

## Drilling resumes at Break of Day

- **RC drilling resumes to test high-grade 'link-lode' at Break of Day**
  - Mineralisation remains open at depth and along strike in this potential 'link' position
- **Drilling of the high-grade Consols target at Mainland to follow**
  - The Consols mineralisation is currently open in all directions

Musgrave Minerals Ltd (ASX: **MGV**) ("Musgrave" or "the Company") is pleased to report that reverse circulation ("RC") drilling has commenced at Break of Day on the Company's flagship Cue Gold Project in Western Australia's Murchison district (*Figure 1*). The drilling is focussed on confirming the new 'link-lode' hypothesis and testing for possible additional 'link-lodes' along the strike of the Break of Day resource.

On completion of the Break of Day program the drill rig will move to Mainland to undertake further drilling at Consols where high-grade gold has been intersected near surface.

Musgrave Managing Director Rob Waugh said *"The Company is very active in the Cue region and will continue to drill multiple targets in the first quarter of 2020 to make new discoveries and grow the resource base. We look forward to reporting the new drill results as they come to hand."*

Musgrave hold 100% of the Break of Day area and holds an option to acquire 100% of the basement gold rights at Mainland.

The RC drill programs at Break of Day and Mainland (*Figure 1*) will consist of approximately 14 holes for over 2,000m. The first assays from this drilling are expected in early March 2020.

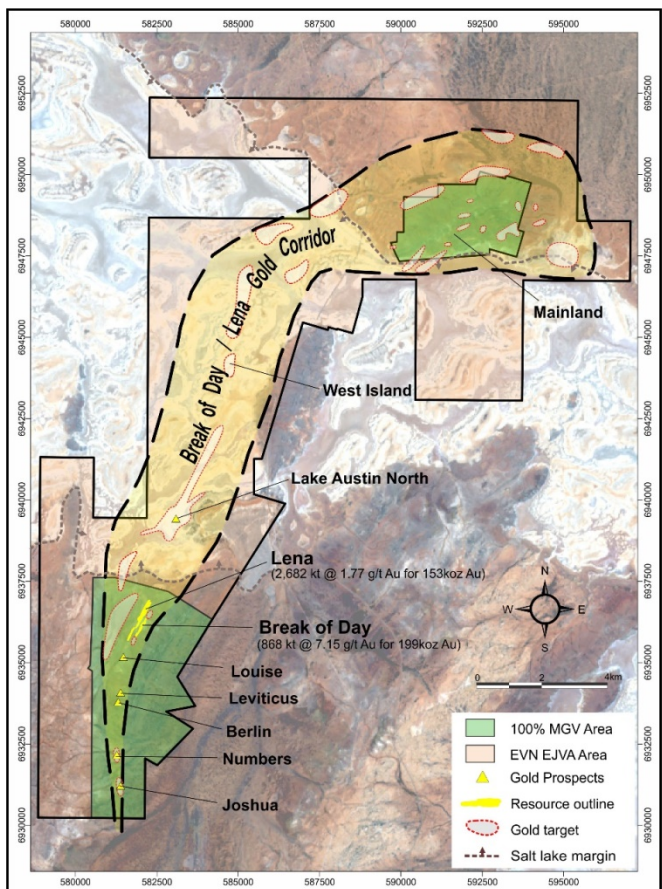


Figure 1: Prospect location plan

## Break of Day

Drill hole 19MORC037, reported on 3 December 2019 intersected an interpreted linking structure assaying **45m @ 11.8g/t Au** from 144m down hole, including **5m @ 29.2g/t Au** from 150m and **23m @ 16.2g/t Au** from 166m (See ASX release 3 December 2019, "New high-grade 'link-lode' intersected at Break of Day, Cue Project").

The current follow-up drill program will confirm the strike, grade and extent of the “link-lode” intersected in 19MORC037 and also test for possible parallel ‘link-lodes’ along the Break of Day system.

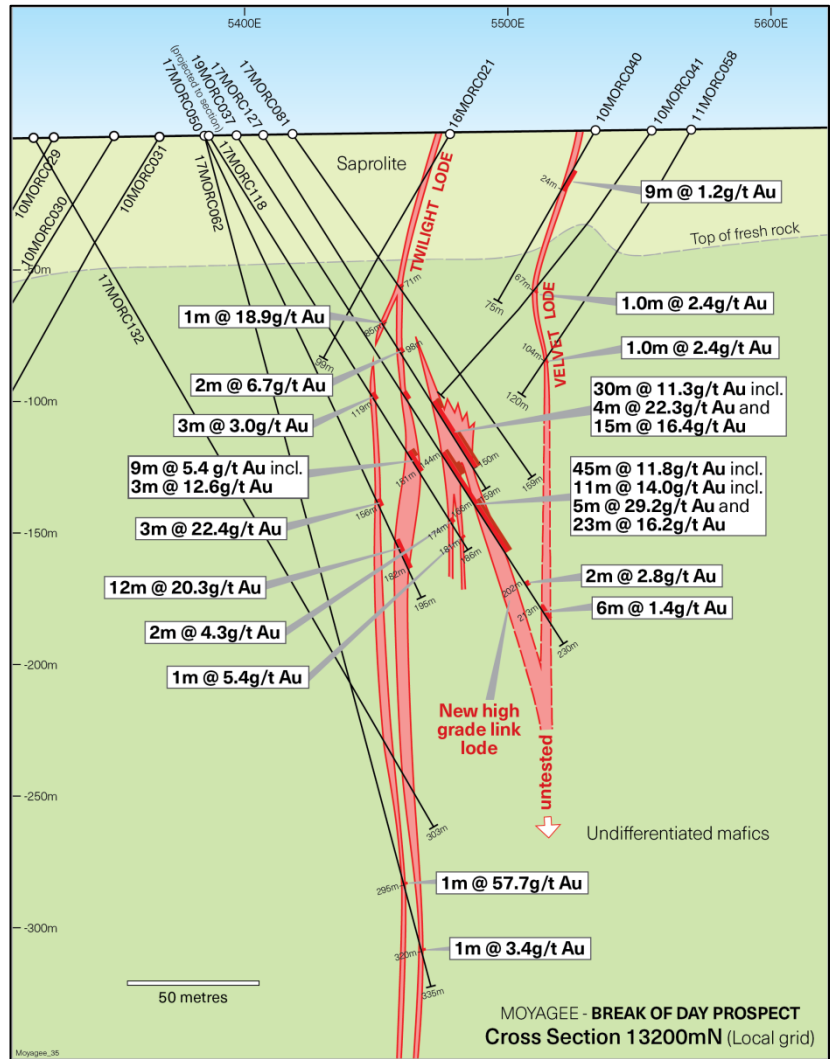


Figure 2: Break of Day cross section showing drill hole 19MORC037 and possible 'link-lode'

## Mainland

The high-grade Consols mineralisation at Mainland (*Figure 3*) has been defined over a strike extent of approximately 40m and is currently open along strike and down dip. Results to date include:

- 3m @ 38.2g/t Au from 113m down hole (19MORC018), including
  - 1m @ 102.5g/t Au from 114m
- 2m @ 55.4g/t Au from 52m down hole (19MORC0198), including
  - 1m @ 108.3g/t Au from 52m

(See ASX releases dated 27 November 2019 and 13 January 2020).

The current follow-up drill program is designed to confirm the strike and extent of the high-grade gold mineralisation at Consols.





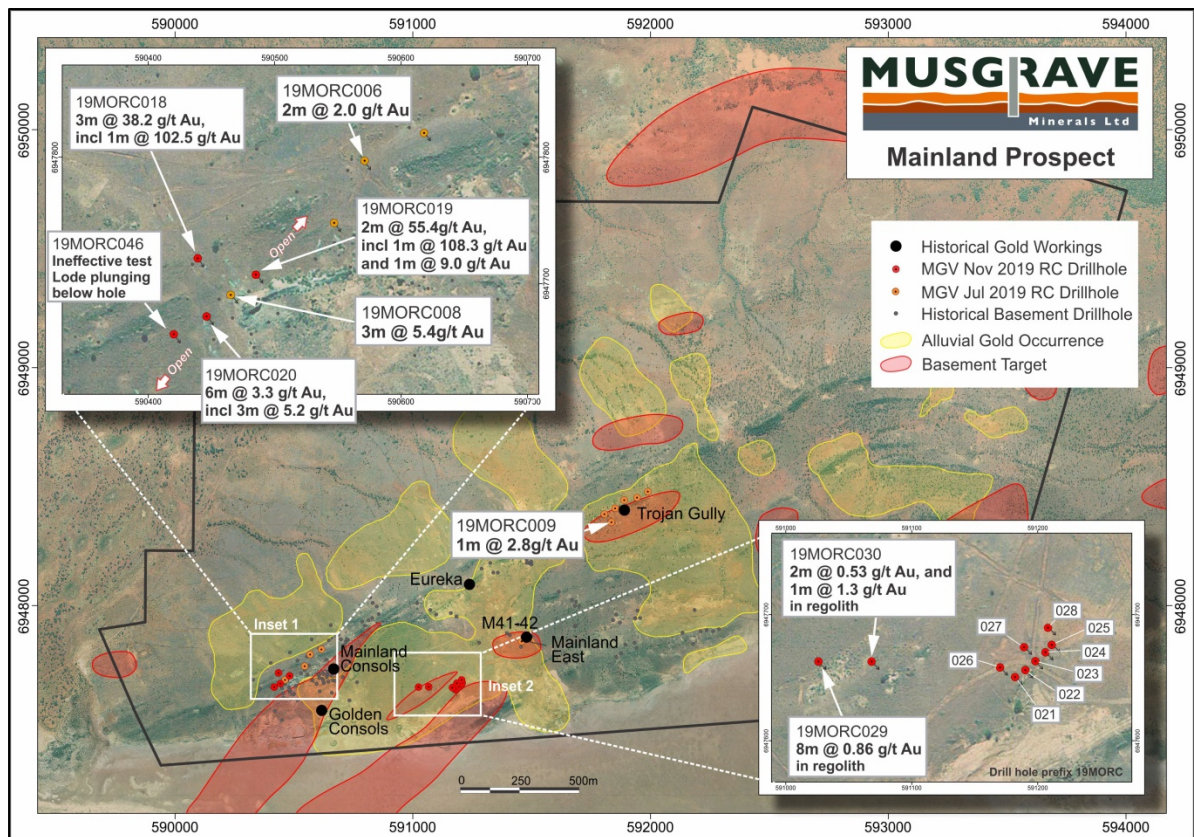


Figure 3: Mainland surface plan showing drill hole collars and RC drill results

## Ongoing Exploration

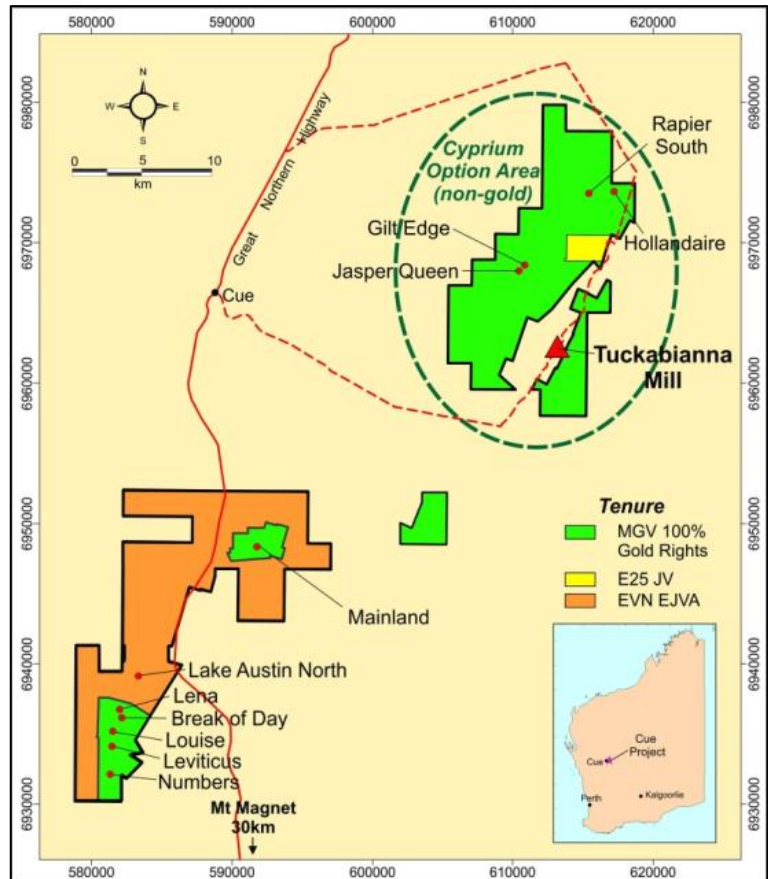
- The Company is progressing towards delivering a Lena resource update later in Q1 2020.
- Diamond drilling on the Evolution JV at Lake Austin North was temporarily halted for the Christmas break but re-commenced in January. Assay results are expected in March 2020.
- On the broader JV area over Lake 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 early February 2020.
- First assay results from RC drilling of the 'link-lode' position at Break of Day are expected in early March 2020.
- First assay results from RC drilling at Mainland on the Consols target are expected in mid-March 2020.



## THE CUE PROJECT

The Cue Project (“the Project”) is located in the Murchison district of Western Australia (*Figure 4*). 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 18 October 2019, “Annual Report”*) and the 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, Mainland 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.



*Figure 4: Cue Project location plan and tenure*

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 4*).

In May 2019 Cyprium Australia Pty Ltd (“Cyprium”) exercised an exclusive option to earn an 80% interest in the non-gold rights over the northern tenure at Cue including the Hollandaire deposit (*Figure 4*). Cyprium is required to spend \$2 million on exploration within two years to acquire the 80% interest. Musgrave will retain 100% of the gold rights and a 20% free-carried interest in the non-gold rights to the completion of a definitive feasibility study.

For and on behalf of Musgrave Minerals Limited.

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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:

- 13 January 2020, "More high-grade gold intersected at Cue"
- 3 December 2019, "New high-grade 'link-lode' intersected at Break of Day, Cue Project"
- 27 November 2019, "High-grade gold intersected in drilling at Mainland, Cue Project"
- 21 November 2019, "2019 AGM Presentation"
- 18 November 2019, "Drilling commences at Lake Austin North, Evolution JV, Cue"
- 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"
- 29 October 2018, "High-Grade Extended at Lake Austin North, Cue"
- 15 October 2018, "Annual Report"
- 31 August 2018, "First RC drill hole hits 42m @ 3.2g/t Au at Lake Austin North, Cue"
- 27 July 2018, "Lake Austin North target continues to deliver strong gold results, Cue Gold Project, WA"
- 15 June 2018, "High-Grade Gold Intersected at Lake Austin North, Cue Gold Project, WA"
- 18 May 2018, "New Drill Results Highlight Regional Discovery Potential at Cue Gold Project, WA"
- 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.