Musgrave Minerals Ltd: $18M Raising to Fund Resource Growth and Company Presentation

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Perth, Australia - Musgrave Minerals Ltd. (ASX:MGV) (FRA:6MU) 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).

- 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:

o 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

o Commencement of prefeasibility studies on the Break of Day and Lena deposits

o Continuation of studies to inform the Mining Proposal approvals

o Further conversion of Inferred Resources into the higher confidence, Indicated Resource category at Break of Day and Lena

o Continuation of the successful regional exploration drilling program

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.

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 highgrade, 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 view the SPP Timetable, please visit:
https://abnnewswire.net/lnk/HX777NFU

To view the Company Presentation, please visit:
https://abnnewswire.net/lnk/N60E3N1A

About Musgrave Minerals Ltd:

Musgrave Minerals Ltd. (ASX:MGV) 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.

Source:
Musgrave Minerals Ltd.

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