

Regional Lake Aircore Drilling Commences

- Large regional aircore drilling program commences at Cue on Lake Austin as part of Evolution JV
 - > 200 holes for >20,000m of aircore drilling planned
- Drilling will test the extension of the Lena-Break of Day mineralised corridor north under Lake Austin

Musgrave Minerals Ltd (ASX: **MGV**) ("Musgrave" or "the Company") is pleased to report that aircore drilling has commenced on Lake Austin on the Company's flagship Cue Gold Project in Western Australia's Murchison district (*Figure 1*). The drilling is part of the Earn-in and Exploration Joint Venture with Evolution Mining Ltd ("Evolution") (see *MGV ASX release 17 September 2019 "Musgrave and Evolution sign \$18 million Earn-in JV and \$1.5 million placement to accelerate exploration at Cue"*).

Musgrave Managing Director Rob Waugh said "This regional geochemical exploration program is another important step to test the gold potential of this highly prospective area under the cover sediments of Lake Austin."

The aircore drilling program will test four target areas (*Figure 1*) and consist of more than 20,000m and 200 drill holes, and take approximately three months to complete. The first assays from this drilling are expected in April.

Regional aircore drilling of this kind is used to define broad gold and pathfinder element anomalies within the Archaean regolith (weathered basement rock) that commonly form as a geochemical halo derived from underlying basement gold mineralisation. The program will also test the bedrock interface in some drill holes. Geochemically anomalous areas will require follow-up basement drill testing to define their economic gold potential.

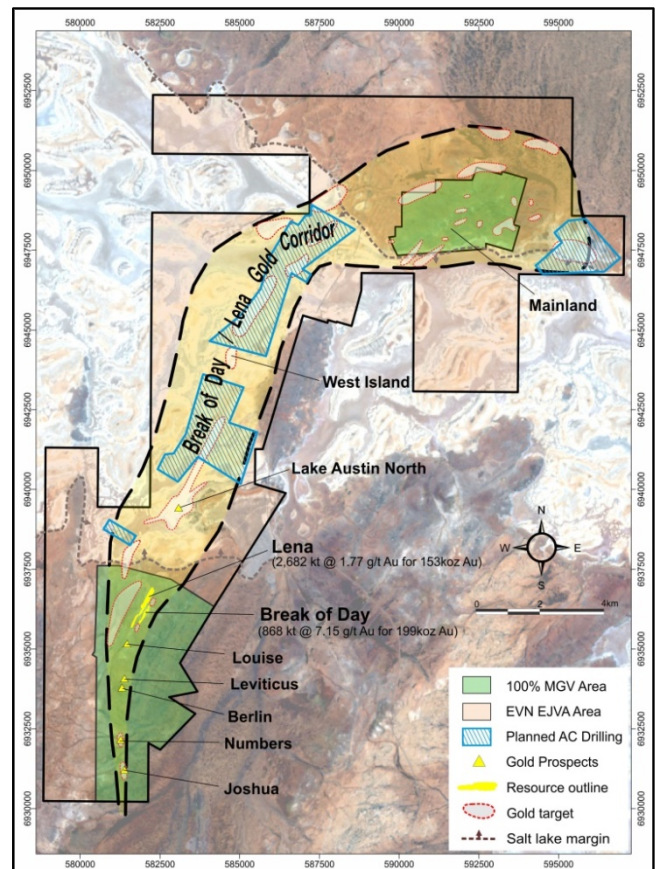


Figure 1: Prospect location plan

This process is what led to the discovery of gold mineralisation at Lake Austin North in 2018.

Ongoing Exploration

Evolution JV

- The initial diamond drilling program at Lake Austin North is now complete. Assay results are expected in March 2020.
- First assays from the regional Lake Austin aircore drilling program are expected in Q2 2020 and will be batched and reported on a target area basis.

Musgrave 100% tenements

- The Company is progressing towards delivering a Lena resource update later in Q1 2020.
- Reverse circulation drilling at Break of Day testing the new 'link-lode' position is continuing, with first assays expected in March 2020.
- Reverse circulation drilling testing the new high-grade gold discovery at the Consols prospect, within the Mainland area, is continuing, with first assays expected in late March 2020.

THE CUE PROJECT

The Cue Project ("the Project") is located in the Murchison district of Western Australia (Figure 2). 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.

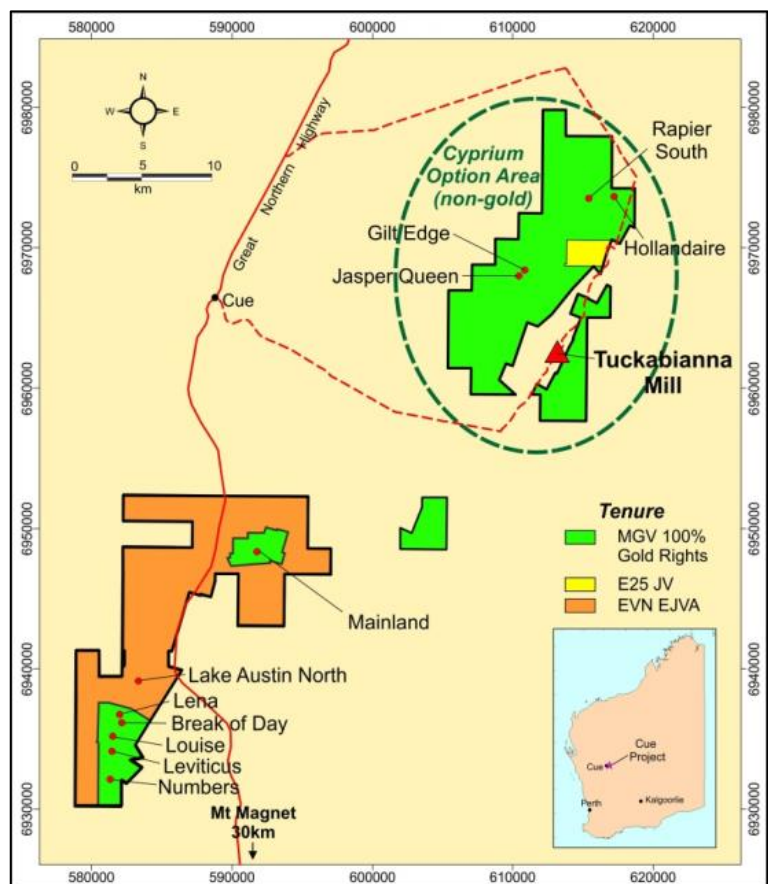


Figure 2: Cue Project location plan and tenure



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 2*).

In May 2019 Cyprum Australia Pty Ltd (“Cyprum”) 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 2*). Cyprum 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.
Rob Waugh
Managing Director

For further details please contact:

Rob Waugh
Managing Director
Musgrave Minerals Limited
+61 8 9324 1061

Luke Forrestal
Associate Director
Media and Capital Partners
+61 411 479 144

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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**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.

