



HALF-YEAR FINANCIAL REPORT

31 December 2021

ABN 12 143 890 671

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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

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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Perth, WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, WA 6000

STOCK EXCHANGE LISTING

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

Home Exchange: Perth, Western Australia
ASX Code: MGV

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Musgrave Minerals Ltd ("Musgrave" or "the Company") and the entities it controlled ("the Group") at the end of, or during, the half-year ended 31 December 2021.

DIRECTORS

The following persons were directors of Musgrave Minerals Ltd during the whole of the half-year and up to the date of this report, except where otherwise noted:

- 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

OPERATING RESULT

The Group's loss for the half-year ended 31 December 2021 after providing for income tax amounted to \$338,413 (2020: \$2,359,726).

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were to:

- carry out exploration of mineral tenements, both on a joint venture basis and by the Company in its own right;
- continue to progress exploration licence applications to grant;
- continue to seek extensions of areas held and to seek out new areas with mineral potential;
- evaluate new opportunities for joint venture or acquisition;
- evaluate results received through surface sampling, geophysical surveys and drilling carried out during the period; and
- undertake development studies to evaluate options to optimise cash flow and maximise shareholder returns.

REVIEW OF OPERATIONS

Musgrave Minerals Limited is an active Australian gold explorer. The Cue Project in the Murchison region of Western Australia is the Company's focus and hosts significant gold and copper mineralisation including the high-grade Break of Day and Lena Mineral Resources. Musgrave has had significant exploration success at Cue with gold discoveries at Break of Day/Starlight which underpin the existing Mineral Resource and new discoveries at White Heat-Mosaic and Big Sky which are expected to deliver resource growth later in 2022. The Company's ongoing focus is on increasing the gold resources through discovery and extensional drilling to underpin studies that will demonstrate a viable path to near term development.

Evolution Mining Limited ("Evolution") have elected to manage the Earn-In and Joint Venture Exploration Agreement from 1 January 2022, which covers a select area of Lake Austin and surrounds ("Evolution JV") on the Cue Project. The Evolution JV excludes all the known resources including Lena and Break of Day, the new Big Sky and White Heat discoveries and the Mainland option area.

Musgrave also holds a large exploration tenement package in the Ni-Cu-Co prospective Musgrave Province of South Australia.

Cue Project

At the Cue Project, the total project gold Mineral Resources (Indicated and Inferred) stand at 6.4Mt @ 3.2g/t Au for 659koz Au (see MGV ASX announcement 11 November 2020, "Break of Day High-Grade Mineral Resource Estimate"). The high-grade, near-surface nature of the gold mineralisation at Break of Day is providing the initial resource base for prefeasibility level studies, focusing on long lead-time items. Works undertaken during the period include further metallurgical and geotechnical assessments, heritage surveys and desktop studies on preliminary mine and infrastructure design.

The success from exploration drilling continues to support the opportunity to grow the resource base through discovery following positive drilling results at Big Sky and White Heat-Mosaic. Exploration on the Company's wholly owned tenure at Cue included large regional and extensional drilling programs with a focus on growing the mineral resource base and gauging the upside potential of the Cue Project. A combination of reverse circulation ("RC"), diamond and aircore drilling returned significant results from multiple prospects including Big Sky, White Heat-Mosaic, Amarillo and Waratah. Significant results include:

White Heat-Mosaic

- 15m @ 111.6g/t Au from 25m (21MORC232), including;
 - 5m @ 313.4g/t Au from 26m
 - 9m @ 110.5g/t Au from 42m (21MORC414), including;
 - 3m @ 307.3g/t Au from 45m
 - 2.8m @ 122.2g/t Au from 72m (21MODD041)
 - 3.4m @ 107.6g/t Au from 74.6m (21MODD019)
- (see MGV ASX announcements dated 16 August 2021, 1 December 2021 and 2 February 2022).

Big Sky

- 28m @ 35.9g/t Au from 49m (21MORC277), including;
 - 1m @ 898g/t Au from 49m
 - 7m @ 8.6g/t Au from 43m (21MORC212)
 - 4m @ 20.4g/t Au from 37m (21MORC340)
 - 3m @ 11.5g/t Au from 26m (21MORC282)
 - 3m @ 9.5g/t Au from 9m (21MORC336)
 - 3m @ 10.9g/t Au from 21m (21MORC337)
 - 2m @ 9.6g/t Au from 0m (21MORC342) and
 - 5m @ 8.3g/t Au from 62m
 - 10m @ 5.2g/t Au from 20m (21MORC341) and
 - 6m @ 3.4g/t Au from 63m
 - 2m @ 17.6g/t Au from 105m (21MORC285)
- (see MGV ASX announcements dated 27 October 2021 and 15 December 2021).

Amarillo (previously Target 14)

- 9m @ 8.7g/t Au from 44m (21MORC371), including;
 - 2m @ 35.1g/t Au from 51m
 - 3m @ 11.3g/t Au 45m (21MORC375)
 - 23m @ 4.2g/t Au from 26m (21MORC185)
- (see MGV ASX announcements dated 15 December 2021 and 6 January 2022).

Waratah

- 2m @ 28.1g/t Au from 78m (21MORC359), including;
 - 1m @ 53.2g/t Au from 78m
 - 2m @ 6.1g/t Au from 87m (21MORC361)
 - 2m @ 5.8g/t Au from 31m (21MORC350)
- (see MGV ASX announcement dated 6 January 2022).

All targets are open down dip and resource drilling is continuing at Big Sky and White Heat-Mosaic.

Evolution Joint Venture

On Lake Austin, under the Evolution JV, multiple phases of aircore and diamond drilling have been completed with encouraging results at the West Island prospect.

Evolution has elected to act as the Earn-in Manager from 1st January 2022. This will free-up MGV personnel to accelerate activities on Musgrave's 100% tenure. Evolution initially committed a A\$5M exploration budget to fund further drilling at Cue in FY22 and have now increased the JV budget for FY22. The intent is to accelerate exploration and to delineate the system's scale at West Island, as well as testing additional gold-in-regolith aircore anomalies and defining new diamond drilling targets through aircore drilling. This revised and accelerated budget adds an additional A\$3-6M for a revised minimum total budget of A\$8M for FY22. If Evolution does not spend \$18M within five years (by 4 October 2024), Musgrave will retain 100% ownership (see MGV ASX announcement dated 17 September 2019). The existing gold resources, including Lena and Break of Day and the Mainland option area, are excluded from the Evolution JV Agreement.

Diamond drilling results include:

- 4.26m @ 41.5g/t Au from 160.74m (21MODD025), including;
 - 0.41m @ 400.2g/t Au from 160.74m
- (see MGV ASX announcement dated 27 January 2022).

Corporate

There have been a number of changes to the Company's unlisted options with some expiring and some being exercised. During the period, 3,950,000 million unlisted options were exercised, raising \$503,625 in cash.

At the Company's Annual General Meeting held on 18 November 2021, shareholders approved the issue of 3,750,000 unlisted options to Directors. In addition, 450,000 unlisted options were issued to consultants and 1,870,000 unlisted options were issued to employees under the Employee Share Option Plan.

At 31 December 2021 the Company's capital structure comprised:

- 537,172,949 fully paid ordinary shares; and
- 17,200,000 unlisted options at various exercise prices and expiry dates

The Company holds 12.5 million ordinary shares in Legend Mining Limited together with 1,308,750 ordinary shares in Cyprium Metals Ltd.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Company up to 31 December 2021, it is not practicable to estimate the potential impact after the reporting date. The Company is maintaining its operations and developing its projects while aiming to keep its employees, contractors, and the communities in which we operate safe.

Musgrave has operational procedures and guidelines in place that are inline with official health advice and government directives. The Company 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.

Mineral Resources

Gold Mineral Resources

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	2,703	3.4	297	2,719	3.7	319	5,422	3.5	616
Eelya									
*Hollandaire ⁽¹⁾ (100%)	2,179	0.3	21	605	0.4	8	2,784	0.3	27
*Hollandaire ⁽¹⁾ (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
<p>* 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). MGV 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.</p>									
<p>Note 2: Due to the effects of rounding, the totals may not reflect the sum of all components.</p>									

Copper Mineral Resources⁽¹⁾

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 (100% basis)	2,179	2.0	42.2	605	1.6	9.3	2,784	1.9	51.5
Copper (MGV 20% attributable basis)	436	2.0	8.4	121	1.6	1.9	557	1.9	10.3

Silver Mineral Resources⁽¹⁾

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 (100% basis)	2,179	6.4	450	605	6.4	124	2,784	6.4	574
Silver (MGV 20% attributable basis)	436	6.4	90	121	6.4	24.8	557	6.4	114.8

* Note 1: The Hollandaire Resource Estimate is on a 100% basis (MGV has a 20% attributable interest in the Hollandaire deposit, free carried to completion of DFS). MGV 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.

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

Notes to Mineral Resources Tables

⁽¹⁾ On 1 May 2020, Musgrave entered into a joint venture with Cyprium Australia Pty Ltd ("Cyprium") on the non-gold rights over the northern Cue tenure including the Hollandaire copper deposit. Cyprium (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.

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 Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcements by Musgrave Minerals Ltd (MGV) entitled "Lena Mineral Resource more than doubles and gold grade increases" released on 17 February 2020 and "Break of Day High-Grade Mineral Resource Estimate" released on 11 November 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.

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. Additional drilling at the Numbers deposit by Musgrave Minerals is currently being processed and interpreted and will be utilized to update the resource at this deposit when the work is complete. 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.

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.

EVENTS SUBSEQUENT TO THE REPORTING DATE

Evolution Mining Limited have elected to manage the Earn-In and Exploration Joint Venture Agreement which covers a select area of Lake Austin and surrounds on the Cue Project from 1 January 2022. The Evolution JV does not include the known resources including Lena and Break of Day, the new Big Sky and White Heat discoveries and the Mainland option area.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is included on the following page.

This report is made in accordance with a resolution of the directors.



Mr Graham Ascough
Chairman

Perth, 10 March 2022

AUDITOR'S INDEPENDENCE DECLARATION



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

As lead auditor for the review of Musgrave Minerals Ltd for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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".

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 10 March 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

		Half-year ended 31 Dec 2021	Half-year ended 31 Dec 2020
	Note	\$	\$
Other income		353,068	170,273
Employee benefits expense	12	(387,069)	(2,269,814)
Depreciation expense		(63,160)	(66,518)
Finance costs		(5,133)	(13,092)
Other expenses		(236,119)	(180,575)
Profit / (loss) before income tax expense		(338,413)	(2,359,726)
Income tax benefit/(expense)		-	-
Profit / (loss) from continuing operations		(338,413)	(2,359,726)
Profit / (loss) attributable to members of the parent entity		(338,413)	(2,359,726)
Other comprehensive income / (loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Equity instruments at fair value through other comprehensive income – fair value changes	5	(636,244)	(240,519)
Total comprehensive profit / (loss) for the period		(974,657)	(2,600,245)
Profit / (loss) per share attributable to the owners of Musgrave Minerals Limited		<i>Cents per share</i>	<i>Cents per share</i>
Basic profit / (loss) per share	11	(0.06)	(0.49)
Diluted profit / (loss) per share	11	n/a	n/a

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 31 DECEMBER 2021

	Note	31 Dec 2021 \$	30 Jun 2021 \$
CURRENT ASSETS			
Cash and cash equivalents	4	17,500,498	20,910,936
Trade and other receivables		408,138	322,014
Other current assets		21,147	12,951
TOTAL CURRENT ASSETS		17,929,783	21,245,901
NON-CURRENT ASSETS			
Financial assets	5	940,944	1,577,188
Property, plant and equipment		520,848	373,969
Right of use assets		92,417	103,393
Exploration and evaluation assets	6	30,629,899	26,009,600
TOTAL NON-CURRENT ASSETS		32,184,108	28,064,150
TOTAL ASSETS		50,113,891	49,310,051
CURRENT LIABILITIES			
Trade and other payables	7	2,046,206	971,325
Provisions		225,840	202,590
Lease liabilities		89,167	75,124
TOTAL CURRENT LIABILITIES		2,361,213	1,249,039
NON-CURRENT LIABILITIES			
Lease liabilities		11,441	38,813
TOTAL NON-CURRENT LIABILITIES		11,441	38,813
TOTAL LIABILITIES		2,372,654	1,287,852
NET ASSETS		47,741,237	48,022,199
EQUITY			
Issued capital	9	73,438,246	72,739,946
Reserves	10	1,697,091	2,581,338
Accumulated losses		(27,394,100)	(27,299,085)
TOTAL EQUITY		47,741,237	48,022,199

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

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY					
	Issued Capital	Options Reserve	Financial Asset Reserve	Accumulated Losses	Total Equity
Note	\$	\$	\$	\$	\$
Balance at 1 July 2020	52,004,639	876,921	693,716	(24,466,468)	29,108,808
Total comprehensive loss for the period	-	-	-	(2,359,726)	(2,359,726)
Other comprehensive loss	-	-	(240,519)	-	(240,519)
Total comprehensive loss for the period net of tax	-	-	(240,519)	(2,359,726)	(2,600,245)
Shares issued	17,473,883	-	-	-	17,473,883
Transaction costs of issuing shares	(1,019,099)	-	-	-	(1,019,099)
Issue of options	-	1,879,642	-	-	1,879,642
Transfer from share option reserve:					
– Exercise of options	536,017	(536,017)	-	-	-
Balance at 31 December 2020	68,995,440	2,220,546	453,197	(26,826,194)	44,842,989
Balance at 1 July 2021	72,739,946	2,256,747	324,591	(27,299,085)	48,022,199
Total comprehensive loss for the period	-	-	-	(338,413)	(338,413)
Other comprehensive loss	-	-	(636,244)	-	(636,244)
Total comprehensive loss for the period net of tax	-	-	(636,244)	(338,413)	(974,657)
Shares issued	503,625	-	-	-	503,625
Transaction costs of issuing shares	(5,136)	-	-	-	(5,136)
Issue of options	12	195,206	-	-	195,206
Transfer from share option reserve:					
– Due to exercise of options	199,811	(199,811)	-	-	-
– Due to expiry / lapse of options	-	(243,398)	-	243,398	-
Balance at 31 December 2021	73,438,246	2,008,744	(311,653)	(27,394,100)	47,741,237

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

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Half-year ended 31 Dec 2021 \$	Half-year ended 31 Dec 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	320,442	146,623
Payments to suppliers and employees	(689,373)	(532,752)
Interest received	23,430	21,660
Interest paid	(5,133)	(13,092)
Government grants received	-	50,000
Net advances from joint venture partner	36,223	375,006
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	(314,411)	47,445
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(175,539)	(70,599)
Payments for tenements	-	(100,000)
Payments for exploration activities	(3,388,909)	(3,379,211)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(3,564,448)	(3,549,810)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	16,000,000
Proceeds from exercise of options	503,625	1,473,883
Share issue costs	(5,136)	(1,019,099)
Lease principal repayments	(30,068)	(45,620)
NET CASH FLOWS FROM FINANCING ACTIVITIES	468,421	16,409,164
Net increase / (decrease) in cash and cash equivalents	(3,410,438)	12,906,799
Cash at the beginning of the period	20,910,936	9,122,692
CASH AT THE END OF THE PERIOD	17,500,498	22,029,491

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 1: CORPORATE INFORMATION

This general-purpose financial report of Musgrave Minerals Ltd ("the Company") for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 10 March 2022.

The Company's principal activities are to carry out exploration of mineral tenements, to continue to seek extensions of areas held and to seek out new areas with mineral potential and to evaluate results achieved through surface sampling, geophysical surveys and drilling activities.

Musgrave Minerals Ltd is a company incorporated in Australia and limited by shares which are quoted on the Australian Securities Exchange.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

This general purpose interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Musgrave Minerals Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

Except for Note 2(b) the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial report has been prepared on an historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

b) New accounting standards and interpretations

In the half-year ended 31 December 2021, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2021.

The adoption of the new and revised Standards and Interpretations have not had a material impact on this half-year financial report.

c) 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.

d) Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual financial statements as at and for the year ended 30 June 2021.

NOTE 3: SEGMENT INFORMATION

The Group continues to operate in one geographical segment, being Australia, and in one operating category, being mineral exploration and evaluation.

The Board has considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker (the Managing Director) in allocating resources and has concluded at this time that there are no separately identifiable segments.

NOTE 4: CASH AND CASH EQUIVALENTS

	31 Dec 2021	30 Jun 2021
	\$	\$
Cash at bank and on hand	3,424,173	2,334,611
Short-term deposits	14,076,325	18,576,325
	17,500,498	20,910,936

In September 2019 Musgrave entered into an Earn-In and Joint Venture Exploration Agreement with Evolution Mining Limited (Evolution) over a select area of Lake Austin and surrounds (EJV) of the Cue Project. Musgrave was the manager of the EJV throughout the reporting period, with Evolution having the right to assume management once it had met its minimum expenditure requirement. Cash at bank and on hand includes amounts held for the EJV for budgeted and approved earn-in expenditure. As at 31 December 2021 the Company held \$675,453 (30 June 2021: \$128,231) in unexpended cash calls for Evolution.

NOTE 5: FINANCIAL ASSETS

	31 Dec 2021	30 Jun 2021
	\$	\$
Financial assets at fair value through other comprehensive income		
Shares in listed corporations		
Opening balance	1,577,188	1,946,313
Change in fair value	(636,244)	(369,125)
Closing balance	940,944	1,577,188

The fair value of listed financial assets at fair value through profit and loss has been determined directly by reference to published price quotations in an active market.

NOTE 6: EXPLORATION AND EVALUATION ASSETS

	31 Dec 2021	30 Jun 2021
	\$	\$
Opening balance	26,009,600	18,966,123
Exploration expenditure incurred during the period	4,620,299	7,043,477
Closing balance	30,629,899	26,009,600

Pursuant to Australian Accounting Standard AASB 6: *Exploration for and Evaluation of Mineral Resources* the Group has elected to capitalise its exploration expenditures as incurred. The Group reviews its capitalised expenditure by tenement on an ongoing basis to determine if the carrying amount exceeds its recoverable amount. The Group has determined that no impairment charge is required for the current period.

NOTE 7: TRADE AND OTHER PAYABLES

	31 Dec 2021	30 Jun 2021
	\$	\$
Trade creditors	1,577,454	920,547
Amounts due to joint venture partner	468,752	50,778
	2,046,206	971,325

These amounts represent liabilities for goods and services provided to the Company prior to the end of the period and which are unpaid. Trade creditors are unsecured, non-interest bearing and are normally settled on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 8: COMMITMENTS AND CONTINGENCIES

As at the reporting date there has been no material change in the commitments and contingencies since the 30 June 2021 annual report.

NOTE 9: ISSUED CAPITAL

	31 Dec 2021	30 Jun 2021
	\$	\$
Issued capital		
Fully paid ordinary shares	73,438,246	72,739,946

a) Movement in ordinary shares on issue

	Half-year ended 31 Dec 2021		Year ended 30 Jun 2021	
	No.	\$	No.	\$
Opening balance	533,222,949	72,739,946	464,742,285	52,004,639
Placement – 18 December 2020	-	-	44,444,445	16,000,000
Share purchase plan – 20 January 2021	-	-	9,786,219	3,523,039
Options exercised – various	3,950,000	703,436	14,250,000	2,259,219
Share issue costs	-	(5,136)	-	(1,046,951)
Closing balance	537,172,949	73,438,246	533,222,949	72,739,946

b) Movement in options on issue

	Half-year ended 31 Dec 2021		Year ended 30 Jun 2021	
	No.	\$	No.	\$
Opening balance	16,080,000	2,256,747	21,650,000	876,921
Options granted	6,070,000	195,206	8,880,000	2,035,342
Options exercised	(3,950,000)	(199,811)	(14,250,000)	(606,836)
Options expired / lapsed	(1,000,000)	(243,398)	(200,000)	(48,680)
Closing balance	17,200,000	2,008,744	16,080,000	2,256,747

NOTE 10: RESERVES

	31 Dec 2021	30 Jun 2021
	\$	\$
Share option reserve		
Opening balance	2,256,747	876,921
Issue of director and employee options (Note 12)	195,206	2,035,342
Exercise of director and employee options	(199,811)	(606,836)
Expiry / lapse of options	(243,398)	(48,680)
Closing balance	2,008,744	2,256,747
Financial asset reserve		
Opening balance	324,591	693,716
Equity instruments at fair value through other comprehensive income	(636,244)	(369,125)
Closing balance	(311,653)	324,591
Total Reserves	1,697,091	2,581,338

NOTE 11: LOSS PER SHARE

	2021 Cents	2020 Cents
Basic profit / (loss) per share	(0.06)	(0.49)
Diluted profit / (loss) per share	n/a	n/a

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	2021 \$	2020 \$
Profit / (loss) used in calculating basic and diluted earnings per share	(338,413)	(2,359,726)

	2021 Number	2020 Number
Weighted average number of ordinary shares used in calculating basic profit / (loss) per share	534,811,537	476,964,990
Weighted average number of ordinary shares used in calculating diluted profit / (loss) per share	n/a	n/a

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.

The issue of potential ordinary shares is antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share has therefore not assumed the conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

NOTE 12: SHARE BASED PAYMENTS

The Company's employee benefits expense for the half-year was \$387,069 (2021: \$2,269,814) which included a share-based payment expense of \$195,206 (2021: \$1,879,642) as outlined below.

At the Company's Annual General Meeting held on 18 November 2021, shareholders approved the issue of 3,750,000 options to Directors (Issue AA). In addition, a total of 2,320,000 options were issued to employees under the Employee Share Option Plan ("ESOP") on 31 August 2021 (Issue Y) and 23 September 2021 (Issue Z). Of these option issues, 3,750,000 were issued to Directors (2021: 6,000,000) with a share-based payment expense of \$64,986 (2021: \$1,340,200).

The fair value of share options at grant date is determined using a Black-Scholes option pricing model that considers 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 options is determined at grant date and is expensed over the vesting period (if applicable) for those options.

The following table lists the inputs to the model for options granted during the six months ended 31 December 2021:

Inputs	Issue Y	Issue Z	Issue AA
Number	500,000	1,820,000	3,750,000
Exercise price	\$0.47	\$0.45	\$0.59
Grant date	31 Aug 2021	23 Sep 2021	18 Nov 2021
Vesting date	Immediate	1 Oct 2022	18 Nov 2022
Expiry date	27 Aug 2024	23 Sep 2024	18 Nov 2024
Share price at grant date	\$0.335	\$0.285	\$0.385
Volatility (%)	87%	75%	75%
Risk-free interest rate (%)	0.01%	0.18%	0.97%
Expected dividend yield (%)	0%	0%	0%
Fair value per option	\$0.159	\$0.105	\$0.147

NOTE 13: DIVIDENDS

No dividends have been declared or paid during the half-year.

NOTE 14: EVENTS SUBSEQUENT TO THE REPORTING DATE

Evolution Mining Limited have elected to manage the Earn-In and Exploration Joint Venture Agreement which covers a select area of Lake Austin and surrounds on the Cue Project from 1 January 2022.

No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future periods.

DIRECTORS' DECLARATION

In the opinion of the directors of Musgrave Minerals Ltd:

- 1) the financial statements and notes of Musgrave Minerals Ltd are in accordance with the *Corporations Act 2001*, including:
 - a) giving a true and fair view of its financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - b) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- 2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read "G. Ascough", written in a cursive style.

Mr Graham Ascough
Chairman

10 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Musgrave Minerals Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Musgrave Minerals Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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**Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

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

Glyn O'Brien**Director**

Perth, 10 March 2022