



ASX RELEASE

5th March 2014

ASX: MGV

Musgrave recommences Drilling at Frakes and Spare Rib

- **Follow-up diamond drilling has commenced at the Frakes Prospect where Musgrave intersected:**
 - **10m @ 990g/t Ag, 0.3 g/t Au, 0.2% Cu, 0.4% Pb and 0.3% Zn from 43m**
 - **Including 2m @ 3,942g/t Ag, 1.0g/t Au, 0.9% Cu, 0.7% Pb, 0.8% Zn from 44m**
- **After drilling at Frakes, Musgrave will re-commence drilling at Spare Rib where it recently intersected:**
 - **20m @ 2.0% Pb, from 67m**
 - **9m @ 1.4% Zn, from 88m**
 - **12m @ 1.6% Zn, from 54m**
- **The mineralisation remains open along strike and down dip at both prospects**

Musgrave Minerals Ltd ("Musgrave Minerals" or "the Company") (ASX: MGV) is pleased to announce the commencement of diamond drilling at the Frakes silver prospect at the Menninnie Dam Project in the southern Gawler Craton region of South Australia (Figure 1), with drilling at the Spare Rib lead-zinc target to follow. The Company plans to drill six holes for a minimum of 1,000m on the two prospects.

Musgrave Minerals has entered into an Agreement with Menninnie Metals Pty Ltd, a wholly-owned subsidiary of Terramin Australia Limited (ASX:TZN) to earn a 51% interest in the Menninnie Dam Project in the first stage, and up to a 75% interest thereafter.

Musgrave recently announced the discovery of high grade silver at the Frakes prospect (ASX release, 5th February 2014). High grade silver mineralisation was intersected (10m @ 990g/t

Ag, 0.3 g/t Au, 0.4% Pb, 0.3% Zn and 0.2% Cu) in shallow aircore drilling from 43m down hole including 2m @ 3,942g/t Ag, 1.0g/t Au, 0.7% Pb, 0.8% Zn and 0.9% Cu from 44m down hole in MDAC375 (Figures 2, 3 and 4).

Musgrave also intersected significant lead and zinc mineralisation at the Spare Rib prospect also at Menninnie Dam (ASX release, 28th January 2014), with results including 20m @ 2.0% Pb from 67m and 9m @ 1.4% Zn from 88m down hole in MDAC307 (Figures 2 and 5).

Commenting on the drilling the Company's Managing Director Rob Waugh said "We are very excited to have the drill rig back out at Frakes and Spare Rib. Both prospects are open at depth and along strike allowing for upside potential."

"The high silver grades at Frakes and the associated copper and gold is a real positive. We are also very keen to see what lies beneath the Spare Rib aircore mineralisation as it is common in this environment for base metals to be depleted in the weathered zone compared to the fresh rock beneath. We are hoping for higher grades in fresh rock at Spare Rib and continuity at Frakes as we drill below the existing mineralisation."

Diamond drilling on the highly encouraging Frakes silver prospect has commenced. Drill hole depths are expected to vary between 140 and 240m. The drilling program is expected to take between two to three weeks to complete with assay results available in late April.

The mineralisation at both Frakes and Spare Rib is associated with silicified epithermal breccias consistent with the latest porphyry-epithermal model Musgrave has for Menninnie Dam. Musgrave is targeting silver and lead-zinc mineralisation in this highly prospective, yet underexplored porphyry-epithermal field.

The Frakes prospect is only 5km south-west of the existing Menninnie Central and Viper deposits at Menninnie Dam and Spare Rib is only 2km east of Viper (Figure 2).

Musgrave Minerals' is in a very strong financial position to successfully follow-up any encouraging results identified at Menninnie Dam.

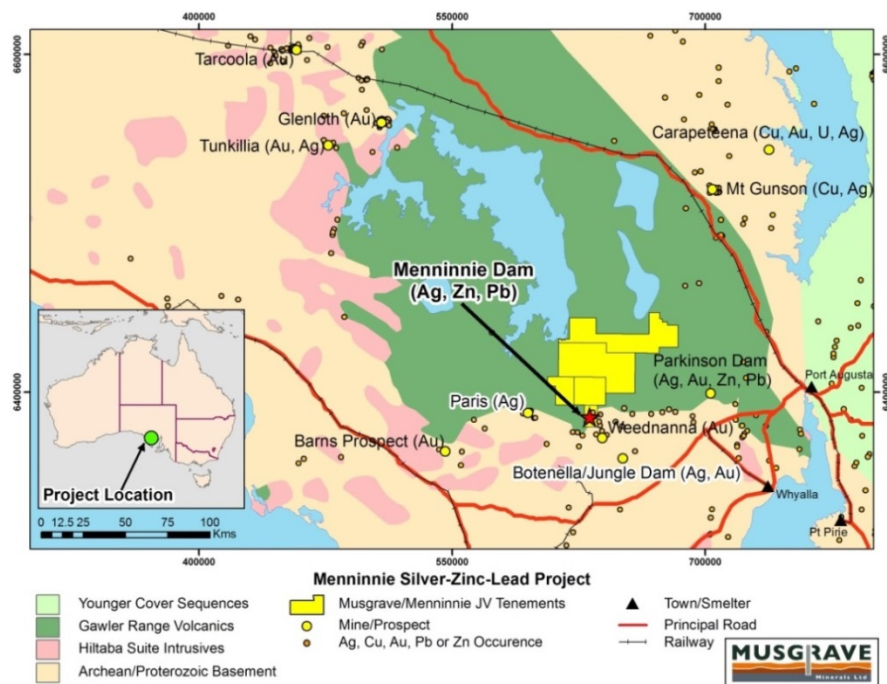


Figure 1: **Location of the Menninnie Dam Project, South Australia**



About Menninnie Dam

The Menninnie Dam Project comprises five Exploration Licences covering a contiguous area of 2,471km² in the highly sought after and prospective Gawler Craton region of South Australia (Figure 1). Menninnie Dam is located approximately 100km west of Port Augusta and is well positioned in regards to infrastructure and proximity to the coast.

The Project hosts the Menninnie Central and Viper deposits with a combined inferred mineral resource of 7.7Mt @ 27g/t Ag, 3.1% Zn, 2.6% Pb (*estimated by Terramin Australia Limited in 2011 in accordance with the 2004 JORC code).

The Menninnie Dam Project is located in a new and very prospective silver province, only 20km east of Investigator Resources' recent Paris silver discovery.

** JORC (2004 Edition)-compliant inferred resource for the Menninnie Central and Viper deposits was reported by Terramin Australia Limited (ASX: TZN) on 1st March 2011*

| Deposit | Tonnes x10³ | Zn (%) | Pb (%) | Ag (g/t) | Pb+Zn (%) |
|--|-------------------------------|---------------|---------------|-----------------|------------------|
| Total Menninnie Central | 5,240 | 3.5 | 2.7 | 28 | 6.1 |
| Total Viper | 2,460 | 2.3 | 2.4 | 24 | 4.8 |
| Total Menninnie Central and Viper | 7,700 | 3.1 | 2.6 | 27 | 5.7 |

Inferred Resource (at 2.5% Pb+Zn cut-off) as at 15 February 2011

MGV is not aware of any new information that would affect the material nature of this resource calculation.

***Competent Person's Statement**

The information in this report that relates to Mineral Resources or Ore Reserves is based on information 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 2004 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.

About Musgrave Minerals

Musgrave Minerals Ltd is an active Australian base metals explorer with a large exploration footprint in the Musgrave Province in South Australia, with tenements covering an area of approximately 50,000km². The Company also has an active advanced stage exploration project, Menninnie Dam in the prospective silver and base metals province of the southern Gawler Craton of South Australia. Musgrave has a powerful shareholder base with six mining and exploration companies participating as cornerstone investors.

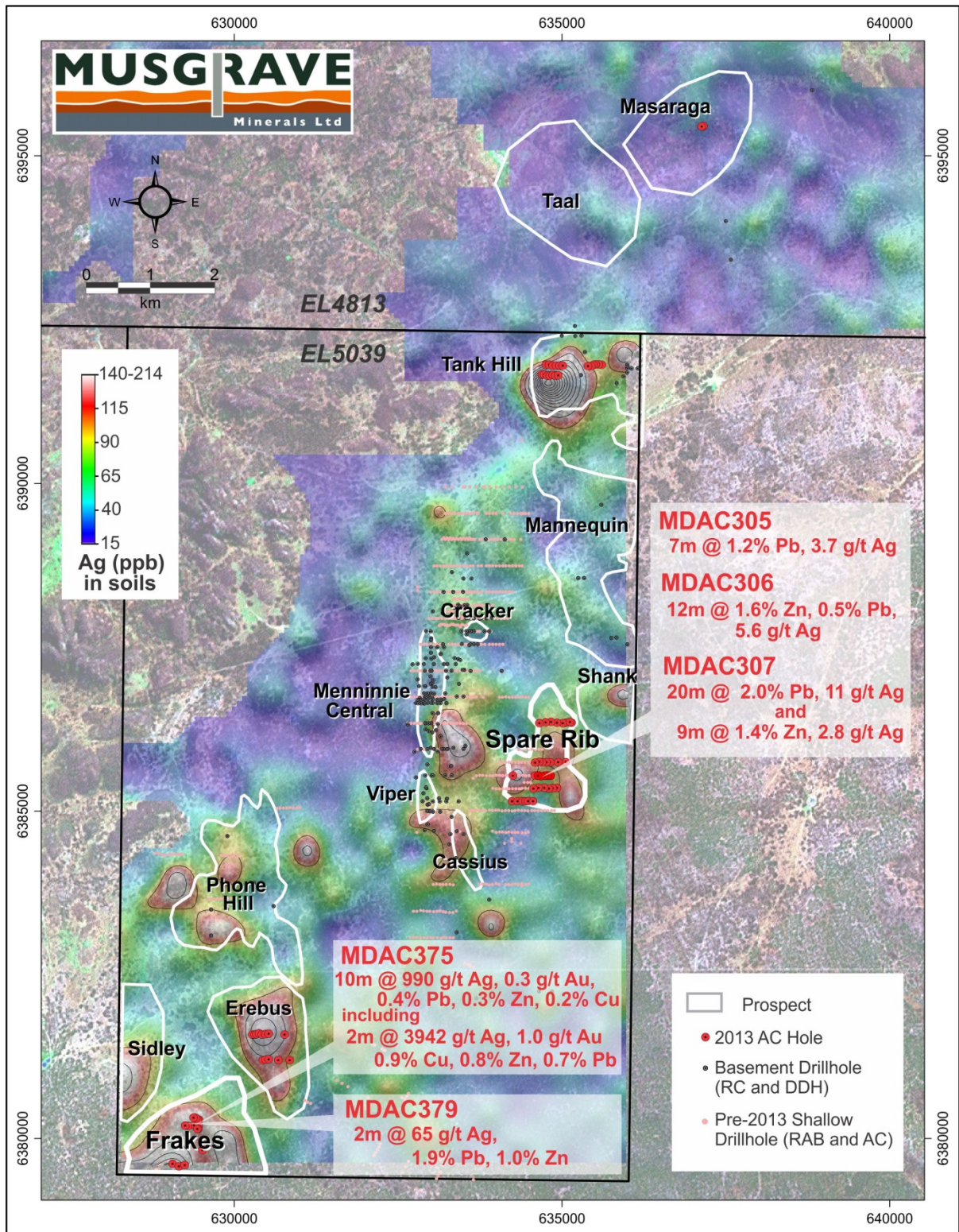


Figure 2: *Location of Menninnie Dam prospects with drill hole collars and significant recent aircore drilling assay results on silver geochemical and landsat image.*



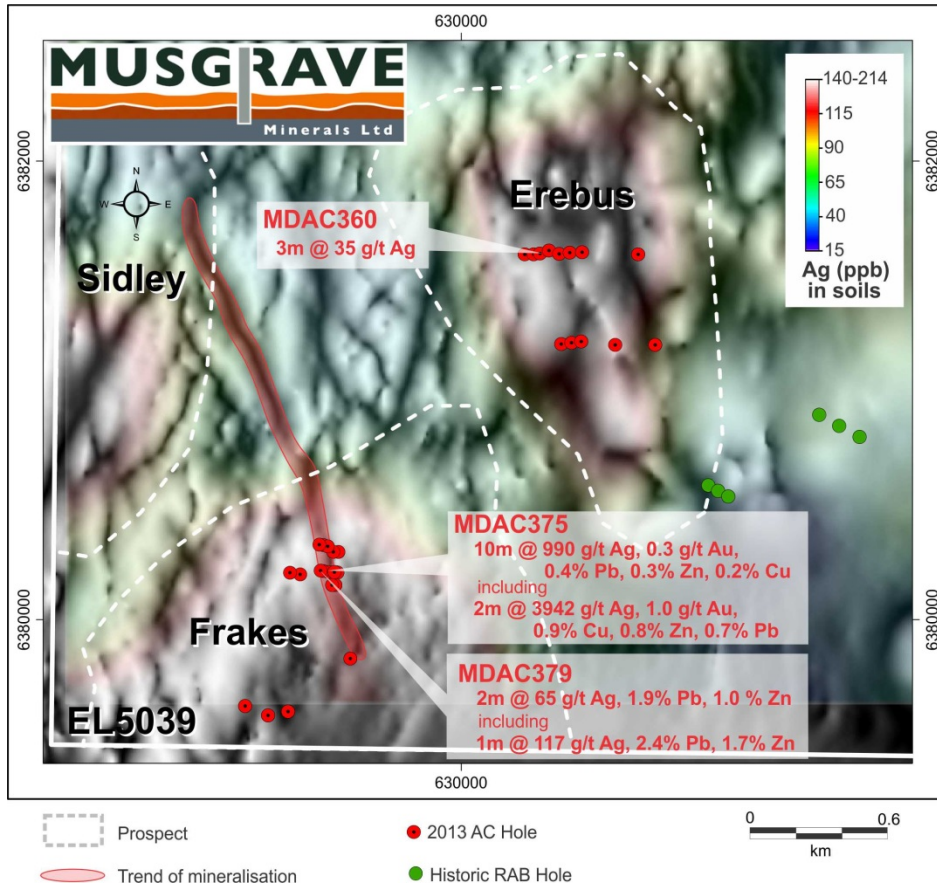


Figure 3: **Location of aircore drill hole collars at Frakes prospect showing significant recent aircore drilling assay results on aeromagnetics and colour draped surface silver geochemical image.**

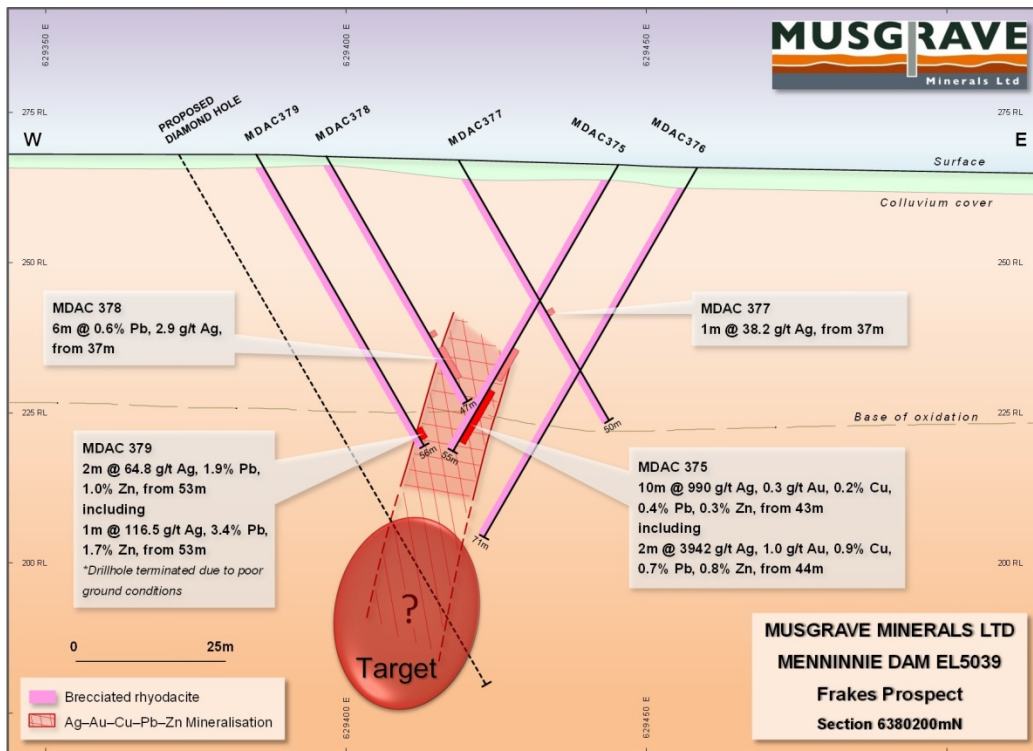


Figure 4: **Cross section at 6380200mN at Frakes showing significant drill results, new target and proposed diamond drill hole location.**



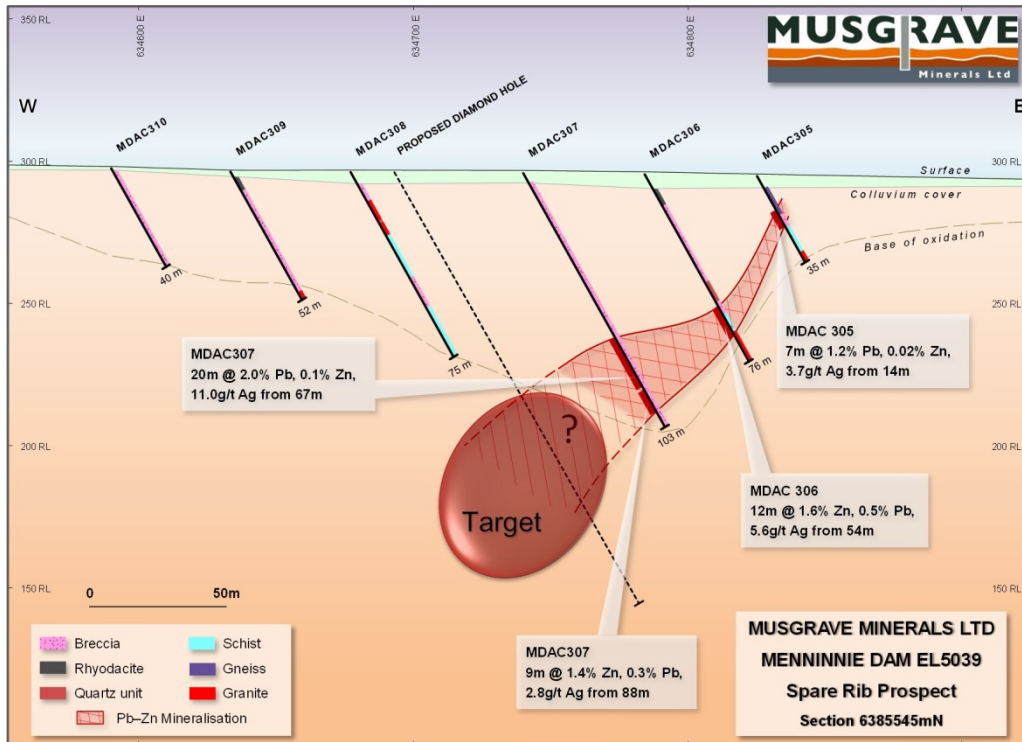


Figure 5: **Cross section at 6385545mN at Spare Rib showing significant drill results, new target and proposed diamond drill hole location.**

Enquiries:

Robert Waugh
Managing Director
Musgrave Minerals Ltd
+61 8 9324 1061

Robert Gundelach
Investor Relations
NWR Communications
0451 896 420

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