



ASX RELEASE

8 February 2017

ASX: MGV

Musgrave Completes Stage 1 Earn-in on Cue Project

- **60% ownership interest earned on the Cue Project**
- **Formation of an unincorporated Joint Venture with Silver Lake Resources Limited and Cue Minerals Pty Ltd over the Cue Project, with Musgrave as Manager**
- **Musgrave elects to proceed with Stage 2 of the Farm-In and Joint Venture Agreement to increase Musgrave's ownership interest to 80%**

The Board of Musgrave Minerals Limited (ASX: **MGV**) (“Musgrave” or “the Company”) is pleased to announce that Musgrave has completed Stage 1 of the Cue Project Farm-In and Joint Venture Agreement (“Cue Joint Venture”) with Silver Lake Resources Limited (ASX: **SLR**) and Cue Minerals Pty Ltd (“CMPL”), a wholly owned subsidiary of SLR, on the Cue Project in the highly prospective Murchison province of Western Australia (*Figure 1*).

Under the Stage 1 terms of the Cue Joint Venture, Musgrave has now earned a 60% interest in the Cue Project by meeting the \$1,800,000 exploration expenditure requirement. In addition, the Minimum Expenditure of \$900,000 previously satisfied by Musgrave brings the total expenditure on the Project to \$2,700,000.

The Cue Project tenements cover approximately 272km² of tenure which includes the Moyagee and Hollandaire Mineral Resources and Reserves (*See MGV ASX announcement 26 October 2016, “2016 Annual Report – Replacement Report”*).

The Company will now form an unincorporated joint venture with SLR and CMPL over the project tenements, with Musgrave as Manager of the joint venture.

Musgrave has also elected to proceed to Stage 2 of the Cue Joint Venture whereby the Company can increase its interest to 80% by spending an additional \$1,800,000 on exploration within 2 years of this election.

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Further drilling at Break of Day and Lena is scheduled to commence during the first week of March as Musgrave continues to work towards its objective to increase high grade gold resources to underpin studies to demonstrate a viable path to development at Cue.

Musgrave Managing Director Rob Waugh said:

“Musgrave is pleased to have completed the initial 60% ownership interest in the Cue Project. This is an exciting time for Musgrave following the exceptional drilling results received at Break of Day and Lena as we push towards delivering on our objectives.

The Company continues to have an excellent relationship with Silver Lake Resources Limited and looks forward to working with it to further develop the Cue Project.”

For further information, please contact:

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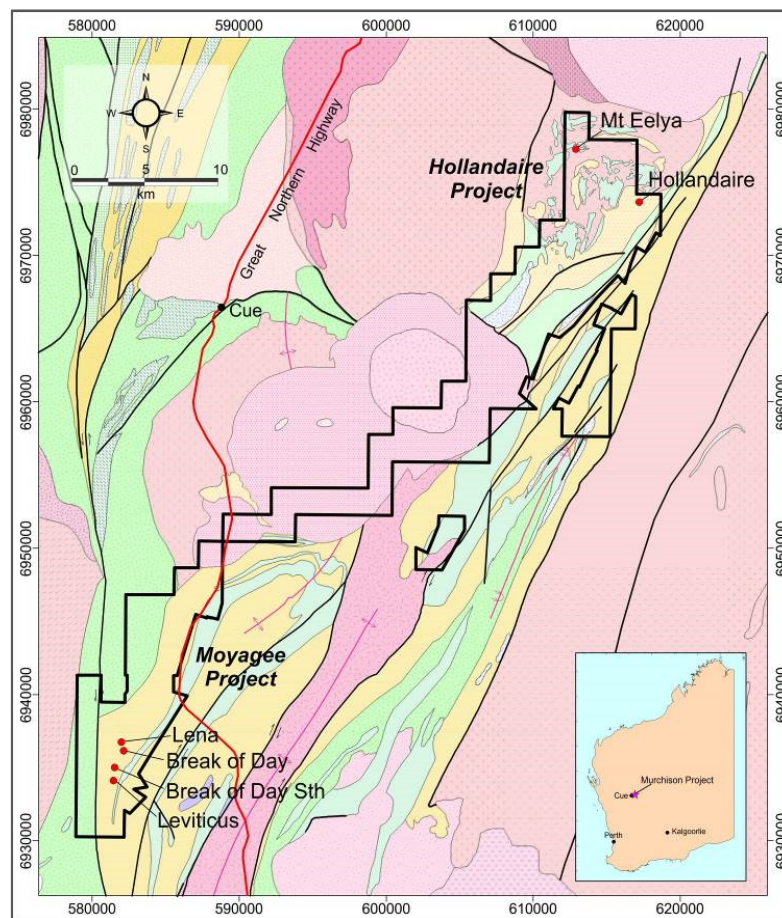


Figure 1: Cue Project location plan

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's focus is to increase 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 the highly prospective Mamba Ni-Cu sulphide project in the Fraser Range of Western Australia and an active epithermal Ag-Pb-Zn-Cu project in the prospective silver and base metals province of the southern Gawler Craton of South Australia and a large exploration footprint in the Musgrave Province in South Australia. Musgrave has a powerful shareholder base with four mining and exploration companies currently participating as cornerstone investors.

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.