



ANNUAL REPORT 2021

CORPORATE DIRECTORY

DIRECTORS

Graham Ascough	Non-Executive Chairman
Robert Waugh	Managing Director
Kelly Ross	Non-Executive Director
John Percival	Non-Executive Director
Brett Lambert	Non-Executive Director

COMPANY SECRETARY

Patricia (Trish) Farr

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SECURITIES EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd ("ASX")

Home Exchange: Perth, Western Australia

ASX Code: MGV

Musgrave Minerals Ltd (“Musgrave” or “the Company”) (ASX: MGV) is an Australian company focused on gold exploration, resource growth and near-term development at the Cue Project in the Murchison Province of Western Australia.

A description of the Company’s operations and principal activities is included in the Review of Operations and the Directors’ Report.

Photo credit:

Travis Dean, Bernadette Waugh



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CHAIRMAN'S LETTER

On behalf of the Board of Directors, it is my pleasure to present the 2021 Annual Report for Musgrave Minerals Limited ("Musgrave" or "Company").

The Company's Cue Project ("Cue") in the well-endowed, gold producing Murchison region of Western Australia continues to deliver new discoveries and the outstanding success of our exploration programs at Cue have been transformational for Musgrave.

Building on the discovery of the high-grade Starlight and White Light gold lodes at Break of Day in 2020, the team implemented a regional exploration program to search for further gold positions at Cue and were successful in identifying several promising targets that have delivered significant gold intersections to date. White Heat, Big Sky and Target 14 are examples of this success. It is still early days but the results are exciting. The extensive and broad gold intersections that we have intersected in shallow drilling at Big Sky and Target 14 have defined a new gold corridor with over 7km of strike. This area will be a focus of the Company's exploration efforts in the coming months with the objective of identifying new resources to grow the already significant resource base that we have at Break of Day and Lena.

During the year, Musgrave completed a mineral resource update for Break of Day that includes the new Starlight and White Light gold lodes. Break of Day is now estimated to host approximately 797kt grading 10.2g/t gold for ~262,000 ounces of gold. We believe this is one of the highest grade, undeveloped, near-surface gold resources in Australia. When combined with the Lena deposit, located only 130m to the west, Inferred and Indicated Resources total 5.1Mt @ 3.6g/t gold for ~587,000 ounces of contained gold, a significant portion of which will be amenable to open pit mining. This will form the basis for development studies that are currently underway and the pathway to production.

In addition, a substantial drilling program on Lake Austin is continuing under our Joint Venture with Evolution Mining Ltd. The initial large-scale aircore drilling completed on the Lake in 2020 and early 2021, identified several extensive, high tenor, regolith gold targets that are now being tested as part of the on-going diamond drilling program. Basement drilling at the West Island prospect has returned significant intersections and further follow-up is underway.

The Company continually reviews the ongoing situation relating to COVID-19 and the implications for the health and wellbeing of our employees, contractors and

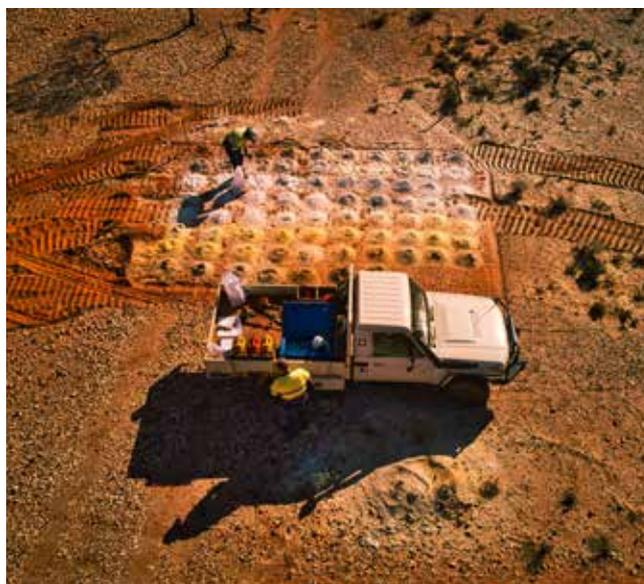
stakeholders. We are pro-active with respect to our response and have operational procedures and plans in-place in-line with official health advice and government directives. Musgrave will continue to operate within these guidelines, and I'm pleased to say that, to date, we remain incident free. Logistics and planning are more complex and while there have been delays in assay turn-around times there have not been significant cost impacts on our programs to date related to COVID-19.

I would like to take this opportunity, on behalf of the Board, to thank all our Shareholders for their ongoing support. I would also like to thank the staff, management, contractors and my fellow Directors for their ongoing efforts. We are committed to progressing the Cue Project and growing the Company by identifying and testing new targets, increasing our resources and progressing towards development, through high-quality exploration and technical studies for the benefit of all Musgrave shareholders.



Graham Ascough

Chairman



Regional drilling - Cue Project

REVIEW OF OPERATIONS

Musgrave Minerals Ltd (“Musgrave” or “the Company”) (ASX: MGV) is an Australian resources company focused within gold exploration and development at the Cue Project in the Murchison Province of Western Australia. Exploration activities for the financial year have been focused on gold exploration at Cue.

Musgrave has an estimated 659Koz of gold in resources within the Cue Project and completed more than 90,000m of drilling during the year. The total Indicated and Inferred JORC Mineral Resources on the project are 6.4Mt @ 3.2g/t Au for 659Koz of gold (see MGV ASX announcement 11 November 2020, “Break of Day High-Grade Mineral Resource Estimate”). The Break of Day Mineral Resource has increased to 797kt @ 10.2g/t Au for 262Koz contained gold.

The new Big Sky and White Heat gold discoveries are not included in the current resource estimate.

The Company’s focus continues to be on the Cue Project (“Cue”) which is located in the well-endowed, gold producing Murchison region of Western Australia. Musgrave’s intent is to continue to grow the resource base, accelerate exploration and continue prefeasibility

level studies at the Break of Day and Lena deposits to define a low-cost operation that returns value to shareholders.

FY21 was a successful year for Musgrave following the high-grade Starlight gold discovery at Break of Day and subsequent resource update in November 2020. A capital raising and the implementation of significant exploration programs have led to further gold discoveries at White Heat, Target 14 and Big Sky, enhancing the potential to grow the existing resource base.

After the discovery of the Starlight deposit at Break of Day in 2020, the Company applied the knowledge and experience gained back into regional target selection and followed this up with a strong focus on exploration drilling to grow the resource base at Cue.

The exploration drilling program has been very successful and has identified high-grade gold mineralisation at the White Heat Prospect and thick, near-surface modest grade mineralisation over a 2.6km strike extent at Big Sky.

Musgrave also has tenement applications in the Musgrave Geological Province of South Australia (Figure 1).

“Musgrave will maximise its exploration expertise to drive discovery success and resource growth to progress the Company towards its development goals”

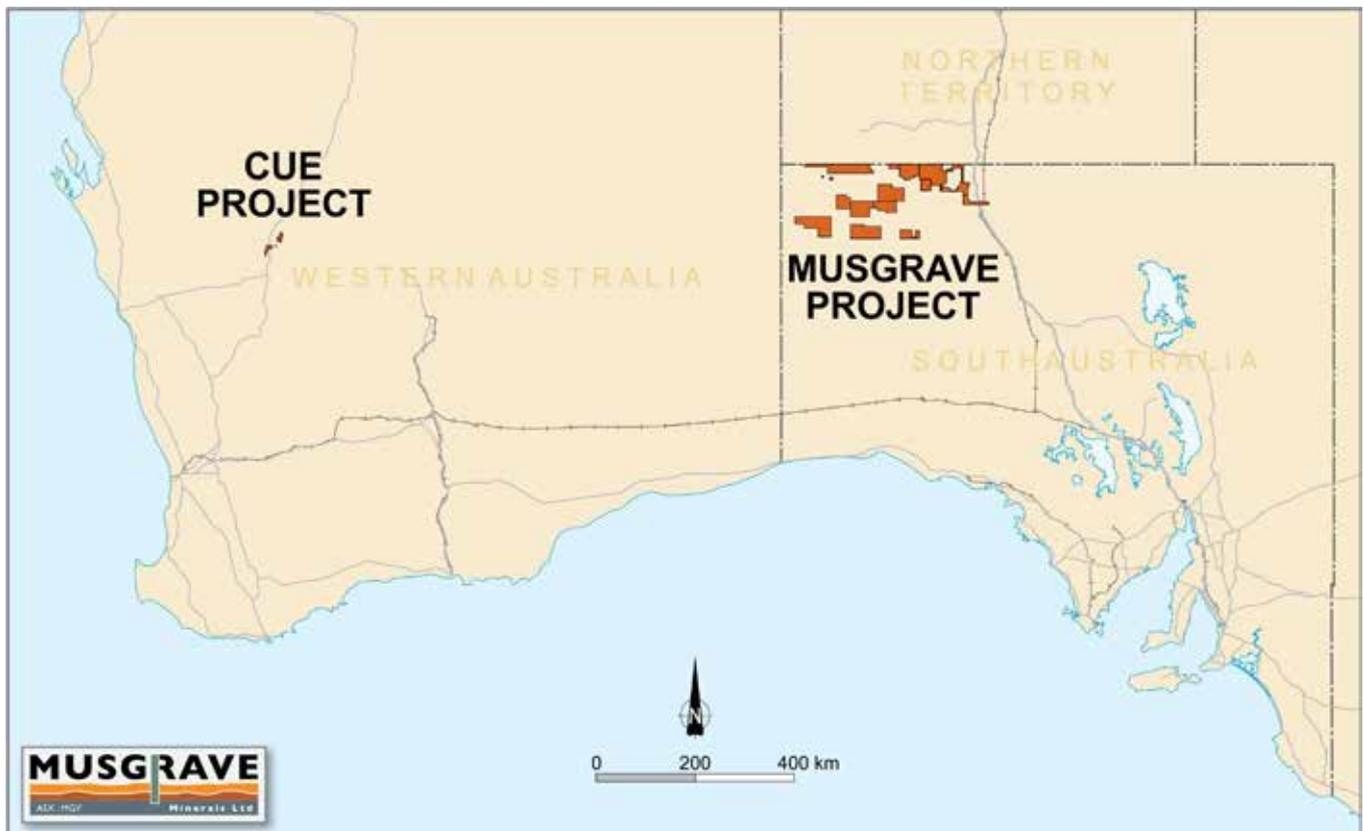


Figure 1: Musgrave Minerals’ Project Location Map

REVIEW OF OPERATIONS

Corporate

During the year, Musgrave spent \$6.9M on exploration activities.

Musgrave successfully completed a capital raising in December 2020 to raise \$16.0M (before costs) through a share placement to institutional, corporate, and sophisticated investors. Musgrave also completed a Share Purchase Plan ("SPP") that raised \$3.523M (before costs) and closed in January 2021. Musgrave's cash position at 30 June 2021 was \$20.9M.

There have been a number of changes to the Company's unlisted options with some expiring and some being exercised. During the year, 14.2 million unlisted options were exercised, raising \$1.65 million.

At 30 June 2021 the Company's capital structure comprised:

- 533,222,949 fully paid ordinary shares; and
- 16,080,000 unlisted options at various exercise prices and expiry dates

During the first quarter of 2021, Mr Brett Lambert was appointed as a Non-executive Director. Mr Lambert brings extensive skills and expertise across project development and mining which will be of significant benefit as the Company progresses through development studies to mining.

Musgrave will progress the Cue Gold Project in two strategic directions, exploration discovery and resource growth, and development studies to maximise the value of the resources. The Company will accelerate drilling across high-priority targets at Cue with the aim of making further high-grade gold discoveries that would add value to a stand-alone operation. Development studies are currently focused on long lead-time items required to advance development of the existing resources.



Gold panning at White Heat Prospect

The Company holds 12.5 million shares in Legend Mining Ltd (ASX: LEG) currently valued at approximately \$0.9M. Musgrave also holds 1,308,750 ordinary shares in Cyprium Metals Ltd (ASX: CYM) currently valued at approximately \$250,000.

During financial year 2021, Musgrave successfully secured an Exploration Incentive Scheme ("EIS") co-funded drilling grant of up to \$150,000 to drill test regional targets at Cue that aided in the discovery of the White Heat and Big Sky gold systems.

Response to COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company to date, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to evolve and future scenarios are dependent on measures imposed by the State and Federal governments. The Company will work towards maintaining its operations and developing its projects while aiming to keep its employees, contractors and the communities in which we operate safe.

The Company has operational procedures and guidelines in place that are in-line with official health advice and government directives. Musgrave will continue to operate within these guidelines and will adapt its procedures as required. COVID-19 has created some bottlenecks in the industry with regard to assay turn-around, supply and resourcing. The Company remains an active explorer and will continue to advance the Cue Gold Project.

Exploration Activities

Cue Project

During the year the Company focused on exploration and resource growth at the Cue Gold Project while progressing long lead-time items to advance development studies at Break of Day and Lena. This culminated in the discovery of the new Starlight and White Light gold lodes at Break of Day in 2020, which led to a resource update at Break of Day in November 2020.

The Company has had continued exploration success with the recent discoveries of the White Heat, Target 14 and Big Sky gold systems to the south of Break of Day.

Musgrave has an estimated 659Koz of gold in resources at the Cue Project and completed more than 90,000m of drilling during the year. The total Indicated and Inferred JORC Mineral Resources on the project are 6.4Mt @ 3.2g/t Au for 659Koz of gold (see *MGV ASX announcement 11 November 2020, "Break of Day High-Grade Mineral Resource Estimate"*).

REVIEW OF OPERATIONS

On the Evolution Joint Venture on Lake Austin, the Company completed over 26,000m of regional aircore drilling and over 2,700m of follow-up diamond drilling. Evolution has committed to a further \$5M in exploration on the joint venture in FY22. As part of this commitment a further program of 17,000m of aircore drilling and 7,000m of follow-up diamond drilling has commenced.

Break of Day Deposit

Following the Starlight and White Light discoveries in 2020, the Break of Day Mineral Resource has increased to 797kt @ 10.2g/t Au for 262Koz contained gold. The recent update from the previous July 2017 Mineral Resource delivered a:

- 31% increase in total contained ounces;
- 58% increase in Indicated Resources to 175,900 ounces of gold; and
- 42% increase in gold grade to 10.2g/t Au.

The new Big Sky and White Heat gold discoveries are not included in this resource estimate.

Some of the key attributes of the Starlight and White Light resources (360kt @ 13.9g/t gold for 161Koz of contained gold), (see *MGV ASX announcement 11 November 2020, "Break of Day High-Grade Mineral*

Resource Estimate") are the very high-grade and near-surface nature (only 2-4m of cover) of the gold system, the concentration of 85% of the resource into five main lodes and the proximity to infrastructure. The Break of Day mineralisation remains open in several parts of the deposit including down dip.

A significant infill resource definition program is planned in FY22 at Lena and Break of Day to convert Inferred resources to the higher confidence Indicated category to align with the advancement of development studies.

Lena Deposit

The Lena deposit has a Mineral Resource estimate of 4.3Mt @ 2.3g/t Au for 325Koz gold (see *ASX announcement 17 February 2020, "Lena Resource Update"*).

Drilling at Lena extends to a maximum depth of 400m below surface, where the mineralisation remains open down plunge. The mineralisation has been interpreted and estimated to a depth of 430m and remains open over much of the 1.5km strike length of the deposit.

A significant infill resource definition program is planned in FY22 at Lena and Break of Day to convert Inferred resources to the higher confidence Indicated category to align with the advancement of development studies.

"The Starlight deposit is an exceptional near-surface high-grade gold discovery with the potential to return high margins."

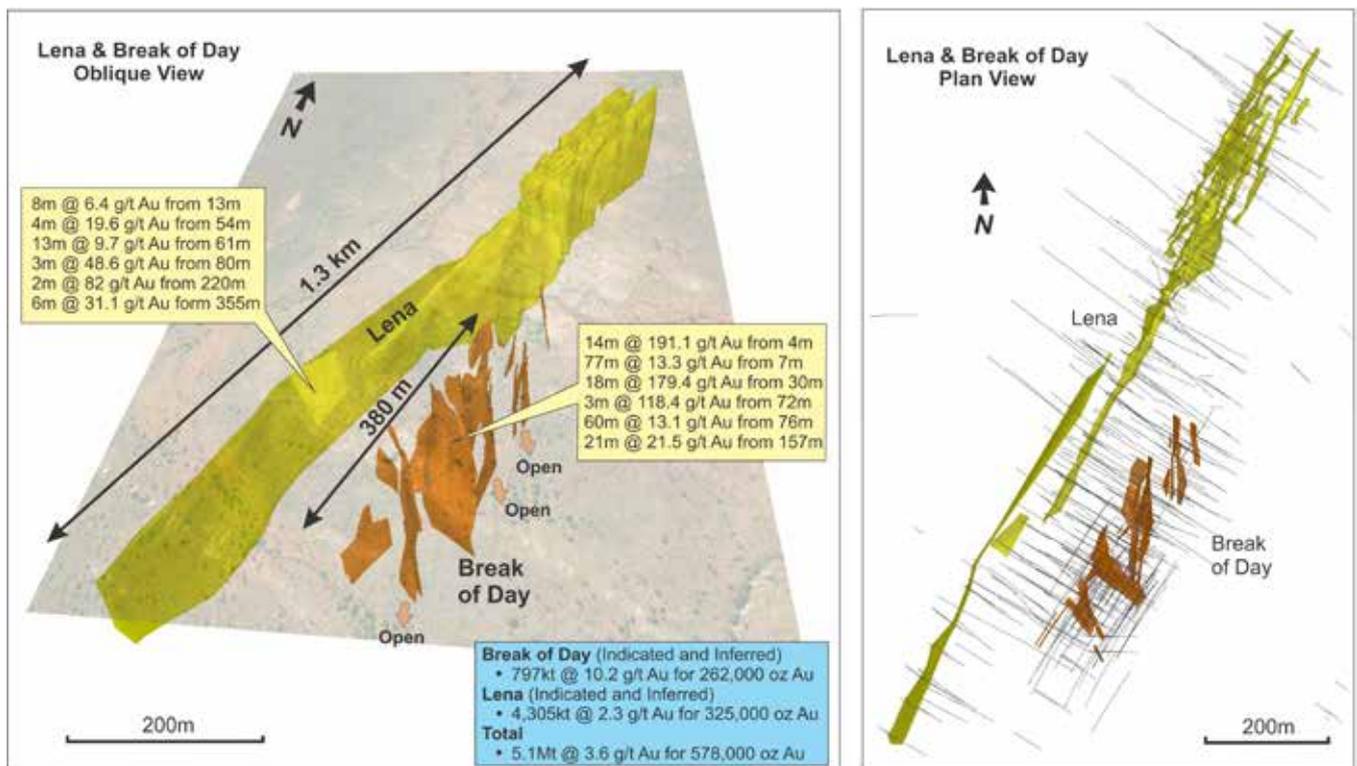


Figure 2: Schematic 3D model showing Starlight and White Light lodes at Break of Day, Cue Project

REVIEW OF OPERATIONS

Regional Exploration

Following the discovery of the Starlight deposit at Break of Day, the Company applied the knowledge and experience gained back into regional target selection, and followed this up with a strong focus on exploration with the aim of growing the resource base at Cue. During the year Musgrave completed 90,000m of resource and exploration drilling, including approximately 30,000m on the Evolution Joint venture.

The exploration drilling program has been very successful in identifying high-grade gold mineralisation at the White Heat and Target 14 prospects and thick, near-surface modest grade mineralisation over a 2.6km strike extent at Big Sky.

White Heat Prospect

White Heat is 300m south of Break of Day (Figures 3 and 6), has a strike extent of approximately 70m and is open down plunge. Significant intersections at White Heat, include:

- 11m @ 19.6g/t Au from 48m (21MORC039)
- 1.2m @ 303.2g/t Au from 74.6m and 8.4m @ 6.8g/t Au from 27.3m (21MODD018) including:
 - 1.2m @ 37.2 g/t Au from 27.3m
- 6.8m @ 17.8g/t Au from 47m (21MODD019) in the hanging wall lode including:
 - 0.7m @ 112.9g/t Au from 48.1m; and
- 3.4m @ 107.6g/t Au from 74.6m (21MODD019) in the footwall lode including:
 - 1.2m @ 303.2g/t Au from 74.6m

(see MGV ASX announcements dated 19 March 2021 and 16 August 2021).

It is envisaged that White Heat could be a satellite pit to a larger development at Break of Day and Lena. Drilling at White Heat is continuing with the aim of defining a maiden resource in Q2 2022.

Big Sky Prospect

A focus on exploration drilling (aircore, RC and diamond) and resource growth has led to the discovery of extensive regolith gold mineralisation over a continuous 2.6km long trend, 2km south-west of Break of Day, referred to as Big Sky (Figure 3). The mineralisation is part of a 7km-long gold corridor with near-surface mineralisation identified over thick intervals below a thin veneer (1-10m) of transported hardpan cover (Figures 6 & 7). Infill resource definition RC drilling has commenced to test the continuity, grade

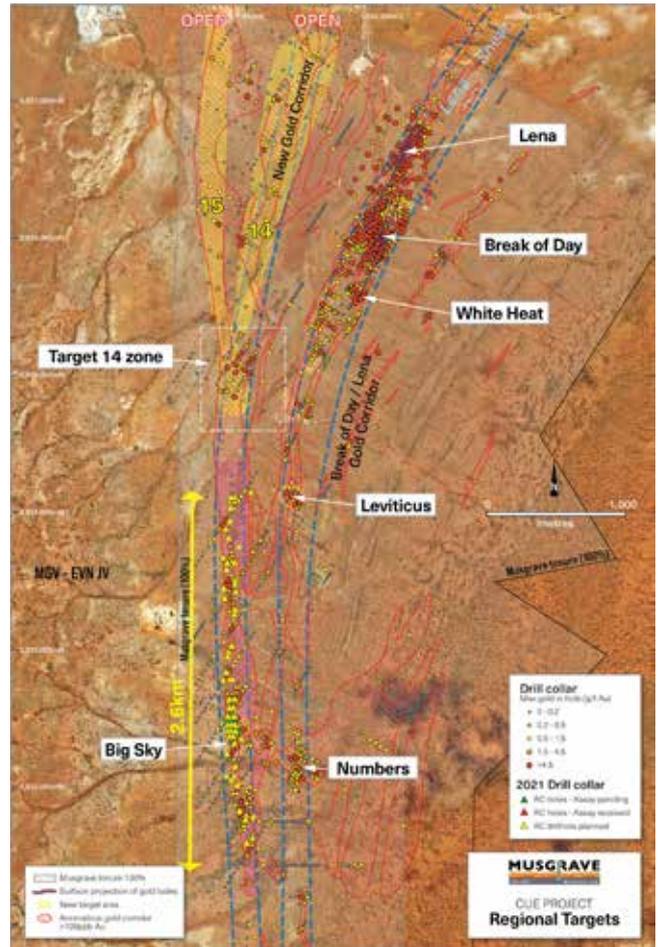


Figure 3: Plan showing deposit and prospect location, Cue Gold Project

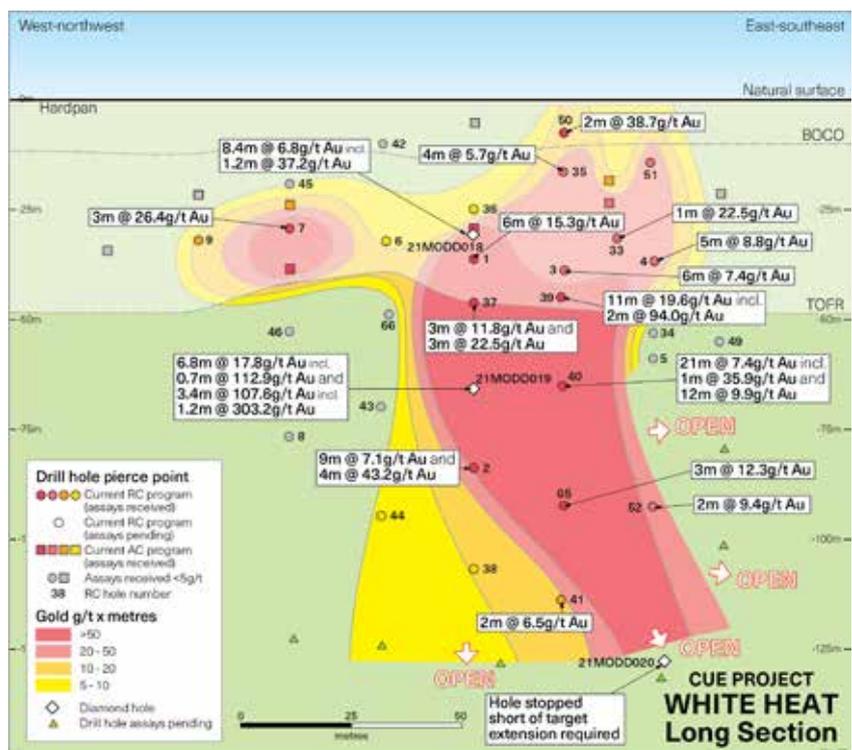


Figure 4: Long section at White Heat showing near-surface nature and plunge of high-grade gold mineralisation

REVIEW OF OPERATIONS

and down dip extent of the mineralisation in oxide and fresh basement rock. RC drilling results to date comprise a combination of 6m composite and 1m individual assays.

RC results from the Big Sky prospect include:

- 36m @ 1.3g/t Au from 30m (21MORC082), including:
 - o 11m @ 3.0g/t Au from 55m
- 21m @ 1.3g/t Au from 39m (21MORC100)
- 73m @ 1.4g/t Au from 41m (21MORC101), including:
 - o 5m @ 10.1g/t Au from 72m
- 6m @ 4.5g/t Au from 108m (21MORC121)
- 18m @ 2.0g/t Au from 18m (21MORC124)
- 18m @ 1.2g/t Au from 18m (21MORC130)
- 24m @ 1.7g/t Au from 24m (21MORC132)
- 30m @ 1.0g/t Au from 30m (21MORC141)
- 6m @ 6.9g/t Au from 12m (21MORC157)
- 18m @ 1.1g/t Au from 36m (21MORC160)

- 60m @ 1.0g/t Au from 42m (21MORC196), 50m south of 21MORC101 (73m @ 1.4g/t Au)
(see MGV ASX announcements dated 19 July 2021, 12 August 2021 and 13 September 2021).

It is envisaged that Big Sky could be a significant feed source to a development centred at Break of Day and Lena. Drilling at Big Sky is continuing with the aim of defining a maiden resource in Q2 2022.

Target 14 Prospect

Target 14, approximately 1km west of Lena and 800m north of Big Sky is defined by anomalous gold in the regolith over a strike length of more than 3km (Figure 3). A higher-grade zone has been defined by RC drilling, extending for more than 500m. Target 14 is part of the new 7km-long gold corridor that includes Big Sky. RC drilling results comprise a combination of 6m composite and 1m individual assays.

Significant RC results from Target 14 include:

- 24m @ 3.0g/t Au from 40m (21MORC019), including:
 - o 9m @ 6.1g/t Au from 40m
- 14m @ 1.9g/t Au from 43m (21MORC105)

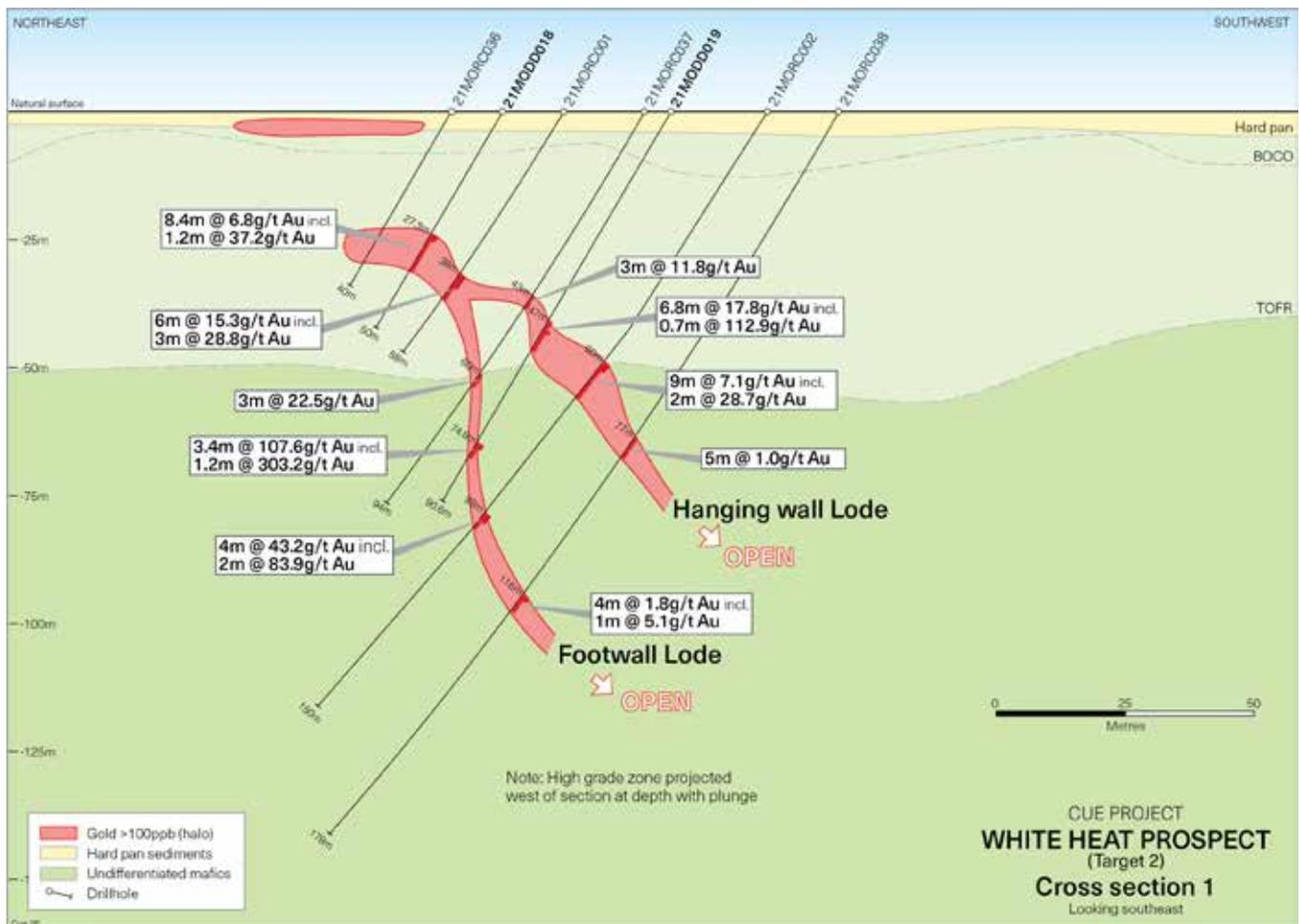


Figure 5: Cross section at White Heat showing high-grade gold mineralisation and hanging wall and footwall lodes

REVIEW OF OPERATIONS

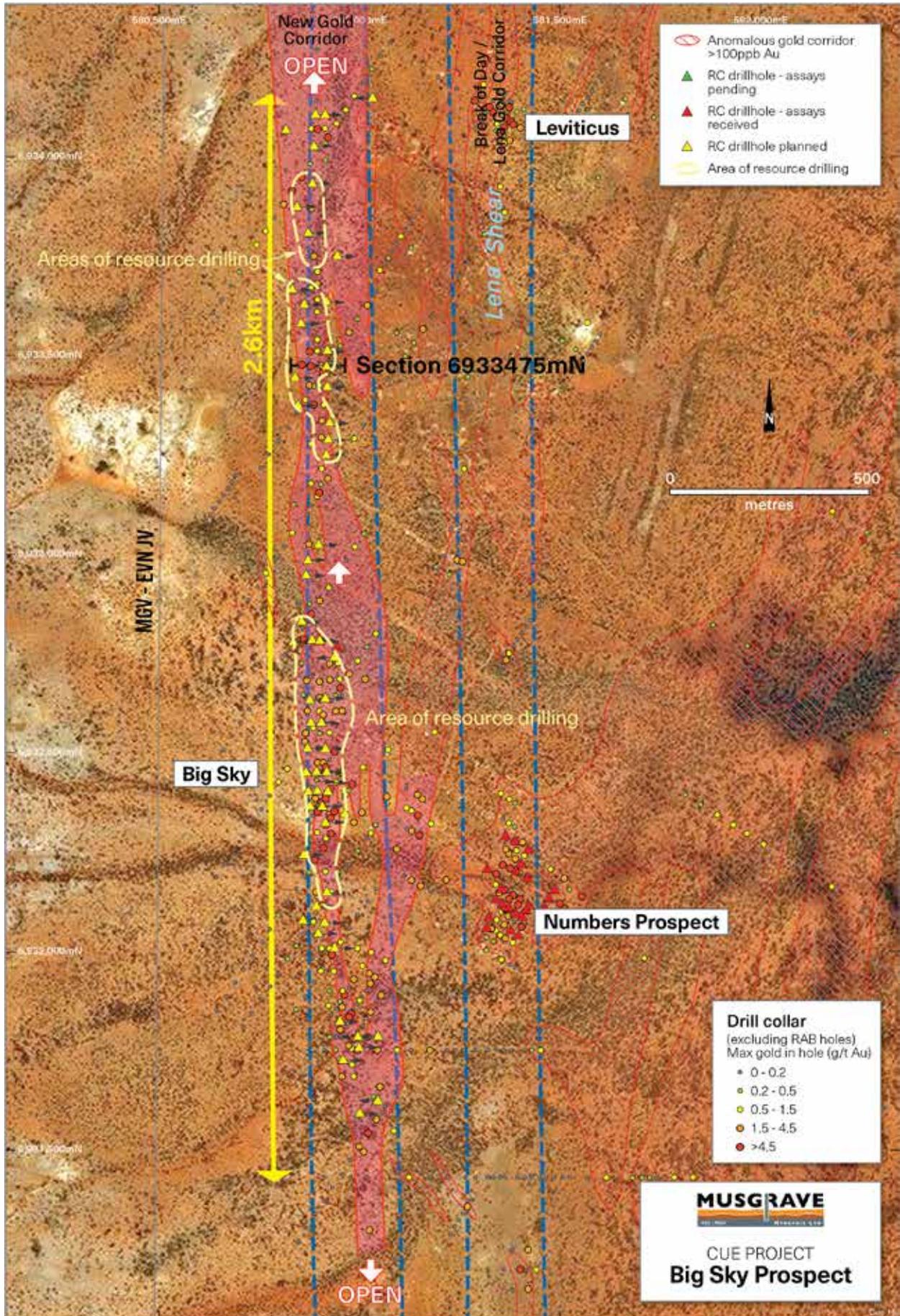


Figure 6: Plan showing Big Sky drilling, Cue Gold Project

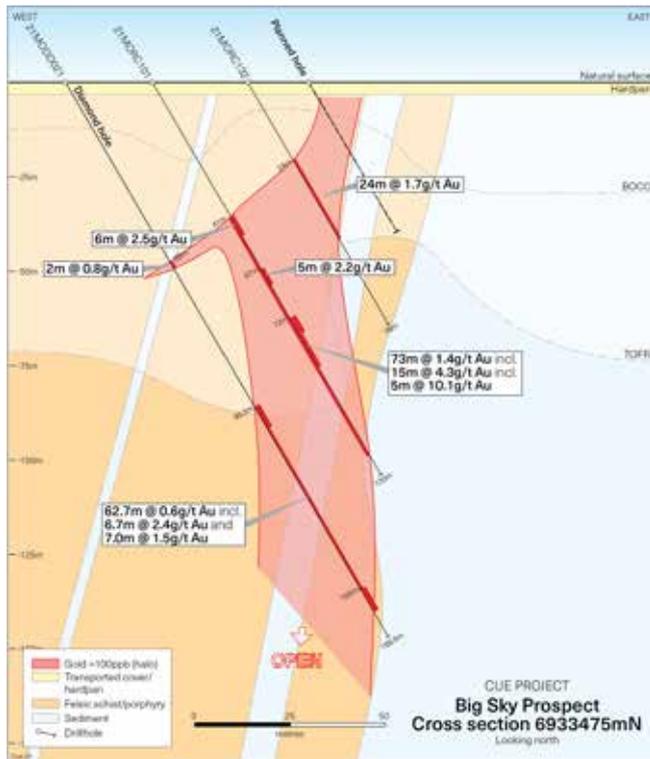


Figure 7: Cross section at Big Sky showing gold mineralisation

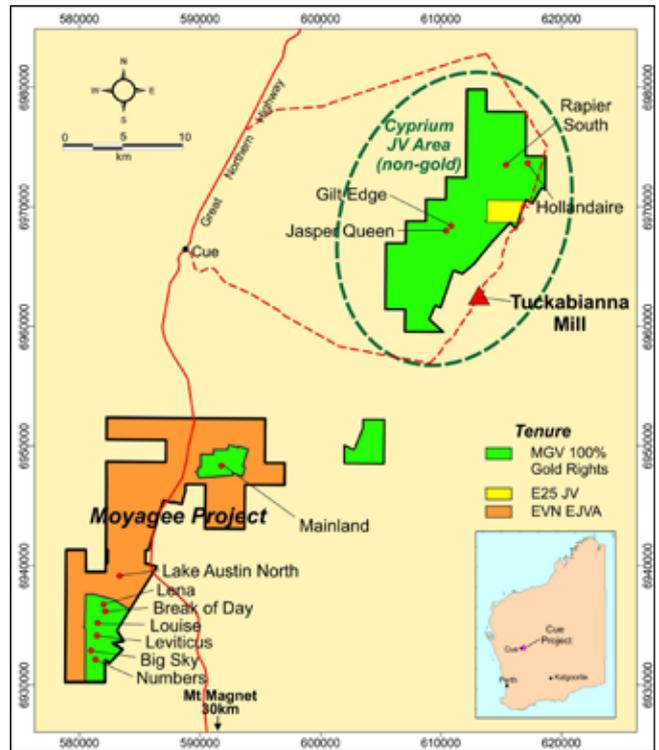


Figure 8: Cue prospect Location Map

- 36m @ 2.9g/t Au from 12m (21MORC185), including:
 - o 24m @ 4.1g/t Au from 24m
- 12m @ 1.7g/t Au from 84m (21MORC189)
- 6m @ 2.2 g/t Au from 30m (21MORC191)
- 12m @ 1.6g/t Au from 48m (21MORC194)

(see MGV ASX announcement dated 21 April 2021, 12 August 2021 and 13 September 2021).

Further drilling is planned at Target 14 for late in 2021.

Numbers Deposit

The Numbers prospect, approximately 3.5km south of Break of Day (Figure 3), has an Inferred Resource of 278,000t @ 2.46g/t Au for 22Koz of gold (see MGV ASX release 16 October 2020, "Annual Report to Shareholders"). It is envisaged that Numbers could be a satellite pit to a larger development at Break of Day and Lena.

An RC drill program focused on upgrading the resource estimate to the higher confidence Indicated category is ongoing. RC, resource definition drill holes are spaced on an approximate 20m x 20m grid. The majority of drill holes intersected mineralisation consistent with the existing model. Preliminary metallurgical test work is planned before a resource update in Q2 2022.

New mineralised RC intersections include:

- 18m @ 2.4g/t Au from 60m (21MORC057)
- 17m @ 2.3g/t Au from 78m (21MORC062)
- 6m @ 3.0g/t Au from 21m (21MORC063)
- 16m @ 3.0g/t Au from 52m (21MORC064)
- 7m @ 2.6g/t Au from 135m (21MORC068)
- 12m @ 2.0g/t Au from 86m (21MORC070)
- 10m @ 5.6g/t Au from 50m (21MORC071) including:
 - o 1m @ 46.4g/t Au from 55m
- 4m @ 3.9g/t Au from 92m (21MORC076)
- 12m @ 5.4g/t Au from 12m (21MORC077) including:
 - o 5m @ 11.1g/t Au from 14m

A significant exploration program across multiple prospects and targets with accelerated drilling is planned for the coming year. The objective is to continue to grow the resource base and progress development studies to define a clear path to a stand-alone operation which will deliver first gold production for the Company.

REVIEW OF OPERATIONS

"As the team continues to build its knowledge and understanding of the controls on mineralisation in the region, we strongly believe exploration success will continue to deliver new discoveries like the high-grade Starlight lode. This will in turn grow the existing resource base and enhance the economics of any potential future development."

Mainland

The Mainland Prospect area covers the northern extension of the shear corridor that hosts Musgrave's Break of Day/Starlight and Lena gold deposits and the Lake Austin North gold discovery.

A number of new gold targets have been generated and a follow-up drilling program is currently being scheduled for early 2022.



View looking south, old building, Mainland Prospect, Cue

Development Studies

The Company has commenced prefeasibility level studies on a number of key elements for any potential future development at Break of Day and Lena. This work comprises environmental assessment, including collection of baseline flora and fauna data, heritage assessments, hydrology and surface water management, metallurgy, waste rock and tailings geochemistry and storage, geotechnical and structural analysis and preliminary pit and underground mine, processing plant and infrastructure design. All new resource discoveries will require this level of assessment.

Due to the ASX constraints on publication of economic data relating to Inferred Resources and incomplete assessments and the continued exploration success and its effect on design parameters, the Company has not yet set a date for the delivery of a preliminary economic assessment of the project.

In conjunction with these studies Musgrave will continue to maximise its exploration strengths and accelerate drilling across high-priority gold targets at Cue with the

aim of expanding the current resources and making further high-grade gold discoveries that would enhance a stand-alone operation.

Evolution JV – Lake Austin

The Lake Austin area, part of the Evolution Earn-in and Exploration Joint Venture executed in September 2019, is highly prospective for gold and significantly underexplored.

Evolution has met its minimum commitment in the first two years and can earn a 75% interest in the JV area by sole funding \$18M in exploration within a total of five years. If Evolution does not spend the entire \$18M within five years, Musgrave will retain 100% ownership (see *MGV ASX announcement dated 17 September 2019*).

Musgrave is managing the exploration during the initial period with strong technical input from Evolution. The existing gold resources, including Lena and Break of Day/Starlight and the Mainland option area, are excluded from the Evolution Agreement (Figure 9).

A 26,000 aircore drilling program and a seven drill hole, 2,720m diamond drilling program were completed on Lake Austin to follow-up the extensive, high-tenor, regolith gold anomalies at the West Island and Lake Austin North prospects. Four diamond holes were drilled at West Island over a strike length of 400m with all returning significant gold intercepts:

- 11.5m @ 3.2g/t Au from 245m (21MODD006), including;
 - o 3.0m @ 10.6g/t Au from 247.5m
- 11.0m @ 3.6g/t Au from 272m (21MODD001), including;
 - o 5.0m @ 5.5g/t Au from 276m
- 5.0m @ 2.7g/t Au from 169m (21MODD002)
- 0.4m @ 23.5g/t Au from 144.7m (21MODD007)

(see *MGV ASX announcement dated 30 June 2021*).

Subsequent to 30 June 2021, Evolution committed to a further \$5M in exploration for FY22 including a Phase 2, 17,000m follow-up aircore drill program and a 7,000m follow-up diamond drilling program. Both these programs have commenced and are ongoing.

REVIEW OF OPERATIONS

Other Projects

Musgrave currently holds tenement applications in the central Musgrave province of South Australia. No field activity was completed by Musgrave on these projects during the period.

Environment, Social and Governance (ESG)

The Company has a focused approach to ESG stemming from our corporate governance policies which is driven by our people and practices. Key focus areas are:

- People: Our people are a priority – to keep them safe, healthy and engaged
- Indigenous Stakeholders: Commitment to forming long-term relationships and providing opportunities
- Community and Social: Provide positive contributions to the local communities in which we operate through working relationships, education, employment (both direct and indirect) and sponsorships
- Environment: To minimise our impact on the environment

"Evolution is an excellent joint venture partner and we continue to work together with the goal of making a significant gold discovery under Lake Austin."

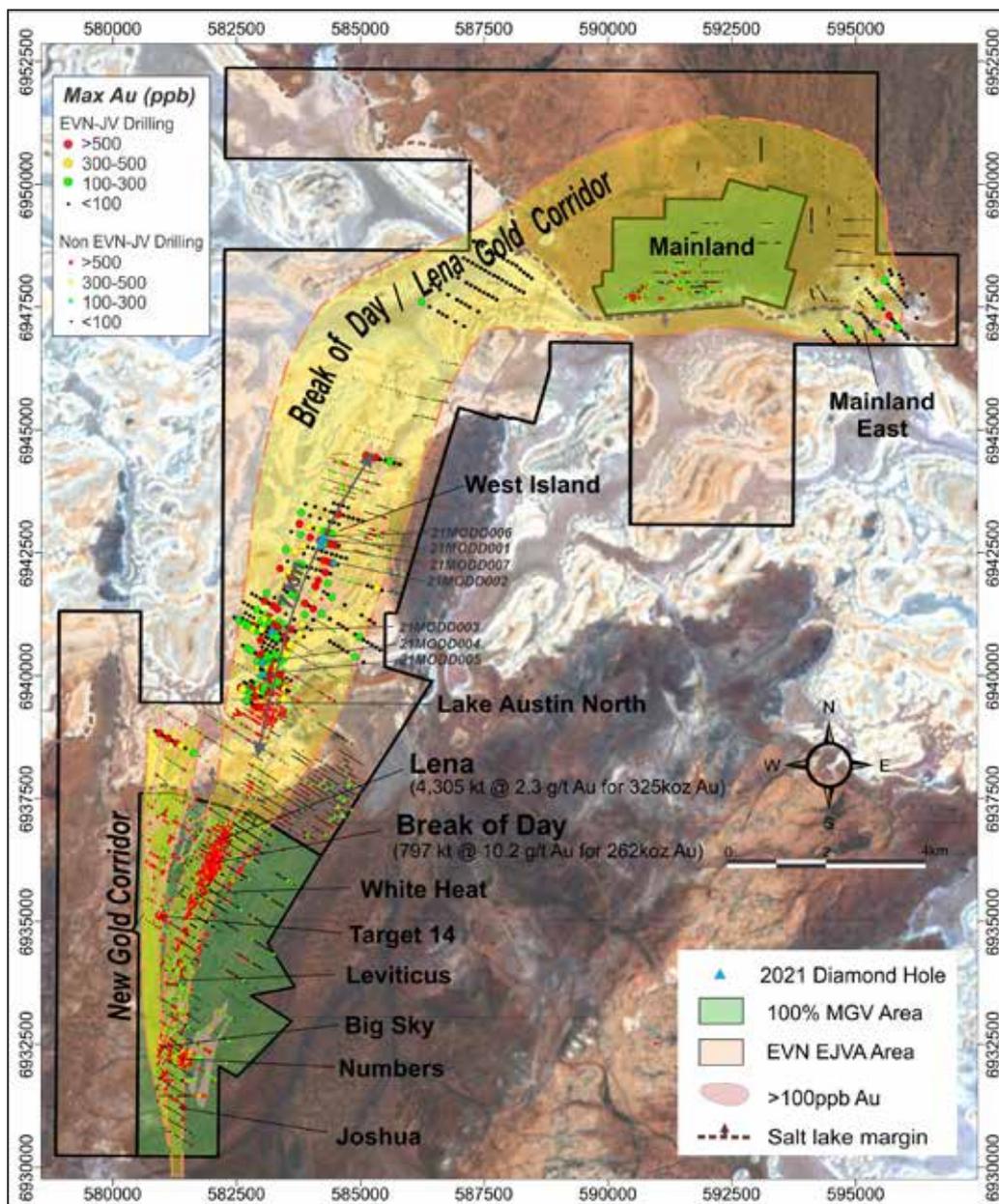


Figure 9: Location plan showing EVN JV area. EVN drill hole locations and includes historical drill holes with maximum gold in hole coloured

REVIEW OF OPERATIONS

Table 1: Summary of mineral resources by JORC Classification for the Cue Project

Gold Mineral Resources as at 30 June 2021

Deposit	Indicated Resources			Inferred Resources			Total Resources		
	Tonnes '000s	Au Grade g/t	Total oz Au '000s	Tonnes '000s	Au Grade g/t	Total oz Au '000s	Tonnes '000s	Au Grade g/t	Total oz Au '000s
Moyagee									
Break of Day	451	12.1	176	346	7.7	86	797	10.2	262
Lena	2,253	1.7	121	2,053	3.1	204	4,305	2.3	325
Leviticus	–	–	–	42	6.0	8	42	6.0	8
Numbers	–	–	–	278	2.5	22	278	2.5	22
Total Moyagee	2,704	3.4	297	2,719	3.7	319	5,422	3.5	616
Eelya									
*Hollandaire (100%)	2,179	0.3	21	605	0.4	8	2,784	0.3	27
*Hollandaire (MGV 20%)	436	0.3	4	121	0.4	2	557	0.3	5
Rapier South	–	–	–	171	2.1	12	171	2.1	12
Total Eelya	436	0.3	4	292	1.4	13	728	0.6	17
Tuckabianna									
Jasper Queen	–	–	–	175	2.6	15	175	2.6	15
Gilt Edge	–	–	–	96	3.1	9	96	3.1	9
Total Tuckabianna	–	–	–	271	2.8	24	271	2.8	24
Total Cue Project	3,140	3.0	301	3,282	3.4	358	6,422	3.2	659

* Note 1: The Hollandaire Resource Estimate is on 100% basis (MGV has a 20% attributable interest in the Hollandaire deposit, free carried to completion of DFS). Totals are on an attributable interest basis. Gold mineralisation not associated with the copper resource at Hollandaire, that is 100% attributable to MGV, is yet to be modelled and reported in compliance with JORC 2012.

Note 2: Due to the effects of rounding, the total may not reflect the sum of all components.

Copper Mineral Resources ⁽¹⁾ as at 30 June 2021

Deposit	Indicated Resources			Inferred Resources			TOTAL RESOURCES		
	Tonnes '000s	Grade %	Tonnes Cu '000s	Tonnes '000s	Grade %	Tonnes Cu '000s	Tonnes '000s	Grade %	Tonnes Cu '000s
Hollandaire									
Copper	2,179	2.0	42.2	605	1.6	9.3	2,784	1.9	51.5

Silver Mineral Resources ⁽¹⁾ as at 30 June 2021

Deposit	Indicated Resources			Inferred Resources			TOTAL RESOURCES		
	Tonnes '000s	Grade g/t	Ounces Ag '000s	Tonnes '000s	Grade g/t	Ounces Ag '000s	Tonnes '000s	Grade g/t	Ounces Ag '000s
Hollandaire									
Silver	2,179	6.4	450	605	6.4	124	2,784	6.4	574

* Due to effects of rounding, the total may not represent the sum of all components.

(1) On 1 May 2020, Musgrave entered into a joint venture with Cyprum Australia Pty Ltd ("Cyprum") on the non-gold rights over the northern Cue tenure including the Hollandaire copper deposit. Cyprum (ASX: CYM) has earned an 80% interest in the non-gold rights over the area with Musgrave retaining 20% and is free carried to a definitive feasibility study. Musgrave also retains 100% of the rights to any gold dominant mineralisation. The farm-out of base metals at Hollandaire has allowed Musgrave to focus on its priority gold targets, resulting in the discovery of the Starlight and White Light gold lodes at Break of Day and delivering significant value accretion to its shareholders.

REVIEW OF OPERATIONS

Notes to Table 1

The Break of Day and Lena Mineral Resources at Moyagee are reported in accordance with the 2012 Edition of the Australian Code of Reporting of Mineral Resources and Ore Reserves (JORC 2012). The remaining gold Mineral Resources and Ore Reserve estimates were first prepared and disclosed in accordance with the 2004 Edition of the Australian Code of Reporting of Mineral Resources and Ore Reserves (JORC 2004) and have not been updated since to comply with JORC 2012 on the basis that the information has not materially changed since it was last reported. For further details refer to Musgrave Minerals Ltd (MGV) ASX announcements 11 November 2020, "Break of Day High-Grade Mineral Resource Estimate"; 17 February 2020, "Lena Resource Update" and Silver Lake Resources Limited (SLR) ASX Announcement 26 August 2016, "Mineral Resources and Ore Reserves Update". The Hollandaire Resources are reported in accordance with the 2012 Edition of the Australian Code of Reporting of Mineral Resources and Ore Reserves (JORC 2012). For further details refer to Cyprium Metals Limited (CYM) ASX announcement 29 September 2020, "Hollandaire Copper-Gold Mineral Resource Estimate".

COMPETENT PERSON'S STATEMENT

Mineral Resources

The Information in this report that relates to Mineral Resources at Break of Day and Lena is based on information compiled by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Payne Geological Services. Mr Payne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially effects the information included in the original market announcement and, in the case of estimates of Minerals Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented, have not been materially modified from the original market announcement.

The information in this report that relates to the Rapier South, Jasper Queen, Gilt Edge, Leviticus and Numbers Mineral Resource is extracted from the report created by Silver Lake Resources Limited entitled "Mineral Resources and Ore Reserves Update," 26 August 2016 and is available to view on the ASX (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially effects the information included in the original market announcement and, in the case of estimates of Minerals Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented, have not been materially modified from the original market announcement.

The information in this report that relates to Mineral Resources for the Hollandaire deposit is an accurate representation of the available data and is based on information compiled by external consultants and Mr Peter van Luyt a competent person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" who is a member of the Australian Institute of Geoscientists (2582). Mr van Luyt is the Chief Geologist of Cyprium Metals Limited. Mr van Luyt has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking to qualify as a Competent Person (CP). Mr van Luyt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcement by Cyprium Metals Limited (CYM) entitled "Hollandaire Copper-Gold Mineral Resource Estimate" released on 29 September 2020 and in the case of estimates of Minerals Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. To the extent disclosed above, the Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

REVIEW OF OPERATIONS

Mineral Resource and Ore Reserve Governance Controls

Musgrave Minerals Limited ensures that the Minerals Resources quoted are subject to governance arrangements and internal controls. Internal and external reviews of Mineral Resource estimation procedures and results are carried out by a team of experienced technical personnel that is comprised of highly competent and qualified professionals. These reviews have not identified any material issues.

Musgrave reports its Mineral Resources on at least an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (the JORC Code), 2012 or 2004 Edition as stated. Competent Persons named in this report are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

The Company's procedures for drilling, sampling techniques and analysis are regularly reviewed and audited by independent experts. Assays are undertaken by independent, internationally accredited laboratories with a QA/QC program delivering acceptable levels of accuracy and precision.

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.



Lake Austin

TENEMENT SCHEDULE

As at 24 September 2021

Tenement ID	Project	State	Status	MGV Interest
E21/129	Cue	WA	Granted	100% (EVN JV)
E21/177	Cue	WA	Granted	100% (EVN JV)
E21/194	Cue	WA	Granted	100% (EVN JV)
E21/200	Cue	WA	Granted	100% (EVN JV)
E21/204	Cue	WA	Granted	100% (EVN JV)
E21/207	Cue	WA	Granted	100% (EVN JV)
E21/208	Cue	WA	Granted	100% (EVN JV)
M21/106	Cue	WA	Granted	100% (EVN JV in part)
M21/107	Cue	WA	Granted	100% (EVN JV)
E21/144	Cue	WA	Granted	100%
P21/757	Cue	WA	Granted	100% (EVN JV)
E58/335	Cue	WA	Granted	100%
E58/507	Cue	WA	Granted	100% (EVN JV)
M58/224	Cue	WA	Granted	100%
M58/225	Cue	WA	Granted	100%
P58/1709	Cue	WA	Granted	100%
P58/1710	Cue	WA	Granted	100%
E20/606	Cue	WA	Granted	20% (100% gold only rights)
E20/608	Cue	WA	Granted	20% (100% gold only rights)
E20/616	Cue	WA	Granted	20% (100% gold only rights)
E20/629	Cue	WA	Granted	20% (100% gold only rights)
E20/630	Cue	WA	Granted	20% (100% gold only rights)
E20/659	Cue	WA	Granted	20% (100% gold only rights)
E20/836	Cue	WA	Granted	20% (100% gold only rights)
E20/698	Cue	WA	Granted	20% (100% gold only rights)
E20/699	Cue	WA	Granted	20% (100% gold only rights)
E20/700	Cue	WA	Granted	20% (100% gold only rights)
M20/225	Cue	WA	Granted	20% (100% gold only rights)
M20/245	Cue	WA	Granted	20% (100% gold only rights)
M20/277	Cue	WA	Granted	20% (100% gold only rights)
M20/526	Cue	WA	Granted	20% (100% gold only rights)
P20/2279	Cue	WA	Granted	20% (100% gold only rights)
L20/57	Cue	WA	Granted	100%
L58/42	Cue	WA	Granted	100%
P21/731	Cue	WA	Granted	0% (MGV Option)
P21/732	Cue	WA	Granted	0% (MGV Option)
P21/735	Cue	WA	Granted	0% (MGV Option)
P21/736	Cue	WA	Granted	0% (MGV Option)
P21/737	Cue	WA	Granted	0% (MGV Option)
P21/739	Cue	WA	Granted	0% (MGV Option)
P21/741	Cue	WA	Granted	0% (MGV Option)
EL1996/260	Musgrave	SA	Application	100%
EL1996/262	Musgrave	SA	Application	100%
EL1996/340	Musgrave	SA	Application	100%
EL1996/341	Musgrave	SA	Application	100%
EL1996/342	Musgrave	SA	Application	100%
EL1996/534	Musgrave	SA	Application	100%
EL1997/040	Musgrave	SA	Application	100%
EL1997/143	Musgrave	SA	Application	100%
EL1997/144	Musgrave	SA	Application	100%
EL1997/186	Musgrave	SA	Application	100%
EL1997/297	Musgrave	SA	Application	100%
EL1997/321	Musgrave	SA	Application	100%
EL1997/468	Musgrave	SA	Application	100%
EL2001/031	Musgrave	SA	Application	100%
EL2008/154	Musgrave	SA	Application	100%

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Musgrave Minerals Limited ("the Company") and its subsidiary ("the Group" or "the Consolidated Entity") at the end of the year ended 30 June 2021.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Mr Graham Ascough, Non-Executive Chairman
- Mr Robert Waugh, Managing Director
- Ms Kelly Ross, Non-Executive Director
- Mr John Percival, Non-Executive Director
- Mr Brett Lambert, Non-Executive Director (appointed 4 February 2021)

PRINCIPAL ACTIVITIES

During the year, the principal continuing activities of the Group consisted of:

- exploration of mineral tenements, both on a joint venture basis and by the Group in its own right, with the intent to progress to development in the near to mid-term;
- development and production studies on existing resources;
- continuing to seek extensions of areas held and to seek out new areas with mineral potential; and
- evaluating results received through surface sampling, geophysical surveys and drilling activities carried out during the year.

FINANCIAL RESULTS

The loss of the Group after providing for income tax for the year ended 30 June 2021 was \$2,881,297 (2020: profit of \$992,169). This included a share-based payment expense of \$2,035,342 (2020: \$136,072).

As at 30 June 2021, the Group had net assets of \$48,022,199 (2020: \$29,108,808) including cash and cash equivalents of \$20,910,936 (2020: \$9,122,692).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year. No recommendation for the payment of a dividend has been made by the Directors.

OPERATIONS AND FINANCIAL REVIEW

Information on the operations of the Group and its prospects is set out in the "Review of Operations" section of this Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

Exploration has continued to be a major focus for the Company with continued exploration at Cue and more than 90,000 metres were drilled during the year.

The Company also announced, in November 2020, an increase to the Break of Day Mineral Resource to 797kt @ 10.2g/t Au for 262koz contained gold (see MGV ASX announcement 11 November 2020, "Break of Day High-Grade Mineral Resource Estimate"). The total Indicated and Inferred JORC Mineral Resources on the project are now 6.4 Mt @ 3.2g/t Au for 659,000 ounces of gold.

On 18 December 2020, the Company completed a placement ("Placement") to corporate, institutional, professional and sophisticated investors of 44.4 million ordinary shares at an issue price of \$0.36 cents per share raising \$16 million before costs.

Aligned with the Placement the Company also completed a Share Purchase Plan ("SPP") in January 2021 at an issue price of \$0.36 per share. The SPP was heavily supported and exceeded the target raising of \$2 million. Given the strong support shown by Shareholders, the Board decided to exercise its discretion under the terms of the SPP to increase the size of the SPP to \$3.5 million with the issue of 9.8 million ordinary shares.

There were no other significant changes in the state of affairs of the Group during the financial year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the State and Federal Governments, such as vaccinations, maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Group in subsequent financial years not already disclosed in this report.

DIRECTORS' REPORT

ENVIRONMENTAL REGULATION

The Group is subject to significant environmental regulation in respect of its exploration activities. Tenements in Western Australia and South Australia are granted subject to adherence to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant Government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Mines, Industry Regulation and Safety (*Western Australia*) and the Department for Energy and Mining (*South Australia*).

Musgrave Minerals Limited conducts its exploration activities in an environmentally sensitive manner and the Group is not aware of any breach of statutory conditions or obligations.

GREENHOUSE GAS AND ENERGY DATA REPORTING REQUIREMENTS

The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the year ended 30 June 2021. However, reporting requirements may change in the future.

INFORMATION ON DIRECTORS

Graham Ascough BSc, PGeo, MAusIMM
(Non-Executive Chairman),
Director since 26 May 2010

Experience and expertise

Graham Ascough is a senior resources executive with more than 30 years of industry experience evaluating mineral projects and resources in Australia and overseas. He has had broad industry involvement ranging from playing a leading role in setting the strategic direction for significant country-wide exploration programs to working directly with mining and exploration companies.

Mr Ascough is a geophysicist by training and was the Managing Director of ASX listed Mithril Resources Ltd from October 2006 until June 2012. Prior to joining Mithril in 2006, Mr Ascough was the Australian Manager of Nickel and PGM Exploration at the major Canadian resources house, Falconbridge Ltd (acquired by Xstrata Plc in 2006).

He is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and is a Professional Geoscientist of Ontario, Canada.

Other current directorships

PNX Metals Ltd (appointed 10 December 2012)

Sunstone Metals Ltd (appointed 29 November 2013)

Black Canyon Ltd (appointed 2 September 2013)

Former directorships in last three years

Mithril Resources Ltd (9 October 2006 to 15 May 2019)

Special responsibilities

Chair of the Board

Member of the Audit Committee

Interests in shares and options

Ordinary shares – Musgrave Minerals Limited	1,841,172
Unlisted options – Musgrave Minerals Limited	3,000,000

DIRECTORS' REPORT

Mr Robert Waugh MSc, BSc, FAusIMM, MAIG

(Managing Director),

Director since 6 March 2011

Experience and expertise

Robert Waugh has over 30 years of experience in the resources sector and has been involved in new mineral discoveries across multiple commodities over his career including the Nebo-Babel nickel-copper discoveries in the West Musgrave, uranium discoveries in Queensland, gold at Norseman and most recently the new gold discoveries on the Cue Project in Western Australia.

Mr Waugh has held senior exploration management roles in a number of companies including WMC and BHP Billiton Exploration Ltd and has extensive exploration and mining experience across a range of commodities including gold, nickel, copper, uranium and PGMs.

Mr Waugh holds a Bachelor of Science degree majoring in geology from the University of Western Australia and a Master of Science in Mineral Economics from Curtin University and the Western Australian School of Mines. Mr Waugh is a Fellow of the AusIMM and a Member of the Australian Institute of Geoscientists.

Other current directorships

None

Former directorships in last three years

None

Special responsibilities

Managing Director

Interests in shares and options

Ordinary shares – Musgrave Minerals Limited	4,300,000
Unlisted options – Musgrave Minerals Limited	5,500,000

Mrs Kelly Ross BBus, CPA, ACG (CS, CGP)

(Non-Executive Director),

Director since 26 May 2010

Experience and expertise

Mrs Ross is a qualified accountant holding a Bachelor of Business (Accounting) and has the designation CPA from the Australian Society of Certified Practising Accountants. Mrs Ross is a Chartered Secretary with over 30 years' experience in accounting and administration in the mining industry.

Mrs Ross was part of the team that floated Independence Group NL ("IGO"). IGO listed on the ASX in 2002 and Mrs Ross was Company Secretary and CFO for 10 years. Mrs Ross was a Director of IGO for 12 years from 2002 to 2014. Mrs Ross retired from the Board of IGO on 24 December 2014.

Prior to IGO, Mrs Ross was a senior accountant at Resolute Ltd from 1987 to 2000 during which time Resolute became a gold producer in Ghana, Tanzania and at several mines in Western Australia.

Mrs Ross was appointed a Director of Musgrave Minerals Limited on 26 May 2010 and is the Chair of the Audit Committee.

Other current directorship

None

Former directorships in last three years

Yandal Resources Ltd (6 April 2018 to 17 February 2021)

Special responsibilities

Chair of the Audit Committee

Interests in shares and options

Ordinary shares – Musgrave Minerals Limited	1,581,492
Unlisted options – Musgrave Minerals Limited	1,000,000

DIRECTORS' REPORT

Mr John Percival
(Non-Executive Director),
Director since 26 May 2010

Experience and expertise

John Percival has been involved in investment and merchant banking for over 25 years including 15 years as Investment Manager of Barclays Bank New Zealand Ltd. In addition, he has extensive experience in stockbroking, corporate finance and investment management. In 1995 Mr Percival was appointed to the Board of Goldsearch Limited and was an Executive Director from 2000 to 2014. In May 2014, Goldsearch changed direction and Mr Percival resigned his executive position.

Other current directorships

None

Former directorships in last three years

None

Special responsibilities

Member of the Audit Committee

Interests in shares and options

Ordinary shares – Musgrave Minerals Limited	600,000
Unlisted options – Musgrave Minerals Limited	1,800,000

Mr Brett Lambert
(Non-Executive Director),
Director since 4 February 2021

Experience and expertise

Mr Lambert is a mining engineer and experienced company director. He has over 35 years' involvement in the Australian and international resources industry encompassing mining operations, project development, business development and corporate administration.

Mr Lambert is a graduate of the Western Australian School of Mines and commenced his professional career with Western Mining Corporation (WMC) in 1983. He was a member of the senior management team at WMC's Mt Magnet gold operations that initiated the transition to large scale open pit mining and construction of the current Checker processing plant.

Post WMC, Mr Lambert held executive roles with a number of junior and mid-tier resource companies where his responsibilities included overseeing several resource projects through feasibility study, development and commissioning.

Mr Lambert has served as a director of companies listed on the Australian Securities Exchange, London's AIM market, the Toronto Stock Exchange and the Stock Exchange of Thailand.

Other current directorships

Mincor Resources Limited NL (appointed 1 January 2017)
Australian Potash Ltd (appointed 11 May 2017)
Metal Hawk Limited (appointed 3 July 2019)
Saturn Metals Limited (appointed 9 April 2020)

Former directorships in last three years

De Grey Mining Limited (28 October 2017 to 24 July 2019)
Metals X Limited (24 October 2019 to 10 July 2020)

Special responsibilities

Member of the Audit Committee

Interests in shares and options

Ordinary shares – Musgrave Minerals Limited	Nil
Unlisted options – Musgrave Minerals Limited	1,000,000

DIRECTORS' REPORT

COMPANY SECRETARY

**Ms Patricia (Trish) Farr, GradCertProfAcc, GradDipACG, GAICD, FGIA/FCIS (CS, CGP)
Appointed 30 June 2015**

Trish Farr is an experienced Chartered Secretary with over 20 years' experience in the exploration and mining industry in the areas of corporate governance, compliance and administration. Ms Farr provides company secretarial services to several ASX listed and unlisted companies predominately in the resources and health sectors. Ms Farr is also a Director and the Company Secretary of Jindalee Resources Limited.

Ms Farr is a fellow member of Chartered Secretaries & Administrators and the Governance Institute of Australia (formerly Chartered Secretaries Australia) and a graduate member of the Australian Institute of Company Directors.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each Director were:

	Board of Directors		Audit Committee	
	A	B	A	B
Graham Ascough	10	10	2	2
Robert Waugh	10	10	n/a	n/a
Kelly Ross	10	10	2	2
John Percival	10	10	2	2
Brett Lambert	4	4	n/a	n/a

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office or was a member of the committee during the year.

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Lambert was appointed to the Board on 4 February 2021 and by virtue of clause 9.1 of the Company's Constitution and ASX Listing Rule 14.4 will stand for election at the 2021 Annual General Meeting.

Mr John Percival, being the Director retiring by rotation who, being eligible, will offer himself for re-election at the 2021 Annual General Meeting.

REMUNERATION REPORT (AUDITED)

The Directors present the Musgrave Minerals Limited 2021 Remuneration Report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year.

The report contains the following sections:

- Key management personnel covered in this report
- Remuneration governance and the use of remuneration consultants
- Executive remuneration policy and framework
- Relationship between remuneration and performance
- Non-executive director remuneration policy
- Voting and comments made at the Company's 2020 Annual General Meeting
- Details of remuneration
- Service agreements
- Details of share-based compensation and bonuses
- Equity instruments held by key management personnel
- Loans to key management personnel
- Other transactions with key management personnel.

a) Key management personnel covered in this report

Non-Executive and Executive Directors (see pages 17 to 19 for details about each director)

Name	Position
Graham Ascough	Non-Executive Chairman
Robert Waugh	Managing Director
Kelly Ross	Non-Executive Director
John Percival	Non-Executive Director
Brett Lambert	Non-Executive Director

b) Remuneration governance and the use of remuneration consultants

The Company does not have a Remuneration Committee. Remuneration matters are handled by the full Board of the Company. In this respect the Board is responsible for:

- the over-arching executive remuneration framework;
- the operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- remuneration levels of executives; and
- non-executive director fees.

The objective of the Board is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

In addition, all matters of remuneration are handled in accordance with the *Corporations Act 2001*

DIRECTORS' REPORT

requirements, especially with regard to related party transactions. That is, none of the Directors participate in any deliberations regarding their own remuneration or related issues.

Independent external advice is sought from remuneration consultants when required, however no advice was sought during the year ended 30 June 2021.

c) **Executive remuneration policy and framework**

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

All executives receive consulting fees or a salary, part of which may be taken as superannuation. Executives may also participate in both long and short-term incentive schemes. Long-term incentives consist of options which may be offered to executives at the discretion of the Board and with shareholder approval from time to time. The Company's Short-Term Incentive Plan is based on key performance criteria including discovery, resource growth, production and share price performance and is contingent on satisfactory work health and safety targets. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

All remuneration paid to specified executives is valued at the cost to the Group and expensed. Options are valued using a Black-Scholes option pricing model.

d) **Relationship between remuneration and performance**

Emoluments of Directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of Directors. Fees paid to Non-Executive Directors are not linked to the performance of the Group. This policy may change once the exploration phase is complete and the Group is generating revenue. At present the existing remuneration policy is not impacted by the Group's performance including earnings and changes in shareholder wealth (e.g. changes in share price).

The Board has not set short term performance indicators, such as movements in the Company's share price, for the determination of Non-Executive Director emoluments as the Board believes this may encourage performance which is not in the long-term interests of the Company and its shareholders. The Board has structured its remuneration arrangements in such a way it believes is in the best interests of building shareholder wealth. The Board believes participation in the Company's Employee Share Option Plan motivates and aligns key management and executives with the long-term interests of shareholders.

e) **Non-executive director remuneration policy**

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration relevant to the office of Director.

The Board policy is to remunerate Non-Executive Directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Non-Executive Directors receive a Board fee but do not receive fees for chairing or participating on Board committees. Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

The maximum annual aggregate Non-Executive Directors' fee pool limit is \$400,000 as approved by Shareholders at the Company's 2020 Annual General Meeting held on 19 November 2020.

Fees for Non-Executive Directors are not linked to the performance of the Group. Non-Executive Directors' remuneration may also include an incentive portion consisting of options, subject to approval by shareholders.

f) **Voting and comments made at the Company's 2020 Annual General Meeting**

Musgrave Minerals Limited received more than 94% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

DIRECTORS' REPORT

g) Details of remuneration

The following table shows details of the remuneration received by the Group's key management personnel for the current and previous financial year.

	Short-term employment benefits			Post-employment benefits	Share-based payments	Total \$	Options %	Perf. Related %
	Salary & fees \$	Bonus \$	Non-monetary Benefit \$	Superannuation \$	Options \$			
2021								
Directors								
G Ascough	68,250	–	–	–	355,350	423,600	83.9	–
R Waugh	281,493	68,858 ⁽¹⁾	–	33,283	355,350	738,984	48.1	–
K Ross	47,250	–	–	4,489	236,900	288,639	82.1	–
J Percival	47,250	–	–	4,489	236,900	288,639	82.1	–
B Lambert ⁽²⁾	19,082	–	–	1,813	155,700	176,595	88.2	–
TOTALS	463,325	68,858	–	44,074	1,340,200	1,916,457		
2020								
Directors								
G Ascough	65,000	–	–	–	–	65,000	–	–
R Waugh	275,433	–	–	26,166	61,110	362,709	16.8	–
K Ross	45,000	–	–	4,275	–	49,275	–	–
J Percival	45,000	–	–	4,275	–	49,275	–	–
TOTALS	430,433	–	–	34,716	61,110	526,259		

⁽¹⁾ Bonus for meeting the Company's Short Term Incentive Plan objectives in relation to share price performance and work health and safety targets for the year ended 30 June 2020.

⁽²⁾ Appointed 4 February 2021.

h) Service agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms of appointment, including compensation relevant to the office of Director. Remuneration and other terms of employment for other members of key management personnel are formalised in service agreements as summarised below.

R Waugh, Managing Director

Mr Waugh is remunerated pursuant to an Executive Services Agreement. Under the agreement the Company agrees to employ Mr Waugh as Managing Director of the Company with a base salary of \$281,493 plus statutory superannuation, as amended on 1 July 2020. Either party may terminate the employment contract without cause by providing six months written notice or by making payment in lieu of notice (in the case of the Company), based on the annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate employment at any time.

i) Details of share-based compensation and bonuses

Options

Options over ordinary shares in Musgrave Minerals Limited are granted under the Employee Share Option Plan ("ESOP"). Participation in the ESOP and any vesting criteria are at the Board's discretion and no individual has a contractual right to participate in the scheme or to receive any guaranteed benefits. Any options issued to Directors of the Company are subject to shareholder approval. The 5,000,000 options issued to Mr Ascough, Mr Waugh, Ms Ross and Mr Percival (Option Series V) were approved by shareholders at the 20 August 2020 General Meeting. The 1,000,000 options issued to Mr Lambert (Option Series X) were approved by shareholders at the 24 June 2021 General Meeting.

DIRECTORS' REPORT

The terms and conditions of each grant of options during the period affecting the remuneration of key management personnel in the current or future reporting periods are set out below. All options vested immediately.

Option series	Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	% Vested
V	20 Aug 2020	20 Aug 2020	20 Aug 2023	\$0.932	\$0.2369	100%
X	24 Jun 2021	29 Jun 2021	24 Jun 2024	\$0.560	\$0.1557	100%

The fair value of options at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Further information on the fair value of share options and assumptions is set out in Note 23 to the financial statements.

Short-term incentive plan

The Company has a Short-Term Incentive Plan ("STIP") comprising four elements namely, a Discovery Bonus, a Production Bonus, a Share Price Performance Bonus and a Resources Growth Bonus. A bonus payment under the STIP may be up to 25% of base salary subject to meeting the relevant criteria, a minimum standard of performance and meeting the Company's work place health and safety targets. Eligibility, timing and the amount of any payment is at the absolute discretion of the Board. Only one bonus is payable in any twelve month period.

Discovery Bonus: A discovery being defined as two drill holes spaced a minimum of 75m apart with ore-grade mineralisation over potentially mineable widths with a deposit showing the likelihood to host more than 100koz Au. This must be a new discovery and have the potential to make a material impact for the Company. The Board has absolute discretion as to what constitutes a discovery.

Production Bonus: Production being defined as the commencement of production from the Company's tenement/s and the receipt of payment from the sale of first product. The Board has absolute discretion as to what constitutes production.

Share Price Performance Bonus: Defined as at least a 100% increase in the Company's share price based on the 12 month volume weighted share price ("VWAP") as at 30 June as compared to the 12 month VWAP of the previous 30 June.

Resource Growth Bonus: Defined as increasing the existing gold ounces in JORC compliant Mineral Resources at the Cue Project to over 1M oz (combined Indicated & Inferred) at a minimum grade cut-off of 0.5g/t Au.

During the year ended 30 June 2021, Robert Waugh was eligible for the STIP and a Share Price Performance Bonus of \$68,858 was paid.

j) Equity instruments held by key management personnel

The following tables detail the number of fully paid ordinary shares and options over ordinary shares in the Company that were held during the financial year by key management personnel of the Group, including their close family members and entities related to them.

DIRECTORS' REPORT

Options

2021 <i>Directors</i>	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June	Vested and exercisable	Vested during the year
G Ascough	2,250,000	1,500,000	(750,000)	–	3,000,000	3,000,000	–
R Waugh	8,300,000	1,500,000	(4,300,000)	–	5,500,000	5,500,000	–
K Ross	1,500,000	1,000,000	(1,500,000)	–	1,000,000	1,000,000	–
J Percival	1,500,000	1,000,000	(500,000)	(200,000) ⁽¹⁾	1,800,000	1,800,000	–
B Lambert ⁽²⁾	–	1,000,000	–	–	1,000,000	1,000,000	–
TOTAL	13,550,000	6,000,000	(7,050,000)	(200,000)	12,300,000	12,300,000	–

(1) Of the 1,000,000 options approved at the 20 August 2020 General Meeting, 200,000 were issued to Mr Percival's adult child.

(2) Appointed 4 February 2021.

During the year, 7,050,000 ordinary shares in the Company were provided to key management personnel as a result of the exercise of remuneration options.

Shareholdings

2021 <i>Directors</i>	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June
G Ascough	1,091,172	–	750,000	–	1,841,172
R Waugh	1,717,172	–	4,300,000	(1,717,172)	4,300,000
K Ross	181,492	–	1,500,000	(100,000)	1,581,492
J Percival	894,559	–	500,000	(794,559)	600,000
TOTAL	3,884,395	–	7,050,000	(2,611,731)	8,322,664

k) Loans to key management personnel

There were no loans to individuals or any key management personnel during the financial year or the previous financial year.

l) Other transactions with key management personnel

There were no other transactions with key management personnel during the financial year or the previous financial year.

END OF REMUNERATION REPORT (AUDITED)

DIRECTORS' REPORT

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options issued	Expiry date	Issue price of shares	Number under option
21 November 2018	16 November 2021	\$0.1275	3,500,000
30 November 2018	16 November 2021	\$0.1275	450,000
21 November 2019	21 November 2022	\$0.1045	3,450,000
20 August 2020	20 August 2023	\$0.932	5,900,000
28 August 2020	20 August 2023	\$0.932	780,000
29 June 2021	24 June 2024	\$0.56	1,000,000
31 August 2021	24 August 2024	\$0.47	500,000
TOTAL:			15,580,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

During the year the Company issued a total of 14,250,000 ordinary shares upon the exercise of options having various expiry dates and exercise prices.

CORPORATE GOVERNANCE STATEMENT

The Company's 2021 Corporate Governance Statement has been released as a separate document and is located on the Company's website at <http://www.musgraveminerals.com.au/corporate-governance>.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium to insure the Directors and Officers of the consolidated entity against any liability incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits the disclosure of the nature of the liabilities covered or the amount of the premium paid.

The Group has not entered into any agreement with its current auditors indemnifying them against claims by a third party arising from their position as auditor.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditors BDO Audit (WA) Pty Ltd for audit and non-audit services provided during the year are set out in Note 18. During the year ended 30 June 2021 no fees were paid or were payable for non-audit services provided by the auditors of the consolidated entity (2020: \$Nil).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors.



Graham Ascough

Chairman

Perth, 21 September 2021

AUDITOR'S INDEPENDENCE DECLARATION



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Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF MUSGRAVE MINERALS LTD

As lead auditor of Musgrave Minerals Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Musgrave Minerals Ltd and the entity it controlled during the period.

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a light blue horizontal line.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd
Perth, 21 September 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Revenue from continuing operations	3(a)	63,010	52,911
Other income	3(a)	274,226	320,674
Employee benefits expense	3(b)	(2,594,400)	(411,248)
Depreciation expense		(132,783)	(118,465)
Impairment expense	10	–	(3,434)
Finance costs		(22,570)	(30,378)
Other expenses	3(c)	(468,780)	(205,891)
Change in fair value of derivative financial instruments	9(a)	–	1,388,000
Profit / (loss) from continuing operations before income tax		(2,881,297)	992,169
Income tax benefit	5	–	–
Profit / (loss) after income tax for the year attributable to the owners of Musgrave Minerals Limited		(2,881,297)	992,169
Other comprehensive income / (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Change in fair value of financial assets at fair value through OCI	9(b)	(369,125)	561,352
Other comprehensive income / (loss) for the year (net of tax)		(369,125)	561,352
Total comprehensive profit / (loss) for the year attributable to the owners of Musgrave Minerals Limited		(3,250,422)	1,553,521
		Cents per share	Cents per share
Profit / (loss) per share attributable to the owners of Musgrave Minerals Limited			
Basic profit / (loss) per share	17	(0.57)	0.24
Diluted profit / (loss) per share	17	(0.57)	0.23

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	20,910,936	9,122,692
Trade and other receivables	7	322,014	273,652
Other current assets	8	12,951	10,475
Total Current Assets		21,245,901	9,406,819
Non-Current Assets			
Financial assets	9(b)	1,577,188	1,946,313
Property, plant and equipment		373,969	56,031
Right of use assets		103,393	266,745
Exploration and evaluation	10	26,009,600	18,966,123
Total Non-Current Assets		28,064,150	21,235,212
TOTAL ASSETS		49,310,051	30,642,031
LIABILITIES			
Current Liabilities			
Trade and other payables	11	971,325	1,116,981
Provisions	12	202,590	135,580
Lease liabilities	13	75,124	94,782
Total Current Liabilities		1,249,039	1,347,343
Non-Current Liabilities			
Lease liabilities	13	38,813	185,880
Total Non-Current Liabilities		38,813	185,880
TOTAL LIABILITIES		1,287,852	1,533,223
NET ASSETS		48,022,199	29,108,808
EQUITY			
Contributed equity	14	72,739,946	52,004,639
Reserves	15	2,581,338	1,570,637
Accumulated losses	16	(27,299,085)	(24,466,468)
TOTAL EQUITY		48,022,199	29,108,808

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY				
	Issued Capital \$	Options Reserve \$	Financial Asset Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2019	44,592,770	996,288	132,364	(25,628,978)	20,092,444
Total comprehensive profit for the year	–	–	–	992,169	992,169
Other comprehensive income	–	–	561,352	–	561,352
Total comprehensive profit for the year (net of tax)	–	–	561,352	992,169	1,553,521
Transactions with owners in their capacity as owners:					
Issue of shares	7,723,232	–	–	–	7,723,232
Transaction costs of issuing shares	(396,461)	–	–	–	(396,461)
Issue of options (Note 23)	–	136,072	–	–	136,072
Transfer from share option reserve:					
– Due to exercise of options	85,098	(85,098)	–	–	–
– Due to expiry / lapse of options	–	(170,341)	–	170,341	–
At 30 June 2020	52,004,639	876,921	693,716	(24,466,468)	29,108,808
At 1 July 2020	52,004,639	876,921	693,716	(24,466,468)	29,108,808
Total comprehensive loss for the year	–	–	–	(2,881,297)	(2,881,297)
Other comprehensive loss	–	–	(369,125)	–	(369,125)
Total comprehensive loss for the year (net of tax)	–	–	(369,125)	(2,881,297)	(3,250,422)
Transactions with owners in their capacity as owners:					
Issue of shares	21,175,422	–	–	–	21,175,422
Transaction costs of issuing shares	(1,046,951)	–	–	–	(1,046,951)
Issue of options (Note 23)	–	2,035,342	–	–	2,035,342
Transfer from share option reserve:					
– Due to exercise of options	606,836	(606,836)	–	–	–
– Due to expiry / lapse of options	–	(48,680)	–	48,680	–
At 30 June 2021	72,739,946	2,256,747	324,591	(27,299,085)	48,022,199

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Joint venture management fees	3(a)	254,941	191,632
Payments to suppliers and employees		(1,220,333)	(644,868)
Interest received		60,533	63,647
Interest paid		(22,570)	(30,378)
Government grants received		79,500	50,000
Net advances from joint venture partner		(57,925)	165,535
NET CASH FLOWS USED IN OPERATING ACTIVITIES	24	(905,854)	(204,432)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for property, plant and equipment		(357,568)	(7,689)
Payments for tenements		(100,000)	-
Payments for exploration activities		(6,887,065)	(2,097,362)
Payments to acquire investments		-	(400,000)
Proceeds from disposal of investments		-	1,039,614
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(7,344,633)	(1,465,437)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	14(b)	19,523,039	7,500,000
Proceeds from exercise of options		1,652,383	223,232
Share issue costs	14(b)	(1,046,951)	(396,461)
Lease principal repayments		(89,740)	(77,942)
NET CASH FLOWS FROM FINANCING ACTIVITIES		20,038,731	7,248,829
Net increase in cash and cash equivalents		11,788,244	5,578,960
Cash and cash equivalents at beginning of the year		9,122,692	3,543,732
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6	20,910,936	9,122,692

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 CORPORATE INFORMATION

The financial report of Musgrave Minerals Limited for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 21 September 2021.

Musgrave Minerals Limited is a for profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange. The nature of the operation and principal activities of the consolidated entity are described in the attached Directors' Report.

The principal accounting policies adopted in the preparation of these financial statements are set out below and have been applied consistently to all periods presented in the financial statements and by all entities in the consolidated entity.

2 STATEMENT OF COMPLIANCE

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The financial statements of Musgrave Minerals Limited also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

New and amended accounting standards and interpretations adopted by the Group

No new standards or interpretations relevant to the operations of the Group have come into effect for the reporting period.

New accounting standards and interpretations

There are no new or amended accounting standards and interpretations relevant to the operations of the Group that come into effect in subsequent reporting periods at this time.

a) Basis of measurement

Historical cost convention

These financial statements have been prepared under the historical cost convention, except where stated.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed where appropriate.

b) Going concern

These financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

c) Principles of consolidation

Subsidiaries

The financial statements incorporate the assets and liabilities of the Company's subsidiary at 30 June 2021 and the results of its subsidiary for the year then ended. The Company and its subsidiary together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is used to account for business combinations by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2 STATEMENT OF COMPLIANCE (continued)

c) Principles of consolidation continued

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and the Statement of Changes in Equity respectively.

d) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

e) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

f) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss as incurred over the period of the lease.

Leases in which a significant portion of the risks and rewards of ownership are transferred to the Group as lessee are classified as finance leases. At the commencement date of a lease, the Group recognises a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group separately recognises the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

3 REVENUE AND EXPENSES

a) Revenue and other income

	2021 \$	2020 \$
Revenue from continuing operations		
Interest revenue	63,010	52,911
Other Income		
Joint venture management fees	254,941	191,632
Government grants	12,000	117,500
Other income	7,285	11,542
Total other income	274,226	320,674
Total revenue and other income	337,236	373,585

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

3 REVENUE AND EXPENSES (continued)

a) Revenue and other income (continued)

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for transferring services to a customer. Revenue and expenses are recognised on an accrual's basis.

Interest income is recognised on a time proportion basis using the effective interest method.

b) Employee benefits expense

	2021 \$	2020 \$
Wages, salaries, directors' fees and other remuneration expenses	1,802,269	1,204,600
Superannuation contributions	170,125	102,640
Transfer to / (from) annual leave provision	43,150	(2,350)
Transfer to / (from) long service leave provision	23,860	20,970
Share-based payments expense (Note 23)	2,035,342	136,072
Transfer to capitalised exploration expenditure	(1,480,346)	(1,050,684)
Total employee benefits expense	2,594,400	411,248

c) Other expenses

	2021 \$	2020 \$
Secretarial, professional and consultancy costs	143,837	109,655
Occupancy costs	3,042	4,980
Share register maintenance	52,822	15,079
ASX / ASIC	89,866	61,249
Promotion, advertising and sponsorship	168,846	88,749
Employer related on-costs	73,888	15,487
Other expenses	231,245	123,423
Transfer to capitalised exploration expenditure	(294,766)	(212,731)
Total other expenses	468,780	205,891

4 SEGMENT INFORMATION

The Group operates in one geographical segment, being Australia and in one operating category, being mineral exploration. Therefore, information reported to the chief operating decision maker (the Board of Musgrave Minerals Limited) for the purposes of resource allocation and performance assessment is focused on mineral exploration within Australia. The Board has considered the requirements of *AASB 8: Operating Segments* and the internal reports that are reviewed by the chief operation decision maker in allocating resources and have concluded at this time that there are no separately identifiable segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

5 INCOMETAX

Statement of Profit or Loss and Other Comprehensive Income

Current income tax:

- Current income tax benefit at a rate of 26% (2020: 27.5%)

Deferred income tax:

- Relating to origination and reversal of temporary differences

- Deferred tax liability offset by deferred tax asset losses

- Temporary difference not recognised in the current period

Income tax expense / (benefit) reported in the

Statement of Profit or Loss and Other Comprehensive Income

A reconciliation of income tax expense / (benefit) applicable to accounting profit / (loss) before income tax at the statutory income tax rate to income tax expense / (benefit) at the Company's effective income tax is as follows:

Accounting profit / (loss) from continuing operations before income tax

At the statutory income tax rate of 26% (2020: 27.5%)

Add:

- Immediate write-off of capital expenditure

- Expenditures not allowable / income assessable

- Other deductible items

- Tax losses not recognised due to not meeting recognition criteria

	2021 \$	2020 \$
	-	-
	(1,628,100)	(1,070,889)
	2,215,081	768,825
	(586,981)	302,064
	-	-
	(2,881,297)	992,169
	(749,137)	272,846
	(1,831,304)	(823,009)
	588,731	414,809
	(223,372)	(633,471)
	2,215,082	768,825
	-	-

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

5 INCOMETAX (continued)

Deferred income tax

Recognised on the Statement of Financial Position, deferred income tax at the end of the reporting period relates to the following: (26%, 2020: 27.5%)

Deferred income tax liabilities:

- Capitalised expenditure deductible for tax purposes	6,446,745	4,851,925
- Trade and other receivables	14,932	11,949
- Financial assets at fair value through other comprehensive income	222,400	336,740
	6,684,077	5,200,614

Deferred income tax assets:

- Trade and other payables	(5,070)	(21,883)
- Employee benefits	(52,673)	(37,284)
- Capital raising costs	(309,513)	(181,295)
- Net lease liability	(2,741)	(3,828)
- Tax losses available to offset deferred tax liability	(6,314,080)	(4,956,324)
- Net deferred tax asset / (liability)	-	-

The Company and its 100% owned controlled entity have formed a tax consolidated group. The head entity of the tax consolidated group is Musgrave Minerals Limited. The tax consolidated group has potential revenue tax losses of \$42,096,419 (2020: \$33,576,879).

Musgrave Minerals Limited is considered a base rate entity for income tax purposes and is therefore subject to income tax at a rate of 26% (2020: 27.5%).

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise benefits.

The utilisation of tax losses is dependent on the Group satisfying the continuity of ownership test or the same business test at the time the tax losses are applied against taxable income.

6 CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank and on hand	2,334,611	1,896,367
Short-term deposits	18,576,325	7,226,325
	20,910,936	9,122,692

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with maturities of three months or less.

The weighted average interest rate for the year was 0.38% (2020: 1.21%).

The Group's exposure to interest rate risk is set out in Note 22. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

7 TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
<i>Current</i>		
GST receivable	277,534	174,722
Other	44,480	98,930
	322,014	273,652

Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Trade and other receivables are recognised at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by *AASB 9: Financial Instruments* to determine any allowances for expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience. The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that the amounts will be received when due.

The Group's financial risk management objectives and policies are set out in Note 22.

Due to the short-term nature of these receivables their carrying value is assumed to approximate their fair value.

8 OTHER CURRENT ASSETS

	2021 \$	2020 \$
Accrued interest	12,951	10,475
	12,951	10,475

9 FINANCIAL ASSETS

a) Derivative financial instruments

	2021 \$	2020 \$
<i>Current</i>		
Opening balance	–	131,000
Change in fair value	–	1,388,000
Disposal	–	(1,519,000)
Closing balance	–	–

b) Financial assets at fair value through other comprehensive income

	2021 \$	2020 \$
<i>Non-Current</i>		
Opening balance	1,946,313	505,575
Acquisition	–	1,919,000
Change in fair value	(369,125)	561,352
Disposal	–	(1,039,614)
Closing balance	1,577,188	1,946,313

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

9 FINANCIAL ASSETS (continued)

b) Financial assets at fair value through other comprehensive income (continued)

In February 2017, the Company entered into a Tenement Sale Agreement with Legend Mining Limited (ASX:LEG) ("Legend") in respect of the Group's non-core tenements (E28/2404 and E28/2405) in the Fraser Range area of Western Australia. Under the terms of the Agreement, the Company transferred 100% of its interests in the two tenements to Legend and as consideration received 10,000,000 fully paid ordinary shares in Legend and 10,000,000 unlisted options exercisable at \$0.04 exercisable by 30 March 2021.

In April 2020, the Company sold 7,500,000 of the shares it held in Legend and exercised all of the 10,000,000 unlisted options in Legend at \$0.04 per share. The Company retains 12,500,000 Legend shares acquired due to the transaction.

In February 2019, Musgrave entered into an agreement with Cyprium Metals Limited (ASX:CYM) ("Cyprium") regarding an option to earn-in and joint venture on the non-gold rights over the northern Cue tenure including the Hollandaire copper deposit. As part of the farm-out the Company received 1,308,750 shares in Cyprium which the Company still holds.

Financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group classifies its financial assets as either financial assets at fair value through profit or loss ("FVPL"), fair value through other comprehensive income ("FVOCI") or at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments, the classification depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVPL or FVOCI.

Financial assets at FVPL

For assets measured at FVPL, gains and losses will be recorded in profit or loss. The Group's derivative financial instruments are recognised at FVPL. Assets in this category are subsequently measured at fair value. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. Refer to Note 22 for additional details.

Financial assets at FVOCI

For assets measured at FVOCI, gains and losses will be recorded in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Group has elected to measure its listed equities at FVOCI.

Assets in this category are subsequently measured at fair value. The fair values of quoted investments are based on current bid prices in an active market. Refer to Note 22 for additional details.

10 EXPLORATION AND EVALUATION

	2021 \$	2020 \$
Opening balance	18,966,123	15,976,794
Exploration expenditure incurred during the year	7,043,477	2,992,763
Impairment expense	-	(3,434)
Closing balance	26,009,600	18,966,123

Exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

10 EXPLORATION AND EVALUATION (continued)

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- a) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- b) activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

Significant estimate and judgement

There is some subjectivity involved in the carry forward of capitalised exploration and evaluation expenditure or, where appropriate, the write off to the Statement of Profit or Loss and Other Comprehensive Income, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure fairly reflect the prevailing situation.

11 TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
Trade creditors and accruals	920,547	965,975
Amounts due to joint venture partner	50,778	151,006
	971,325	1,116,981

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Trade creditors are unsecured, non-interest bearing and are normally settled on 30-day terms. The Group's financial risk management objectives and policies are set out in Note 22. Due to the short-term nature of these payables their carrying value is assumed to approximate their fair value.

12 PROVISIONS

	2021 \$	2020 \$
Short-term		
Annual leave	77,040	33,890
Long service leave	125,550	101,690
	202,590	135,580

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

The obligations are presented as current liabilities in the Statement of Financial Position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

12 PROVISIONS (continued)

Long-term obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised as a non-current provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

13 LEASE LIABILITIES

Current

Lease liabilities

	2021 \$	2020 \$
	75,124	94,782
	75,124	94,782
	38,813	185,880
	38,813	185,880
	113,937	280,662

Non-current

Lease liabilities

The Company leases its corporate office and IT equipment. During the year the Company purchased the core yard in Cue that it had been leasing and the lease liability at 30 June 2021 has reduced accordingly. The Company has elected not to recognize a lease liability for 'low-value' and short-term leases.

Future minimum lease payments as at 30 June 2021 were as follows:

	Within one year \$	One to two years \$	Two to five years \$	Total \$
30 June 2021				
Lease payments	83,166	39,910	-	123,076
Finance charges	(8,042)	(1,097)	-	(9,139)
Net present values	75,124	38,813	-	113,937
30 June 2020				
Lease payments	118,615	121,363	81,727	321,705
Finance charges	(23,833)	(13,778)	(3,432)	(41,043)
Net present values	94,782	107,585	78,295	280,662

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

14 CONTRIBUTED EQUITY

a) Share capital

Ordinary shares fully paid

2021	2020
\$	\$
72,739,946	52,004,639

b) Movements in ordinary shares on issue

Balance at 30 June 2019

Placement – 9 October 2019

Placement – 4 May 2020

Options exercised - various

Share issue costs

Number	\$
386,782,066	44,592,770
18,587,361	1,500,000
57,142,858	6,000,000
2,230,000	308,330
–	(396,461)

Balance at 30 June 2020

Placement – 18 December 2020

Share purchase plan – 20 January 2021

Options exercised - various

Share issue costs

464,742,285	52,004,639
44,444,445	16,000,000
9,786,219	3,523,039
14,250,000	2,259,219
–	(1,046,951)

Balance at 30 June 2021

533,222,949	72,739,946
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Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

c) Movements in options on issue

Opening balance

Options granted

Options exercised

Options expired / lapsed

Balance at the end of the financial year

2021	2020
Number	Number
21,650,000	19,800,000
8,880,000	6,680,000
(14,250,000)	(2,230,000)
(200,000)	(2,600,000)
16,080,000	21,650,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

15 RESERVES

Share option reserve

Opening balance

Issue of director and employee options (Note 23)

Exercise of director and employee options

Expiry / lapse of options (Note 16)

Balance at the end of the financial year

2021 \$	2020 \$
876,921	996,288
2,035,342	136,072
(606,836)	(85,098)
(48,680)	(170,341)
2,256,747	876,921

The option reserve is used to recognise the fair value of options issued to Directors, employees and contractors.

Financial asset reserve

Opening balance

Financial assets at fair value through other comprehensive income (Note 9(b))

Balance at the end of the financial year

Total Reserves

2021 \$	2020 \$
693,716	132,364
(369,125)	561,352
324,591	693,716
2,581,338	1,570,637

The financial asset reserve is used to recognise the fair value movement on financial assets at fair value through other comprehensive income.

The financial asset reserve is used to recognise the fair value movement on financial assets at fair value through other comprehensive income.

16 ACCUMULATED LOSSES

Opening balance

Net profit / (loss) attributable to members

Transfer from share option reserve

Balance at the end of the financial year

2021 \$	2020 \$
(24,466,468)	(25,628,978)
(2,881,297)	992,169
48,680	170,341
(27,299,085)	(24,466,468)

17 EARNINGS PER SHARE

Basic profit / (loss) loss per share

Diluted profit / (loss) loss per share

The following reflects the profit/(loss) and share data used in the calculations of basic and diluted loss per share:

2021 Cents	2020 Cents
(0.57)	0.24
(0.57)	0.23

Profit / (loss) used in calculating basic and diluted earnings per share

2021 \$	2020 \$
(2,881,297)	992,169

Weighted average number of ordinary shares used in calculating basic and diluted profit / (loss) per share

Weighted average number of ordinary shares used in calculating basic and diluted profit / (loss) per share

2021 Number	2020 Number
504,196,131	409,344,645
504,196,131	430,994,645

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

17 EARNINGS PER SHARE (continued)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the "after income" tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

18 AUDITOR'S REMUNERATION

Audit services

BDO Audit (WA) Pty Ltd

- Audit and review of the financial reports

Total remuneration

2021 \$	2020 \$
30,000	30,000
30,000	30,000

19 CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities

The Group had contingent liabilities in respect of:

Future royalty payments

Musgrave holds a 100% interest in the key tenure hosting gold resources at Cue including the Break of Day/Starlight and Lena deposits and other prospects. Some of the Cue tenements are subject to third party royalty payments on future gold production including the mining licence hosting the Break of Day/Starlight and Lena gold deposits.

Future consideration and royalty payments

In March 2019, the Company entered into an Option Agreement ("Agreement") to acquire the non-alluvial gold rights to the Mainland Project which is located within the boundaries of the Company's Cue Gold Project. Musgrave paid \$125,000 to execute the option to acquire 100% interest in the tenements (excluding the vendors' interest in alluvial gold). A further \$100,000 was paid in August 2020 and an additional \$300,000 is to be paid as milestone payments in Musgrave shares or cash (at the Company's discretion) before the fourth anniversary of the Agreement. The vendor will be entitled to a 1% gross royalty on any non-alluvial gold produced by the Company from the tenements.

Contingent assets

The Group had contingent assets in respect of:

Future royalty payments

In January 2014, the Group entered into a Mining Farm-in and Joint Venture Agreement ("Agreement") with Menninnie Metals Pty Ltd. In August 2015, the parties agreed to terminate the Agreement ("Termination Agreement"). As part of the Termination Agreement the Group retains a 1% Net Smelter Return Royalty on all ores, concentrates or other primary, intermediate or final product of any minerals produced from two of the tenements.

Deferred consideration

Cyprium Australia Pty Ltd ("Cyprium") has earned an 80% interest in the non-gold rights over the northern tenements ("Tenements") of the Company's Cue Project. Musgrave retains 20% of the non-gold rights and is free carried to the completion of a definitive feasibility study and retains 100% of the rights to gold dominant deposits. Should Cyprium delineate 80,000 tonnes of contained copper over the Tenements, \$200,000 in cash or the equivalent value of Cyprium shares (at Cyprium's election) will be due to the Company. Upon a Decision to Mine, \$300,000 in cash or the equivalent value of Cyprium shares (at Cyprium's election) will be due to the Company.

There are no other material contingent assets or liabilities as at 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

20 EVENTS OCCURRING AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There have been no other events subsequent to reporting date which are sufficiently material to warrant disclosure.

21 COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meeting the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the *Mining Act 1978* (Western Australia) and the *Mining Act 1971* (South Australia) and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. Currently, the minimum expenditure commitments for the granted tenements is \$1,063,380 (2020: \$1,009,380) per annum. Of this amount \$928,180 will be met by the Group's joint venture partners as part of their earn-in obligations.

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Interest rate risk
- Credit risk
- Foreign currency risk
- Commodity risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial instruments are tabled below.

	2021 \$	2020 \$
Financial assets		
<i>Current</i>		
Cash and cash equivalents	20,910,936	9,122,692
Trade and other receivables	322,014	273,652
	21,232,950	9,396,344
<i>Non-Current</i>		
Financial assets at fair value through other comprehensive income ("FVOCI")	1,577,188	1,946,313
	1,577,188	1,946,313

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	2021 \$	2020 \$
Financial liabilities		
<i>Current</i>		
Trade and other payables	971,325	1,116,981
Lease liabilities	75,124	94,782
	1,046,449	1,211,763
<i>Non-Current</i>		
Lease liabilities	38,813	185,880
	38,813	185,880

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Group uses.

Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

The following table set out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

	Floating interest rate \$	Fixed interest rate maturing in			Non- interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
2021						
Financial assets						
Cash and cash equivalents	–	18,576,325	–	–	2,334,611	20,910,936
Trade and other receivables	–	–	–	–	322,014	322,014
	–	18,576,325	–	–	2,656,625	21,232,950
Weighted average interest rate	–	0.45%	–	–	–	–
Financial liabilities						
Trade and other payables	–	–	–	–	971,325	971,325
Lease liabilities	–	–	–	–	113,937	113,937
	–	–	–	–	1,085,262	1,085,262
Weighted average interest rate	–	–	–	–	–	–
2020						
Financial assets						
Cash and cash equivalents	1,896,067	7,226,325	–	–	300	9,122,692
Trade and other receivables	–	–	–	–	273,652	273,652
	1,896,067	7,226,325	–	–	273,952	9,396,344
Weighted average interest rate	0.57%	1.43%	–	–	–	–
Financial liabilities						
Trade and other payables	–	–	–	–	1,116,981	1,116,981
Lease liabilities	–	–	–	–	280,662	280,662
	–	–	–	–	1,397,643	1,397,643
Weighted average interest rate	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Sensitivity analysis for interest rate exposure

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below:

	2021 \$	2020 \$
Impact on profit / (loss) and equity		
Increase of 100 basis points	166,001	43,629
Decrease of 100 basis points	(166,001)	(43,629)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The Group trades only with recognised, creditworthy third parties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure to credit risk is the carrying value of the receivable, net of any provision for expected credit loss.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. This risk is minimised by reviewing term deposit accounts from time to time with approved banks of a sufficient credit rating which is -AA and above.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk is tabled below.

	2021 \$	2020 \$
Cash and cash equivalents	20,910,936	9,122,692
Trade and other receivables	322,014	273,652
	21,232,950	9,396,344

Foreign currency risk

The Group's exposure to foreign currency risk is minimal at this stage of its operations.

Commodity price risk

The Group's exposure to commodity price risk is minimal at this stage of its operations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The following are the contractual maturities of financial liabilities:

	Less than 6 months \$	Total Contractual cash flows \$	Carrying amount \$
2021			
Trade and other payables	971,325	971,325	971,325
Lease liabilities	35,456	113,937	113,937
	1,006,781	1,085,262	1,085,262
2020			
Trade and other payables	1,116,981	1,116,981	1,116,981
Lease liabilities	45,620	280,662	280,662
	1,162,601	1,397,643	1,397,643

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk

Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the Statement of Financial Position as financial assets at FVOCI.

Sensitivity analysis for price risk

A change of 10% in the price of securities held at reporting date on the Group's equity and/or profit or loss by is shown below:

	2021 \$	2020 \$
Impact on profit / (loss) and equity		
Increase of 10%	157,718	194,631
Decrease of 10%	(157,718)	(194,631)

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Group is equal to their carrying value.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2021 and 30 June 2020:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2021				
Financial assets at FVOCI	1,577,188	–	–	1,577,188
	1,577,188	–	–	1,577,188
30 June 2020				
Financial assets at FVOCI	1,946,313	–	–	1,946,313
	1,946,313	–	–	1,946,313

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Group's capital is performed by the Board.

The capital structure of the Group consists of net debt (trade and other payables, provisions and lease liabilities detailed in Notes 11, 12 and 13 offset by cash and bank balances) and equity of the Group (comprising contributed equity and reserves, offset by accumulated losses detailed in Notes 14, 15 and 16).

The Group is not subject to any externally imposed capital requirements. None of the Group's entities are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

23 SHARE-BASED PAYMENTS

Employee Share Option Plan

The Group has an Employee Share Option Plan ("ESOP") for executives and employees of the Group. In accordance with the provisions of the ESOP, as approved by shareholders at a previous Annual General Meeting, executives and employees may be granted options at the discretion of the Directors.

Each share option converts into one ordinary share of Musgrave Minerals Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. The options carry neither rights of dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Options issued to Directors are subject to approval by shareholders.

The following share-based payment arrangements were in existence during the reporting period:

Option series	Number	Issue date	Expiry date	Vesting date	Exercise price	Fair value at grant date
P ⁽¹⁾	800,000	4 Nov 2016	3 Nov 2021	Immediate	\$0.195	\$0.0628
Q ⁽¹⁾	3,250,000	29 Nov 2017	29 Nov 2020	Immediate	\$0.097	\$0.0436
R ⁽¹⁾	1,770,000	29 Nov 2017	29 Nov 2020	Immediate	\$0.097	\$0.0436
S ⁽²⁾	6,900,000	21 Nov 2018	16 Nov 2021	Immediate	\$0.1275	\$0.0506
T ⁽³⁾	2,550,000	30 Nov 2018	16 Nov 2021	Immediate	\$0.1275	\$0.0506
U ⁽⁴⁾	6,380,000	21 Nov 2019	21 Nov 2022	Immediate	\$0.1045	\$0.0203
V	5,900,000	20 Aug 2020	20 Aug 2023	Immediate	\$0.932	\$0.2369
W ⁽⁵⁾	1,980,000	28 Aug 2020	20 Aug 2023	Immediate	\$0.932	\$0.2434
X	1,000,000	29 Jun 2021	24 Jun 2024	Immediate	\$0.56	\$0.1557

(1) These options were exercised during the financial year.

(2) 3,400,000 of these options were exercised during the financial year.

(3) 2,100,000 of these options were exercised during the financial year.

(4) 2,930,000 of these options were exercised during the financial year.

(5) 200,000 of these options lapsed during the financial year.

Fair value of share options granted during the year

The fair value of share options at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free rate for the term of the option. The fair value of share options issued during the year was \$2,035,342 of which \$1,340,200 relate to key management personnel (2020: \$136,072 and \$61,110 respectively).

The model inputs for options granted during the year ended 30 June 2021 are as follows:

Inputs	Issue V	Issue W	Issue X
Number	5,900,000	1,980,000	1,000,000
Exercise price	\$0.932	\$0.932	\$0.56
Issue date	20 Aug 2020	28 Aug 2020	29 Jun 2021
Expiry date	20 Aug 2023	20 Aug 2023	24 Jun 2024
Share price at grant date	\$0.59	\$0.60	\$0.35
Expected price volatility	80%	80%	87.5%
Risk-free interest rate	0.26%	0.26%	0.07%
Expected dividend yield	0%	0%	0%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

23 SHARE-BASED PAYMENTS

Movements in share options during the year

Movement in the number of share options held by Directors, employees and consultants:

	2021		2020	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the year	21,650,000	0.116	19,800,000	0.125
Granted and vested during the year	8,880,000	0.890	6,680,000	0.105
Exercised during the year	(14,250,000)	0.116	(2,230,000)	0.100
Expired / lapsed during the year	(200,000)	0.932	(2,600,000)	0.166
Outstanding at the end of the year	16,080,000	0.534	21,650,000	0.116
Exercisable at the end of the year	16,080,000	0.534	21,650,000	0.116

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.60 years (2020: 1.45 years).

Share options outstanding at the end of the year

Share options issued and outstanding at the end of the year have the following exercise prices:

Expiry date	Exercise price \$	2021 Number	2020 Number
29 November 2020	0.0974	–	5,020,000
3 November 2021	0.1950	–	800,000
16 November 2021	0.1275	3,950,000	9,450,000
21 November 2022	0.1045	3,450,000	6,380,000
20 August 2023	0.9320	7,680,000	–
24 June 2024	0.5600	1,000,000	–
Totals		16,080,000	21,650,000

Significant estimates and judgement

The Group measures the cost of equity-settled transactions with Directors, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model.

24 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2021 \$	2020 \$
Cash flows from operating activities		
Profit / (loss) for the year	(2,881,297)	992,169
Non-cash flows in profit / (loss):		
- Other income	79,500	50,000
- Depreciation	132,783	118,465
- Impairment expense	-	3,434
- Share based remuneration	2,035,342	136,072
- Change in fair value of derivative financial instruments	-	(1,388,000)
Changes in assets and liabilities		
- Decrease / (Increase) in trade and other receivables	(31,835)	(120,140)
- Decrease / (Increase) in other current assets	(2,476)	10,736
- Increase / (Decrease) in trade and other payables	(304,881)	(25,788)
- Increase / (Decrease) in employee entitlements	67,010	18,620
Net cash used in operating activities	(905,854)	(204,432)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

24 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES (continued)

Non-cash investing and financing activities

	2021 \$	2020 \$
Additions to the right of use assets	–	198,620
Exercise of Legend options	–	1,519,000
	–	1,717,620

25 RELATED PARTY DISCLOSURE

a) Parent entity

	Class	Country of incorporation	Investment at cost	
			2021 \$	2020 \$
Musgrave Minerals Limited	Ordinary	Australia	–	–

b) Subsidiaries

	Class	Country of incorporation	2021 \$	2020 \$
Musgrave Exploration Pty Ltd	Ordinary	Australia	100	100

c) Key management personnel compensation

	2021 \$	2020 \$
Short-term employee benefits	463,325	430,433
Post-employment benefits	44,074	34,716
Bonus payments	68,858	–
Share-based payments	1,340,200	61,110
	1,916,457	526,259

Detailed remuneration disclosures are provided in the Remuneration Report.

26 SUBSIDIARIES

Details of the Company's subsidiary are as follows:

Subsidiary	Principal activity	Country of incorporation	Proportion of ownership	
			2021	2020
Musgrave Exploration Pty Ltd	Exploration	Australia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

27 PARENT ENTITY DISCLOSURE

	2021 \$	2020 \$
Financial Performance		
Profit / (loss) for the year	(2,881,297)	992,169
Other comprehensive income	(369,125)	561,352
Total comprehensive profit / (loss)	(3,250,422)	1,553,521
Financial Position		
ASSETS		
Current assets	21,245,901	9,406,819
Non-Current assets	28,064,150	21,235,212
TOTAL ASSETS	49,310,051	30,642,031
LIABILITIES		
Current liabilities	1,249,039	1,347,343
Non-Current liabilities	38,813	185,880
TOTAL LIABILITIES	1,287,852	1,533,223
NET ASSETS	48,022,199	29,108,808
EQUITY		
Contributed equity	72,739,946	52,004,639
Reserves	2,581,338	1,570,637
Accumulated losses	(27,299,085)	(24,466,468)
TOTAL EQUITY	48,022,199	29,108,808

No guarantees have been entered into by Musgrave Minerals Limited in relation to the debts of its subsidiary. Musgrave Minerals Limited had no expenditure commitments as at 30 June 2021 other than the commitments as disclosed in Note 21.

DIRECTORS' DECLARATION

The Directors of Musgrave Minerals Limited declare that:

- 1) in the Directors' opinion, the financial statements and notes set out on pages 27 to 50 and the Remuneration Report in the Director's Report are in accordance with the *Corporations Act 2001*, including:
 - a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance, for the financial year ended on that date; and
 - b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), *Corporations Regulations 2001* and mandatory professional reporting requirements.
- 2) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2; and
- 3) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Managing Director and Chief Financial Officer for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the Directors.



Mr Graham Ascough
Chairman

Perth, Western Australia

21 September 2021

INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT

To the members of Musgrave Minerals Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Musgrave Minerals Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of exploration and evaluation expenditure

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 10 to the Financial Report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group.</p> <p>Refer to Note 10 of the Financial Report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none">• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes;• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;• Considering whether any facts or circumstances existed to suggest impairment testing was required; and• Assessing the adequacy of the related disclosures in Note 10 to the Financial Report.

INDEPENDENT AUDITOR'S REPORT



Accounting for share-based payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 23 to the Financial Report, during the financial year ended 30 June 2021, the Group agreed to issue options to key management personnel, employees and consultants, which have been accounted for as share-based payments as disclosed in Note 23 of the Financial Report.</p> <p>Refer to Note 23 of the Financial Report for a description of the accounting policy and significant estimates and judgements applied to these arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments, we consider the accounting for share-based payments to be a key audit matter.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none">• Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements;• Holding discussions with management to understand the share-based payment transactions in place;• Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation methodology used;• Testing key fair value inputs, using internal specialists where required;• Assessing the allocation of the share-based payment expense over the relevant vesting period; and• Assessing the adequacy of the related disclosures in Note 23 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in directors' report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT



In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 20 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Musgrave Minerals Ltd, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', written over a faint, light blue BDO logo.

Glyn O'Brien

Director

Perth, 21 September 2021

ADDITIONAL INFORMATION

The following additional information not shown elsewhere in this report is required by the ASX Listing Rules and is current as at 24 September 2021.

Securities

Quotation has been granted for 533,222,949 ordinary shares of the Company on the Australian Securities Exchange.

Quoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
MGV	4,865	Ordinary Fully Paid	533,222,949

Unquoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
MGVAB	5	Options expiring 16/11/2021 Exercisable at \$0.1275	3,950,000
MGVAB	3	Options expiring 21/11/2022 Exercisable at \$0.1045	3,450,000
MGVAC	16	Options expiring 20/08/2023 Exercisable at \$0.932	6,680,000
MGVAB	1	Options expiring 24/06/2024 Exercisable at \$0.56	1,000,000
MGVAZ	1	Options expiring 27/08/2024 Exercisable at \$0.47	500,000
MGVAD	12	Options expiring 23/09/2024 Exercisable at \$0.45	1,820,000

One holder Mr Robert Waugh and Mrs Sara Waugh <Waugh Family Trust A/C> hold 5,500,000 unlisted options (equivalent to 32% of total unlisted options)

Voting Rights

The voting rights attached to each class of security are as follows:

- Ordinary Fully Paid shares – one vote per share held.
- Options – no voting rights are attached to unexercised options.

Distribution schedule

Spread of Holdings - Ordinary Shares

(ASX Code: MGV)

	Holdings	Number of Holders	Units	Percentage
1	- 1,000	286	119,327	0.02
1,001	- 5,000	1,146	3,241,989	0.61
5,001	- 10,000	751	6,230,645	1.17
10,001	- 100,000	2,070	78,790,384	14.78
100,001	- and over	612	444,840,604	83.42
TOTAL		4,865	533,222,949	100%

Substantial Shareholding

The Company has received the following notices of substantial holding:

- Westminex Group in relation to 44,188,643 ordinary shares

ADDITIONAL INFORMATION

Unmarketable Parcel

There are 615 Shareholders holding less than a marketable parcel of fully paid ordinary shares (a minimum parcel \$500 shares, being 1,887 shares using a market value of \$0.265).

Buyback

No on-market share buy-back is current.

Top Holders

The names of the twenty largest holders of quoted securities are listed below:

Rank	Name	Units held	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	70,933,817	13.30%
2	WESTMINEX PTY LTD	43,972,795	8.25%
3	JETOSEA PTY LTD	32,110,954	6.02%
4	EVOLUTION MINING LIMITED	21,705,979	4.07%
5	CITICORP NOMINEES PTY LIMITED	17,752,079	3.33%
6	EQUITY TRUSTEES LIMITED	9,563,726	1.79%
7	THE A SHARP FAMILY PTY LTD	6,404,439	1.20%
8	MR STACEY RADFORD	6,100,000	1.14%
9	ZERO NOMINEES PTY LTD	5,197,994	0.97%
10	MR ROBERT SCOTT WAUGH & MRS SARA RUTH WAUGH	4,300,000	0.81%
11	JAYLEAF HOLDINGS PTY LTD	4,277,778	0.80%
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,236,553	0.79%
13	GS GROUP AUSTRALIA PTY LTD	4,134,627	0.78%
14	BNP PARIBAS NOMINEES PTY LTD	4,006,318	0.75%
15	BUZI BEAR PTY LTD	3,882,790	0.73%
16	SOUDURE S/F PTY LTD	3,833,334	0.72%
17	MERCHANT GROUP PTY LTD	3,676,242	0.69%
18	BPM CAPITAL LIMITED	3,500,000	0.66%
19	PACIFIC CAPITAL SECURITIES PTY LTD	2,778,984	0.52%
20	OLGEN PTY LTD	2,732,649	0.51%



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