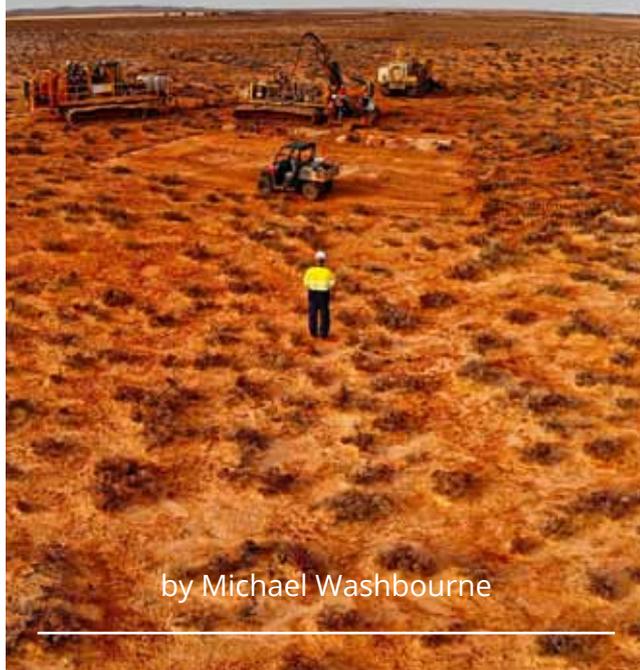


Bulletproofing Cue



by Michael Washbourne

Musgrave Minerals Ltd expects to have a clearer picture of the proposed timeline for a PFS on its Cue project by the end of this quarter when maiden resource estimates for two critical discoveries are due.

Preliminary PFS work has begun on the longstanding Break of Day and Lena deposits, but Musgrave managing director Rob Waugh said the company could not commit to a full study programme on its Murchison-hosted project until after the initial resources for the Big Sky and White Heat-Mosaic discoveries had been calculated and published in late May/early June.

“When you have multiple deposits, you need to do PFS levels over each and every one of those deposits,” Waugh told **GMJ**.

“Effectively now we have lots of PFS-level activities we can tick off for Break of Day and Lena – metallurgy, geotech pit design, continuation of environmental baseline – but as soon as we find a new deposit, we have to start from scratch again.

“The bottom line is we can’t set a date on when a full PFS will be released until we at least get the initial resources out for Big Sky and White Heat-Mosaic because they will be part of the overall development plan.

“It’s a little bit chicken and egg, but we need to get the resource built first before we can define that clear, definitive timing on delivering a PFS to market, although we are doing work in the

background to get a head start on it. We’re not sitting on our hands, we know that Break of Day and Lena will get developed at some point, so we can do some PFS-level work there.”

Musgrave heads into the final stretch of resource calculation buoyed by recent drilling results from the newly discovered Mosaic lode near White Heat, including high-grade hits of 4m @ 79.6 g/t gold from 20m (including 3m @ 105.4 g/t from 20m), 4m @ 8.9 g/t from 61m, 3m @ 6.5 g/t from 50m, 2m @ 7.8 g/t from 92m and 2m @ 5.8 g/t from 58m.

Waugh described the results as “some of the best, recent near-surface exploration hits in the Yilgarn”.

Extensional drilling at Break of Day outside the existing resource estimate boundary also intersected 6m @ 4.3 g/t gold from 84m, 2m @ 10.4 g/t from 138m to end-of-hole and 6m @ 2.4 g/t from 66m.

Assay results from resource drilling at Big Sky were pending at the time of print.

Waugh said the company’s primary goal for the year ahead was to build the Cue resource base towards the 1 moz mark the market so frequently desires.

“We have 660,000oz at the moment so we think the resource update in May/June will get us an interim position towards 1 moz,” he said. “We don’t think we’ll reach 1 moz, but if we can get between 800,000-850,000oz, it’s a good stepping-stone to move forward later in the year to get to that 1 moz.

“It’s also worth noting this update at Big Sky and White Heat-Mosaic will really focus on the top 120m where we’ve been drilling. We definitely think there’s scope to drill beneath the 120m vertical and continue to build the resource base.”

Musgrave has uncovered several new deposits at Cue over the past two years, beginning with the discovery of the Starlight lode which put the company on the radar as an explorer to watch.

While the enthusiasm for gold stocks may have tailed off in recent times due to the market’s greater appetite for battery minerals plays, Waugh said it was still imperative for his company to put forward the most robust project development plan possible.

“We think what we have at the moment is economic, but it’s not perfect so we want to get to a point where we are in a position that leads us to a really strong, full PFS that is effectively bulletproof,” he said.

“We’ve seen some examples in the market over the last decade where projects have been pushed through to development, construction and then operation but haven’t been bulletproof. We want to make sure that we have sustained success. Obviously we’ve seen it in exploration, but we want to continue to do that through these next stages.”

Diamond drilling is also continuing at the company’s Lake Austin JV with Evolution Mining Ltd.