Musgrave Minerals Ltd: $10 Million Capital Raising to Progress Cue Project

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Perth, Australia - Musgrave Minerals Ltd. (ASX:MGV) (FRA:6MU) (OTCMKTS:MGVMF) is pleased to advise that it has received firm commitments to raise $8 million (before costs) via a placement of 40,000,000 fully paid ordinary shares in the Company ("New Shares") at an issue price of $0.20 per New Share to institutional, professional and sophisticated investors (the "Placement").

The Placement was underpinned by new institutional investors as well as existing shareholders. New Shares under the Placement will be issued at $0.20 per New Share, representing a 13% discount to Musgrave's last trading price and a 14% discount to the 15-day volume weighted average market price for Musgrave shares calculated over the 15 trading days on which trades in that class were recorded immediately before the date of this announcement.

In addition to the Placement, Musgrave will offer existing eligible shareholders the opportunity to subscribe for up to a maximum of $30,000 worth of fully paid ordinary shares in the Company each at an issue price of $0.20 per share under a share purchase plan ("SPP"), to raise an additional $2 million (before costs). Further details on the SPP are provided below.

The Placement and the SPP together comprise the "Capital Raising".

Use of funds

In conjunction with existing cash reserves, the funds raised through the Capital Raising are indicatively proposed to be used as follows:

- Completion of the Stage 1 PFS which will focus on the technical and financial viability of the initial years of the Cue Gold Project;

- Completion and submittal of a mining proposal for the Cue Gold Project;

- Further development works;

- Completion of a RC/diamond drilling program of ~30,000m to test multiple high-priority targets identified on the Cue Gold Project (including resource definition drilling of the new Waratah and Amarillo gold discoveries) in light of the results from regional exploration drilling which continues to identify new mineralised zones;

- Continue to progress resource drilling to aim to advance conversion of Inferred Resources to the higher confidence Indicated category;

- Regional exploration focused on identifying and drill testing additional high-priority targets to pursue further growth of the resource base; and

- 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 7.1A and the Company expects to issue the New Shares, subject to settlement, on or around 1 December 2022.

Canaccord Genuity (Australia) Limited, Euroz Hartleys Limited and Veritas Securities Limited (together, the "Joint Lead Managers") are acting as joint lead managers to the Placement and, following completion of the Placement, will collectively receive a total lead manager fee of 6% of the gross proceeds raised under the Placement less 3% for an agreed chairman's list.

An indicative timetable for the Capital Raising is provided in the link below.

Musgrave Managing Director Rob Waugh said: "The progression of development studies, a systematic de-risking of the project and pursuing resource growth can ensure we unlock the inherent value of the project as a strategic asset and create value for shareholders."

"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 Gold Project represents a unique, high-quality asset with the cornerstone being the high-grade, near-surface Break of Day Trend deposits that will underpin our development studies.

Further success in regional exploration has the potential to advance the scope of the project through further discovery and resource growth.

Following the completion of the Capital Raising, the Company will have a cash balance of approximately $15 million. An Appendix 3B and an Appendix 2A will follow this release as appropriate.

Share Purchase Plan (SPP)

In addition to the Placement, 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 value of $30,000 at the same issue price as New Shares issued under the Placement, being $0.20 per New Share. The Company reserves the right to accept oversubscriptions and/or scale back applications. The SPP is not underwritten.

Participation in the SPP is voluntary and is available exclusively to shareholders who are registered as holders of Musgrave shares at 4:00pm (AWST) on the Record Date of 24 November 2022 and whose registered address is in Australia or New Zealand (Eligible Shareholders).

The SPP is anticipated to open on 2 December 2022 and is expected to close at 4.00pm (AWST) on 20 December 2022. The Company reserves the rights to change the SPP opening and closing dates.

The Company intends to raise $2 million from the SPP. However, if total demand for the SPP exceeds $2 million, the Directors may in their absolute discretion, undertake a scale back to the extent and in the manner they see fit or close the SPP early. Alternatively, the Company may elect to accept over subscriptions in excess of $2 million, subject to the maximum permitted under the ASX Listing Rules.

The Company may also alter the offer period for the SPP.

Subject to the ASX Listing Rules, to the extent that there is a shortfall in the subscription of shares under the SPP ("Shortfall"), the Directors reserve the right to (without limitation) issue shares that comprise the Shortfall to institutional, sophisticated and professional investors at their absolute discretion.

New shares to be issued under the SPP will rank equally with the Company's existing fully paid ordinary shares on issue.

To view the Equity Raising Presentation, please visit:
https://www.abnnewswire.net/lnk/Q65IL450

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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