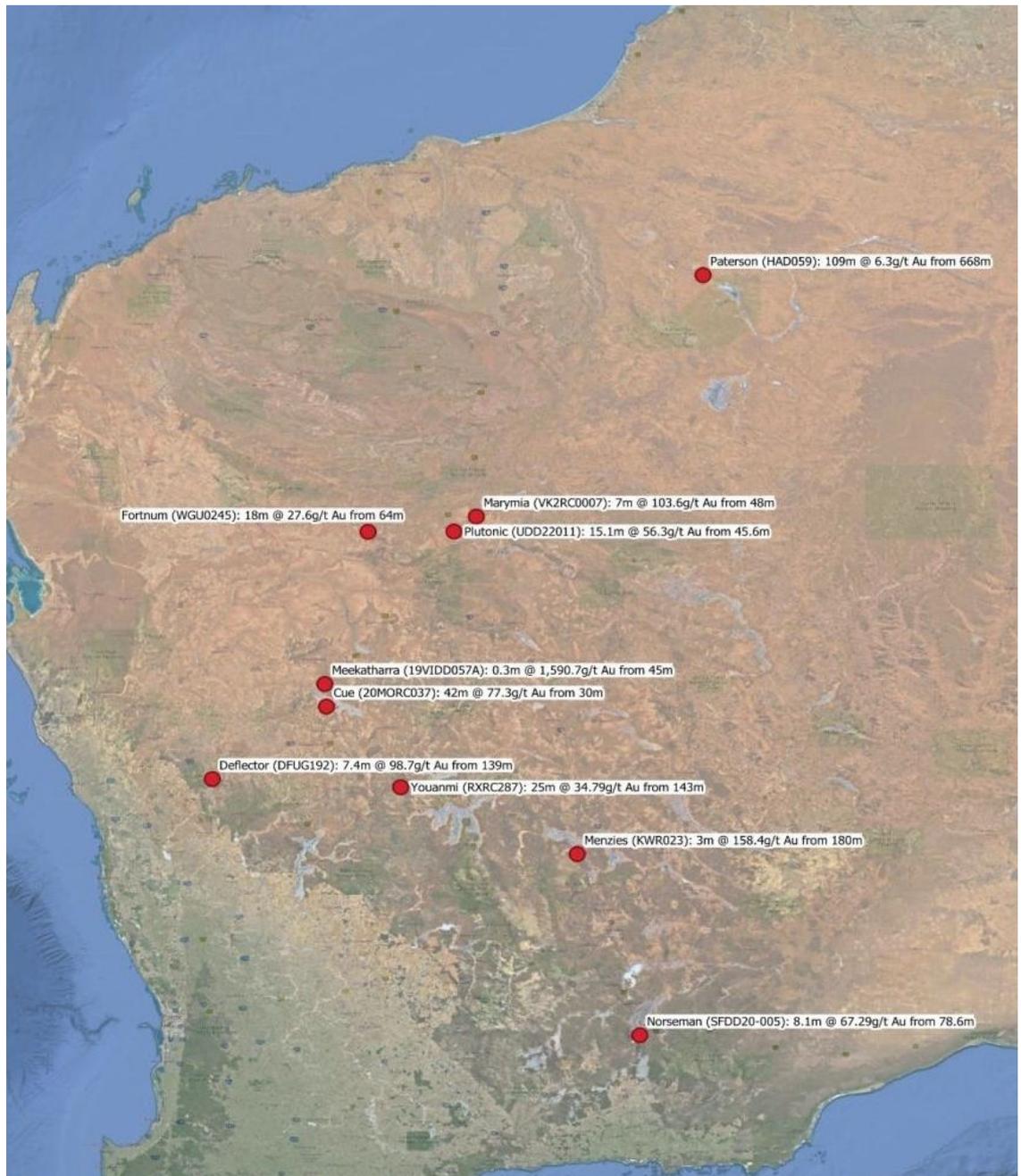
Much of the nearly A\$90 million raised by the group so far this year will be spent on drilling contractors, amid a broader state-wide gold exploration surge, and mining studies, and some of the companies will emerge in the next six months as potential 'bolt-on' acquisitions for established producers such as Silver Lake Resources and Westgold Resources, particularly where they have demonstrated continuity of high grades.

Silver Lake and Westgold have also notched up top-10 drill hits this year at Deflector, and Fortnum and Meekatharra, respectively.

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8		Westgold Resources Ltd. (ASX)	Fortnum	Resource development		22-Jan	WGU0245	18m @ 27.6g/t Au from 64m	true width not mentioned	N	 -1.7%	497
9		Westgold Resources Ltd. (ASX)	Meekeatharra	Resource development		29-Apr	19VIDD057A	0.3m @ 1,590.7g/t Au from 45m	true width not mentioned	N	 -5.3%	477
10		Kingwest Resources Ltd. (ASX)	Menzies	Exploration		14-Apr	KWR023	3m @ 158.4g/t Au from 180m	"drillhole intersections close to true width of the mineralised lodes"	Y	 30.8%	475

Opax data showing Western Australia's top 10 best gold drilling results for 2020 (to July 31), per unique project; that is, the best result from each project. Calculated intercept is for Au only, all other commodities have been excluded from the calculation.

Most of the best drill intersections in 2020 are relatively shallow, with Newcrest and Greatland Gold's Havieron an outlier, which continues to highlight the lack of serious previous exploration along strike, and in step-out positions, from the deposits underpinning known pits and portals.



Top Western Australia gold drilling results by project 1 Jan to 31 July 2020.

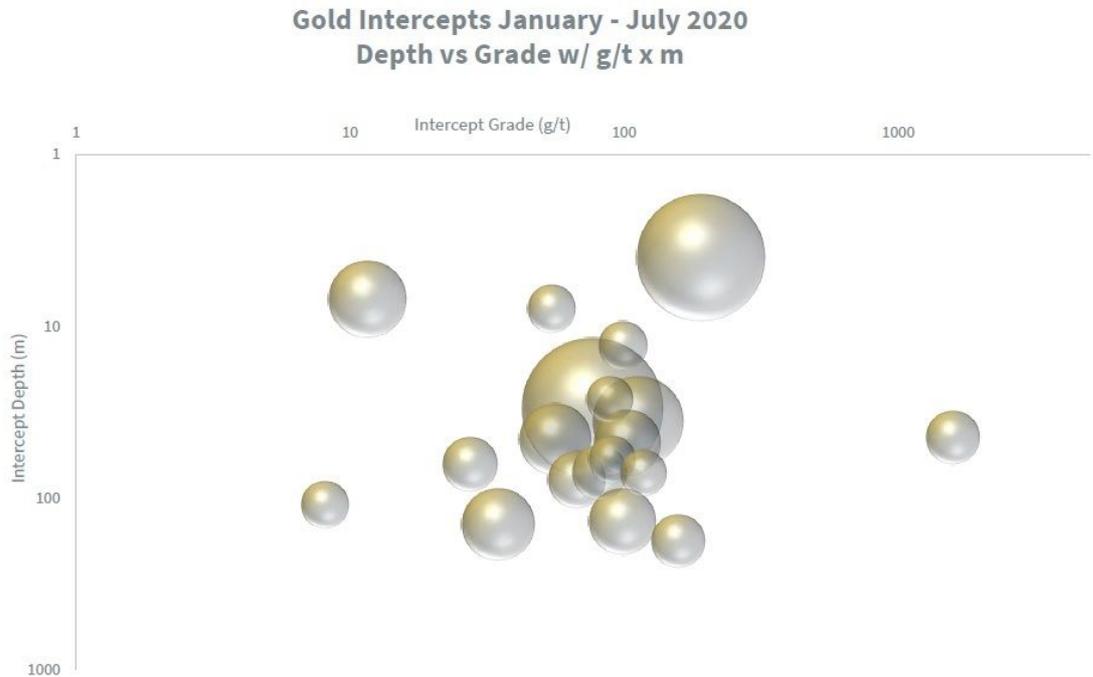
Source: Opaxe

"We've had some very high grades, particularly in the oxide section there [at Starlight], that are looking really attractive. The [most] spectacular hit was 30m down-hole, so only 25m vertical, and we had another intercept there that was only 2m down-hole ... and it went 20m at 20gpt," says Musgrave managing director Rob Waugh.

"So, some really nice numbers, some big intervals - we've had 60-odd-metres at 12.7gpt - which is really exciting. We're currently trying to define the strike extent of that Starlight mineralisation with the RC rig, and the diamond rig is testing the depth extensions. So, RC [on] the top 200m, diamond below that level, down to about 350-400m.

"I think the exciting thing is how close to surface this high-grade mineralisation comes.

"It does show there are still opportunities to make shallow discoveries in the Yilgarn."



Opaxe data showing the best result from each company in WA's top 10 for 2020. The bubble size reflects the product of grade and intercept: Gpt x m

Richard Schodde, managing director of MinEx Consulting, says while the year started fairly slowly for mineral exploration spending in Australia, a surging gold price, exploration success in WA, Victoria and New South Wales, and an inflow of equity funds, are firing investment momentum.

"I am pretty upbeat about the short-to-medium term outlook for exploration in Australia," he says.

"While the headline figure [from Australian Bureau of Statistics data] showed a drop of 20% in exploration spend in Q1 2020, the March quarter is traditionally always a down-quarter. Over the last 30 years the March quarter was on average 21% lower than the December quarter.

"The stockmarket is strong, with most juniors fully reversing the dip in prices seen in February-March. A strong share price means that they are in a strong position to raise fresh capital. Having the confidence that you won't run out of cash, plus a market that is receptive and rewards companies with good news, means that the juniors will remain active in the field."



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