



ASX RELEASE

14 December 2020

ASX: MGV

\$18 million raising to fund resource growth and commence PFS at the Cue Gold Project

- **Musgrave has received firm commitments of \$16 million via a strongly supported Placement to corporate, institutional and sophisticated investors**
- **Share Purchase Plan (SPP) for all eligible shareholders targeting to raise \$2 million at the same offer price as the Placement**
- **On Completion, Musgrave will be well funded to accelerate exploration and development activities at its Cue Gold Project, including:**
 - **Drilling of approximately ~30,000m to test the high-grade and high priority gold targets identified in the recent regional drilling campaign, including resource definition drilling of the new White Heat gold discovery**
 - **Commencement of prefeasibility studies on the Break of Day and Lena deposits**
 - **Continuation of studies to inform the Mining Proposal approvals**
 - **Further conversion of Inferred Resources into the higher confidence, Indicated Resource category at Break of Day and Lena**
 - **Continuation of the successful regional exploration drilling program**

Musgrave Minerals Limited (ASX: MGV) (**Musgrave or the Company**) is pleased to advise that it has received firm commitments to raise \$16 million (before costs) via a placement of 44,444,445 shares (**New Shares**) at an issue price of \$0.36 per New Share to corporate, institutional, professional and sophisticated investors (the **Placement**). Aligned with the Placement, Musgrave will also undertake a Share Purchase Plan (**SPP**) targeting to raise \$2 million at the same price as the Placement.

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The Placement was underpinned by corporate and institutional investors as well as existing shareholders. New shares under the placement will be issued at \$0.36 per New Share, representing a 15.3% discount to Musgrave's last trading price and a 9.6% discount to the 15-day volume weighted average market price (VWAP).

Use of funds

In conjunction with existing cash the funds raised through the Placement will be directed as described below.

- The results from the regional exploration drilling have exceeded expectations and an initial RC/diamond drilling program of ~30,000m will be completed to test the multiple high-grade and high-priority targets identified to date. This includes resource definition drilling of the new high-grade white Heat gold discovery
- Formal commencement of a Prefeasibility Study (**PFS**) on the Break of Day and Lena deposits, noting that some of the individual studies to inform the PFS, Mine Closure Plan (MCP) and Mining Proposal (government approval process directed by the Department of Mines, Industry Regulation and Safety (DMIRS)) are already underway
- Continue to progress resource drilling at Break of Day and Lena to enable completion of PFS and advance conversion of Inferred Resources to the higher confidence Indicated category
- Continue deeper extensional drilling at the Lena and Break of Day deposits
- Regional exploration focused on identifying and drill testing additional high-priority targets to further grow the resource base
- General working capital requirements, costs relating to the capital raising and contingent corporate purposes

The Placement has been undertaken using the Company's available placement capacity under ASX Listing Rule 7.1 and the Company expects to issue the New Shares on or around 18 December 2020.

Canaccord Genuity (Australia) Limited and Veritas Securities Limited acted as Joint Lead Managers and Bookrunners to the Placement. Euroz Hartleys Limited acted as Co-Manager to the Placement.

Musgrave Managing Director Rob Waugh said: *"Through accelerated exploration and a focus on resource growth we can ensure we unlock the value of the project as a strategic asset. This work together with the prefeasibility study on the existing high-grade, near-surface Break of Day resource and the adjacent Lena deposit, will maximise our ability to create value for shareholders through discovery, resource growth and project development."*

"I'd like to welcome the new investors to the Company and we are pleased to offer existing eligible shareholders an opportunity to participate through the SPP at the same price as the placement."

Musgrave's Cue Project represents a unique, high quality asset with the cornerstone being the high-grade, near-surface Break of Day deposit that will underpin development studies. The success in regional exploration has the potential to significantly change the scope of the project through further discovery and resource growth.

Following the completion of the Placement and SPP, the Company will have a cash balance of approximately \$24 million. An Appendix 3B and then an Appendix 2A will follow this release as appropriate.



The Company acknowledges and thanks Canaccord Genuity (Australia) Limited, Veritas Securities Limited who acted as Joint Lead Managers and Bookrunners and Euroz Hartleys Limited as Co-Manager for assisting on the Placement.

Share Purchase Plan (SPP)

The Company is pleased to announce an SPP targeting to raise \$2 million, under which existing Musgrave shareholders who are eligible, will be given the opportunity to acquire shares up to a maximum of \$30,000 at the same issue price as shares issued under the Placement, being \$0.36 per share. The Company reserves the right to accept oversubscriptions and/or scale back applications.

Participation in the SPP is voluntary and is available exclusively to shareholders who are registered as holders of Shares at 5:00pm AWST on the Record Date of 11 December 2020 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The SPP will be conducted as an exception to the Company's placement capacities under the Listing Rules of the ASX.

Full details of the SPP will be provided in the Offer Booklet, scheduled to be despatched to Eligible Shareholders on or around 18 December 2020.

To avoid current postal delays due to COVID-19, all Shareholders are encouraged to update their communication preferences to receive documentation from the Company electronically via email by visiting www.computershare.com.au/easyupdate/mgv or by contacting the Company's share registry Computershare directly by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Set out below is the proposed indicative timetable for the SPP.

Indicative SPP Timetable

Date	Event
11 December 2020	Record Date for Share Purchase Plan
14 December 2020	Announcement of Share Purchase Plan
18 December 2020	Despatch of Offer Booklet to Eligible Shareholders
18 December 2020	Opening Date
15 January 2021	Closing Date
20 January 2021	Announcement of outcome of Share Purchase Plan
22 January 2021	Issue Date
25 January 2021	Trading of New Shares commences

The timetable is indicative only and remains subject to change at Musgrave's discretion, subject to compliance with applicable laws and the ASX Listing Rules. Musgrave reserves the right to change the timetable or cancel the SPP at any time before new Shares are issued, subject to regulatory requirements. Musgrave strongly encourages Eligible Shareholders who wish to participate to act promptly in submitting their application forms.



Authorised for release by the Board of Musgrave Minerals Limited.

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About Musgrave Minerals

Musgrave Minerals Limited is an active Australian gold explorer and potential future developer/producer. The Cue Project in the Murchison region of Western Australia is an advanced gold project. Musgrave has had significant exploration success at Cue with the ongoing focus on increasing the gold 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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