



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

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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 dedicated to building a sustainable and profitable gold mining business driven by exploration and development success.

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

Photo credit:

Matthew Battrick, Masha Pastuhov and Michael Washbourne



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CHAIRMAN'S LETTER

On behalf of the Board of Directors, it is my pleasure to present the 2022 Annual Report for Musgrave Minerals Limited ("Musgrave" or "Company").

The Company's Cue Gold 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 continue to grow our resource base.

In the June Quarter the Company delivered an updated Mineral Resource Estimate ("MRE") for Cue that incorporates several recent discoveries as well as updating existing resources. The updated MRE includes significant additions from the new White Heat-Mosaic and Big Sky deposits and the Total Mineral Resource at Cue has grown 41% to 12.3Mt @ 2.3g/t Au for 927koz of contained gold. Significantly the near surface high-grade Break of Day Trend is now estimated to host 982kt @ 10.4g/t Au for 327koz of contained gold. The updated MRE strengthens our economic modelling for the development studies that are currently underway for the project to define a pathway to production.

Exploration success continues at Cue and we are confident that the resource base will grow further in the near term. At White Heat and Big Sky, drilling to date has only focussed on the top 100 to 160m and as such both areas have strong potential to further contribute to resource growth with extensional and infill drilling programs currently underway. New discoveries not yet included in the MRE include Amarillo and Waratah and regional drilling programs continue to identify further targets for follow up on our extensive land holding at Cue with the objective of identifying new resources to grow the already significant resource base.

Exploration on Lake Austin continued under the Evolution Mining Limited ("Evolution") Earn-in and Exploration Joint Venture and drilling results to date have identified multiple new gold lodes at West Island along with a number of highly prospective regional targets that require further drill testing. Evolution are now operating the Joint Venture and a significant amount of basement drilling will be completed in the first half of the 2023 financial year.

The Company recently completed a sustainability review led by an external consultant to identify key focus areas to further integrate environmental, social and governance considerations into our decision making process. The outcomes will be implemented throughout the business as we continue to safely and responsibly deliver exploration success and advance our vision of building a profitable gold mining business at Cue.

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

REVIEW OF OPERATIONS

Musgrave Minerals Ltd ("Musgrave" or "the Company") (ASX: MGV) is an Australian resources company focused on gold exploration and development at the Cue Project ("Cue") in the Murchison Province of Western Australia.

Musgrave's intent is to continue to grow the resource base, accelerate exploration and continue prefeasibility level studies at Cue to define a high margin operation that returns value to shareholders. The Company is continuing prefeasibility level studies and will include the new White Heat-Mosaic and Big Sky deposits in future development planning.

It has been a successful year for Musgrave with new mineralised gold zones identified at Amarillo and Waratah and the announcement of maiden Mineral Resource Estimates at White Heat-Mosaic and Big Sky.

Musgrave increased its resource base to an estimated 927koz of gold within the Cue Gold Project and completed more than 100,000m of drilling during the year. The total Indicated and Inferred JORC Mineral Resources at the project are **12.3Mt @ 2.3g/t Au for 927koz of gold** (see MGV ASX announcement 31 May 2022, "Cue Mineral Resource Increases to 927,000 Ounces").

During the year the Company also acquired new tenure south of Mt Magnet approximately 40km south of the Cue Project. This under explored ground is expected to create an early stage pipeline of targets to complement the more advanced exploration program at Cue. Musgrave also has tenement applications in the Musgrave Geological Province of South Australia (Figure 1).

"Musgrave's intent is to continue to grow the resource base, accelerate exploration and continue prefeasibility level studies at Cue to define a high margin operation that returns value to shareholders."

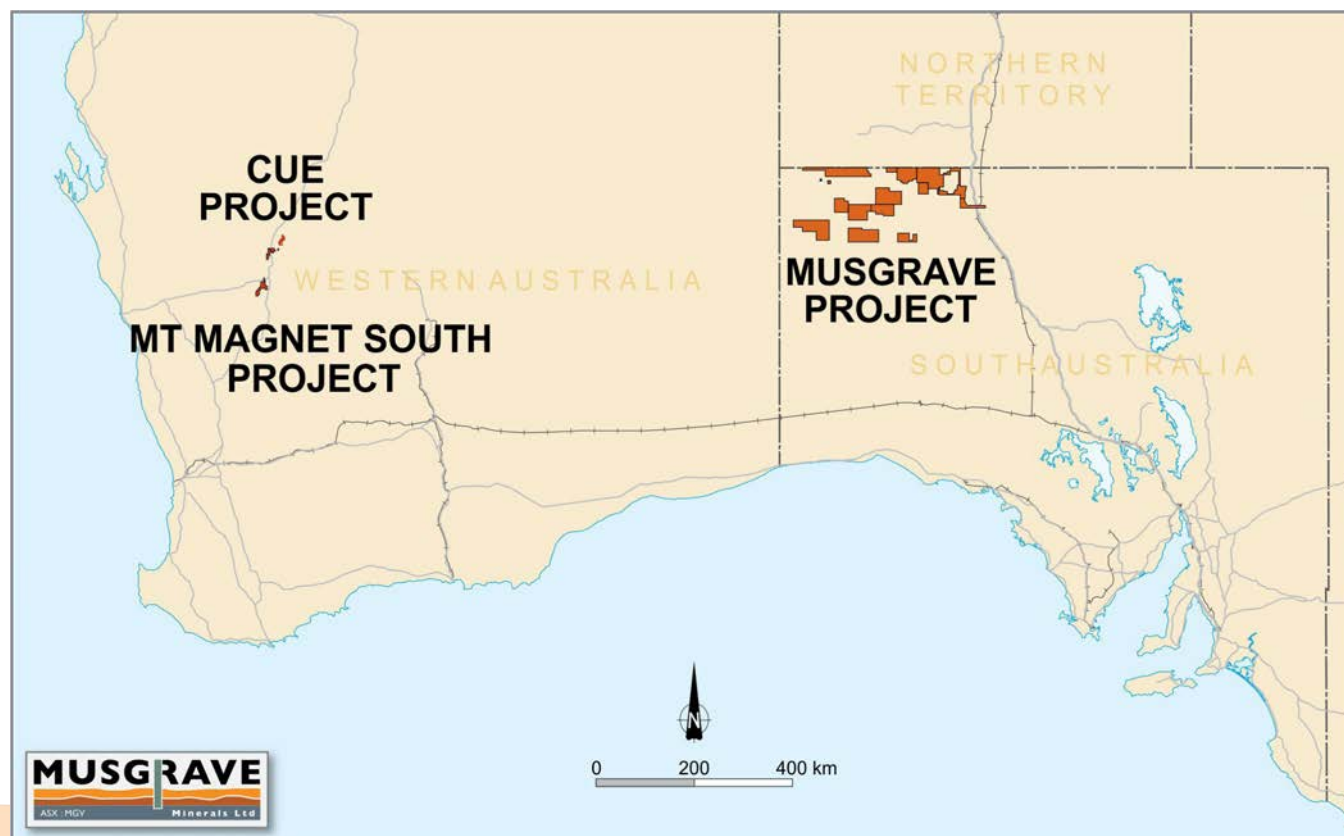


Figure 1: Musgrave Minerals' Project Location Map

REVIEW OF OPERATIONS



Early winter morning at Cue Gold Project

Corporate

During the year, Musgrave spent \$9.5M on exploration activities.

At 30 June 2022 the Company's capital structure comprised:

- 537,172,949 fully paid ordinary shares; and
- 19,670,000 unlisted options at various exercise prices and expiry dates.

There were a number of changes to the Company's unlisted options on issue with 3.95 million options being exercised, raising \$503,625 and 8.54 million new options issued during the year.

In late June 2022 the Company announced the appointment of Mr Anthony Buckingham as General Manager-Development. Mr Buckingham, who commenced with Musgrave in early July, will initially

focus on development studies, defining an optimal development path and subject to the completion of a positive feasibility study, oversee the establishment of a mining operation at the Company's wholly owned Cue Gold Project.

The Company holds 12.5 million shares in Legend Mining Ltd (ASX: LEG) currently valued at approximately \$460,000. Musgrave also holds 1,308,750 ordinary shares in Cyprium Metals Ltd (ASX: CYM) currently valued at approximately \$130,000.

During financial year 2022, Musgrave successfully secured an Exploration Incentive Scheme ("EIS") co-funded drilling grant of up to \$150,000 to aid in the drill testing of the Big Sky gold system.

Response to COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not materially impacted the Company's operations to date, it is not practicable to estimate the potential of future impacts. 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 in line with official health advice and government directives.



Panning RC drill chips at White Heat

REVIEW OF OPERATIONS

Environment, Social, Governance (ESG)

Musgrave is dedicated to building a sustainable and profitable mining business driven by exploration and development success.

Musgrave's vision comes with a commitment to safely and responsibly deliver exploration success and advance development opportunities to build a profitable gold mining business for the benefit of our shareholders and the communities in which we operate. This commitment extends to integrating environmental, social and governance considerations into our decision making.

The United Nations Sustainable Development Goals ("SDGs") are a call to action by all Governments and Businesses to address the world's greatest challenges and to create a more sustainable future by 2030. Musgrave recognises the importance of all 17 SDGs, however, we have prioritised the following nine goals. Going forward, we will expand our commitment in these areas as our projects progress, and the integration into our future activities will be key to delivering a sustainable business for future generations.

"Sustainability has been a focus area for Musgrave Minerals as we recognise the need to incorporate sustainability into all aspects of our business. Building a sustainable business that delivers value to all our stakeholders is a key objective."



Figure 2: Key ESG topics most relevant to our business as per alignment with the United Nations sustainable development goals

As part of our focus on sustainability, in 2022 we were assisted by an external consultant to conduct a Sustainability Review to identify the sustainability topics most important to us. This process identified key topics most relevant to our business and the broader gold mining industry that resulted in the development of our ESG commitments (Figure 2). A follow up review process will be conducted to assess the changes to our business and our stakeholders to ensure we continue to build and deliver a sustainable gold mining company.

REVIEW OF OPERATIONS

Our ESG Commitments



Figure 3: Musgrave's ESG commitments

REVIEW OF OPERATIONS

Exploration Activities

Cue Project

Exploration activities for the financial year have been focused on gold exploration and prefeasibility level studies at Cue, aimed at growing and de-risking the project. The Company has had significant exploration success during the year with a Mineral Resource Estimate update in May, following the White Heat-Mosaic and Big Sky gold discoveries.

It was a successful year for Musgrave with resource growth and new gold discoveries at Cue while also progressing PFS level studies at the Break of Day and Lena deposits. The new appointment of Anthony Buckingham to the position of General Manager-Development will enhance the Company's ability to progress these studies and include the new gold resources at White Heat-Mosaic and Big Sky.

"Musgrave will continue a dual stream approach, with exploration focusing on delivering resource growth while we also progress the development opportunity that the existing resources present."

Musgrave has an estimated 927koz of gold in resources on the Cue Project and completed more than 100,000m of drilling during the year. The total Indicated and Inferred JORC Mineral Resources on the project are; **12.3Mt @ 2.3g/t Au for 927,000 ounces of gold**. The high-grade Mineral Resources on the Break of Day Trend increased to **982kt @ 10.4g/t Au for 327koz contained gold** (see MGVSX announcement 31 May 2022, "Cue Mineral Resource Increases to 927,000 Ounces").

The resource update delivered a:

- 41% increase in total contained ounces; and a
- 44% increase in Indicated Resources to 435,000 ounces gold.

Maiden Mineral Resource Estimates at White Heat-Mosaic and Big Sky, included in the above totals, are:

- White Heat-Mosaic: 185kt @ 11.0g/t Au for 65,000oz gold
- Big Sky: 4.65Mt @ 1.2g/t Au for 173,000oz gold

Mineral Resource estimates were also updated for a number of satellite deposits (Figure 4) including Numbers, Leviticus, Rapier South, Jasper Queen and Gilt Edge to comply with JORC 2012 reporting standards. There were no significant material changes to the total ounces in these resource estimates however they can now be reported as complying with JORC 2012. A small oxide gold resource was added at Hollandaire which sits as a gold cap to the Hollandaire copper-gold deposit.

Gold mineralisation was also discovered at Amarillo and Waratah and further drilling is planned at these prospects so they can be included in future Mineral Resource Estimate updates.

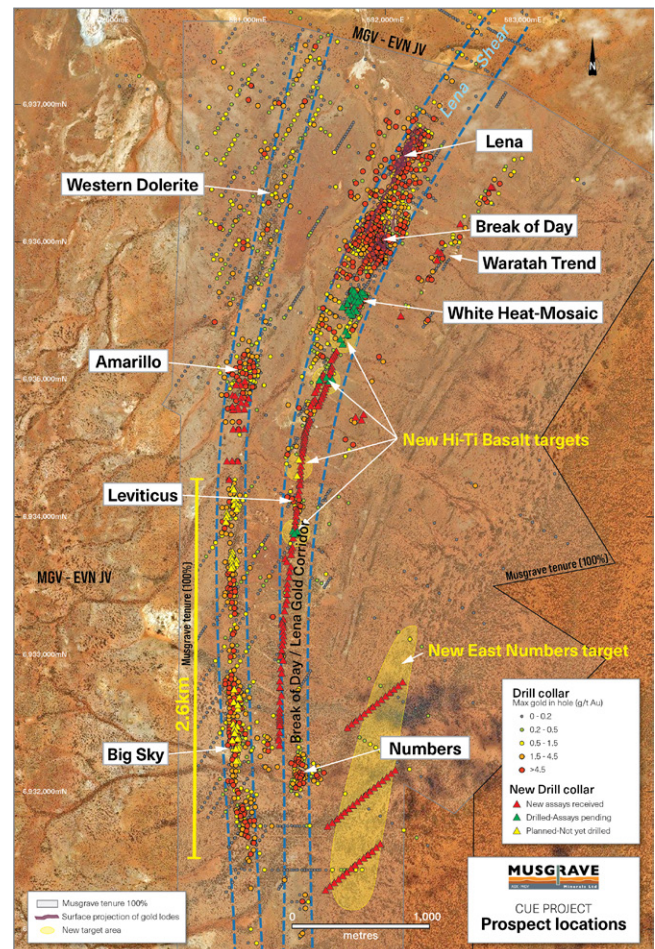


Figure 4: Plan showing deposit and prospect location, Cue Gold Project

REVIEW OF OPERATIONS

White Heat-Mosaic Deposit

The Mineral Resource at White Heat-Mosaic, part of the high-grade Break of Day trend is only 300m south of Break of Day (Figure 4) and extends over a combined strike length of more than 150m with individual gold lodes (Figure 5) drill tested to varying depths with the deepest resource lode estimation to 200m vertical depth. In May 2022 an initial Mineral Resource (Indicated and Inferred) at White Heat-Mosaic was estimated as:

185kt @ 11.0g/t Au for 65,000oz gold

(see MGVSASX announcement 31 May 2022, "Cue Mineral Resource Increases to 927,000 Ounces")

80% of the resource is in the higher confidence Indicated category with the high-grade mineralisation commencing at less than 10m below surface.

The mineralisation remains open down dip where further exploration drilling is ongoing. Recent infill and extension drilling, post the May 2022 resource update has returned strong results (Figure 6).

Drilling results from programs completed after the Mineral Resource Estimate to extend the plunge of the high grade mineralisation include:

- o 7m @ 149.7g/t Au from 143m (22MORC130), including;
- o 1m @ 1,040g/t Au from 143m
- o 3m @ 25.8g/t Au from 184m (22MORC129)
- o 5m @ 6.9g/t Au from 135m (22MORC110)

These intersections extend the mineralisation approximately 30m below previous high-grade drill results and beyond the current Mineral Resource boundary.

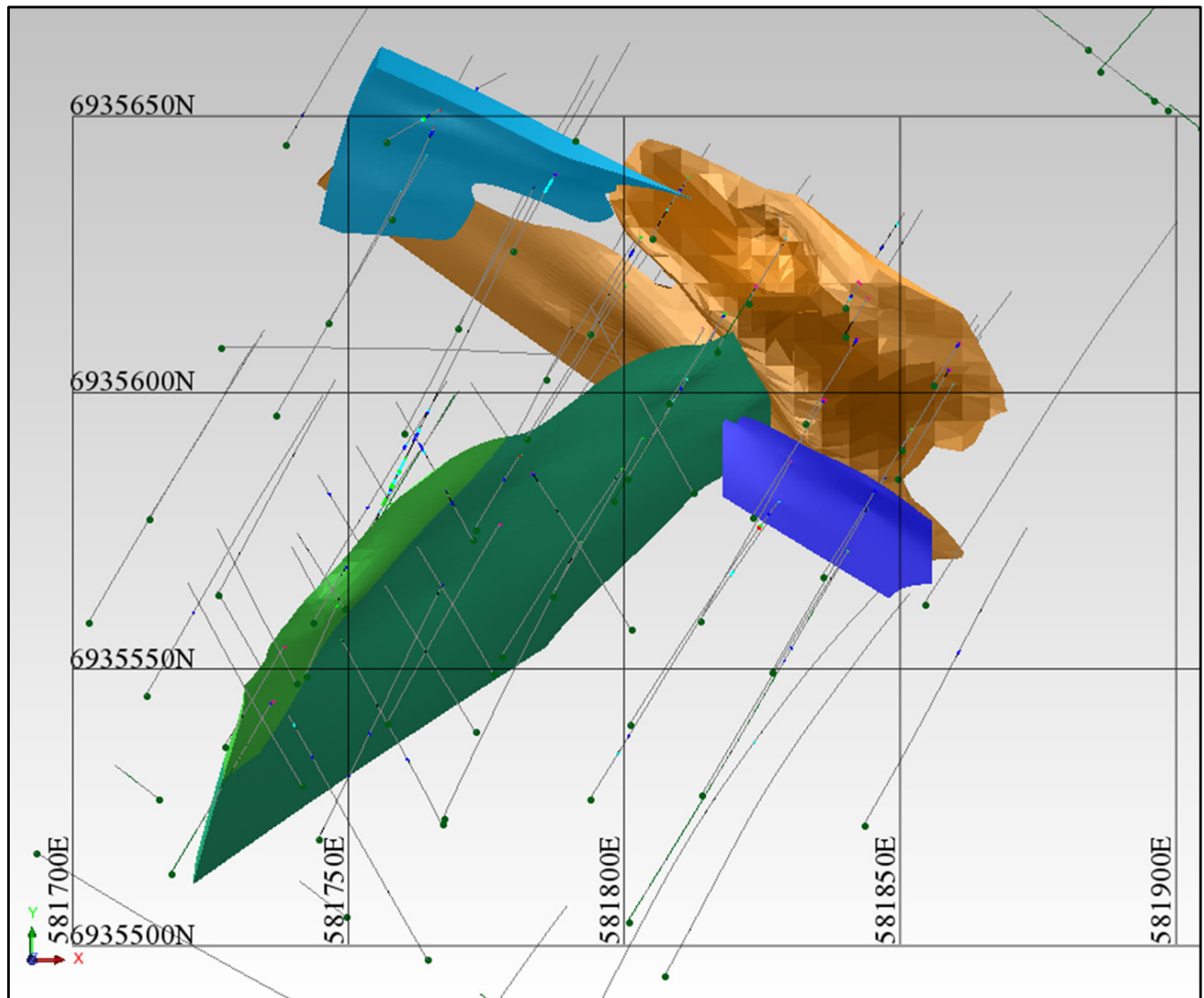


Figure 5: Schematic 3D model showing White Heat and Mosaic lodes along the High-grade Break of Day trend, Cue Project (Brown and blue lodes – White Heat, Green lode – Mosaic)

REVIEW OF OPERATIONS

Drill intersections within the current Mineral Resource boundary at White Heat-Mosaic, completed after the Resource estimate (infill drilling) include:

- o 4m @ 116.5g/t Au from 50m (22MORC111), including;
- o 2m @ 230.5g/t Au from 51m
- o 4m @ 24.9g/t Au from 44m (22MORC113)
- o 6m @ 17.3g/t Au from 92m (22MORC115)
- o 4m @ 9.6g/t Au from 14m (22MORC109)
- o 0.5m @ 365g/t Au from 115.1m (22MODD029), and
- o 1.5m @ 9.5g/t Au from 91.5m in a splay lode

Significantly, a new lode of mineralisation was identified at White heat that requires further drilling to determine its extent (depth and strike). Initial results included a high-grade intersection of:

- o 6m @ 14.0g/t Au from 127m (22MORC137)

(see MGV ASX announcement 2 August 2022, "Bonanza Grades from Further Drilling at White Heat-Mosaic")

"It would be hard to find better results from a recent Australian exploration program and the Cue Gold Project is fast becoming one of the richest undeveloped, near surface, high-grade gold deposits in Australia."

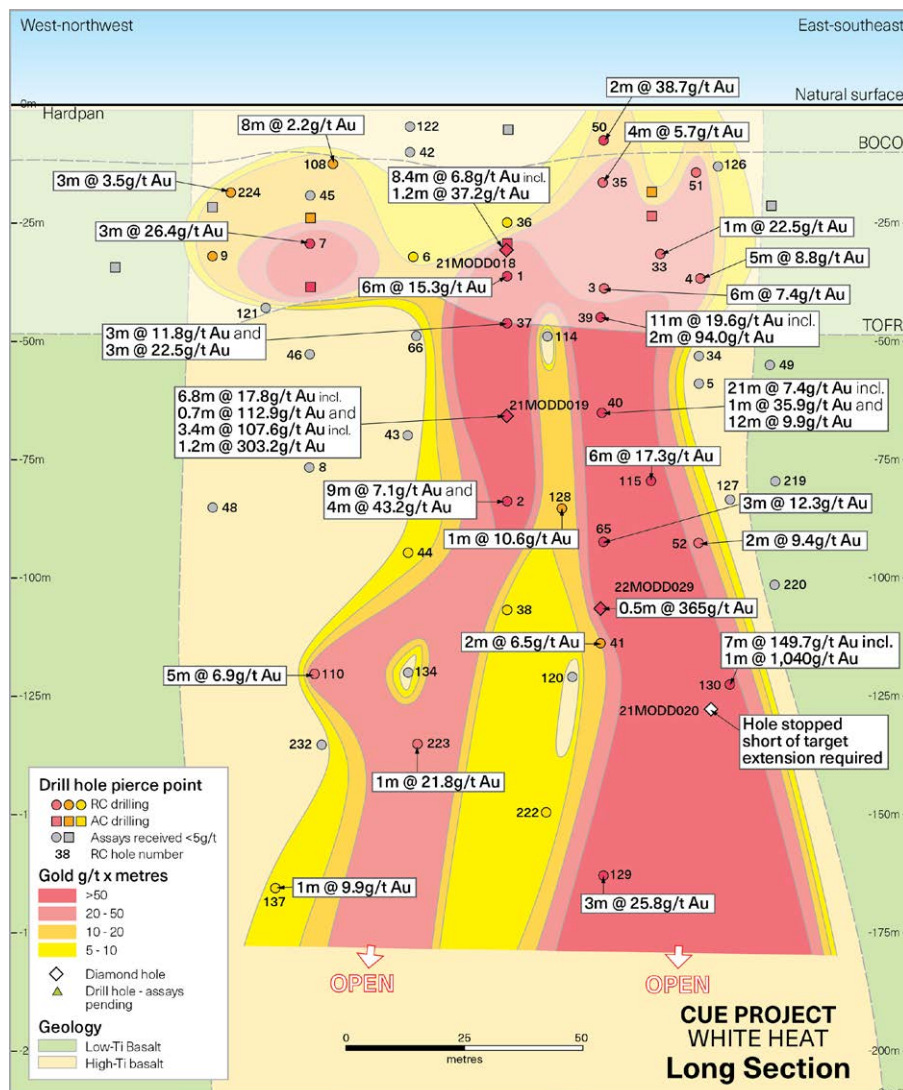


Figure 6: Schematic long section at White Heat showing plunge of high-grade gold mineralisation

REVIEW OF OPERATIONS

Big Sky Deposit

The Mineral Resource at Big Sky is on a shear trend south-west of Break of Day (Figure 4) and extends over a combined strike length of more than 2.6km. The mineralisation has been interpreted and estimated to a maximum depth of 225m although the mineralisation across the majority of the deposit has only been drilled and estimated to approximately 100m. The mineralisation remains open down dip where further exploration drilling is warranted on the higher-grade zones. In May 2022 an initial Mineral Resource (Indicated and Inferred) at Big Sky was estimated as:

4.65Mt @ 1.20g/t Au for 173,000oz gold

(see MGVSX announcement 31 May 2022, "Cue Mineral Resource Increases to 927,000 Ounces")

28% of the resource is in the higher confidence Indicated category with the mineralisation commencing at less than 2m below surface in some areas.

Infill and extension drilling, post the May 2022 resource update (Figure 7), has returned strong results, including:

- o 4m @ 20.9g/t Au from 19m (22MORC159)

- o 3m @ 10.1g/t Au from 95m (22MORC168)
- o 2m @ 6.7g/t Au from 60m (22MORC169)
- o 18m @ 4.4g/t Au from 20m (22MORC173), including
 - o 5m @ 14.0g/t Au from 33m
- o 4m @ 6.9g/t Au from 53m (22MORC177)
- o 8m @ 7.8g/t Au from 18m (22MORC178), including
 - o 1m @ 32.2g/t Au from 18m
- o 7m @ 2.5g/t Au from 32m (22MORC180)
- o 51m @ 1.2g/t Au from 32m (22MORC182)
- o 6m @ 3.3g/t Au from 32m to EOH (22MORC184)
- o 5m @ 6.7g/t Au from 44m (22MORC185)
- o 1m @ 20.3g/t Au from 52m (22MORC201)
- o 18m @ 5.4g/t Au from 31m (22MORC204), including;
 - o 1m @ 70.2g/t Au from 33m

(see MGVSX announcement 30 August 2022, "Further High grades from Drilling at Big Sky")

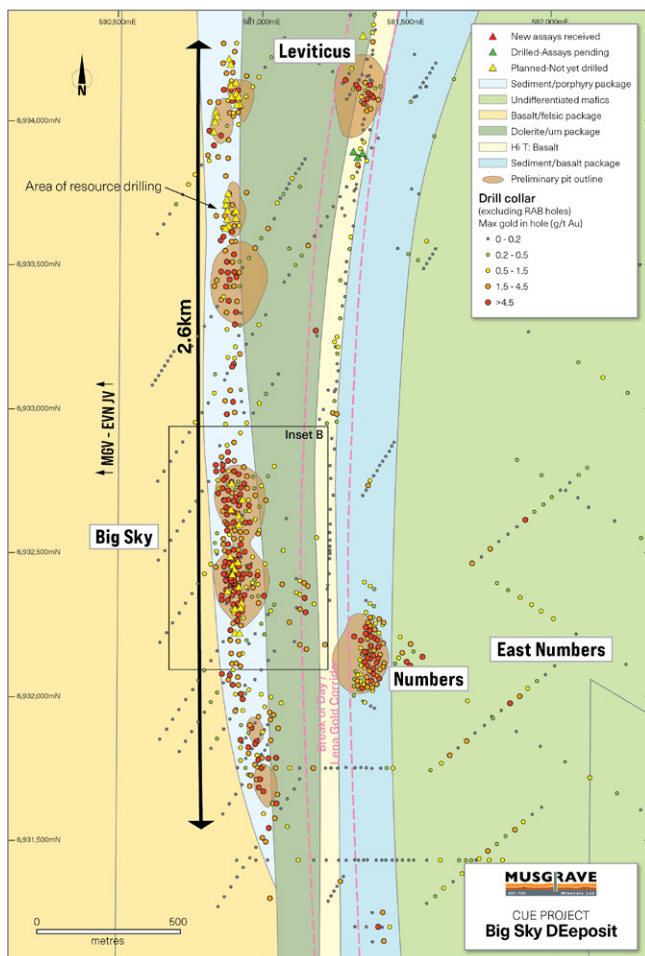


Figure 7: Plan showing Big Sky drilling and detail of assay results in Inset B, Cue Gold Project

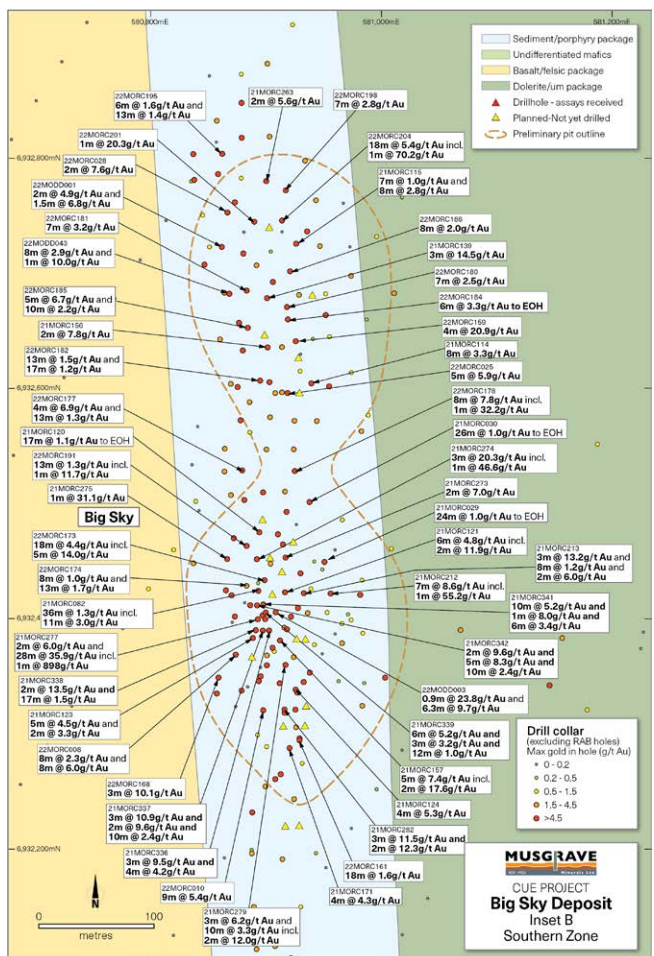


Figure 7a: Inset B plan showing Big Sky drilling results, southern zone, Cue Gold Project

REVIEW OF OPERATIONS

Regional Exploration

A strong focus on exploration has led to further gold discoveries including gold mineralisation at the Amarillo prospect and along the Waratah trend east of Break of Day (Figure 4).

Significant intersections at Amarillo include:

- o 3m @ 14.6g/t Au from 60m (22MORC088)
- o 17m @ 2.5g/t Au from 18m (22MORC094), including;
 - o 2m @ 12.7g/t Au from 33m
- o 9m @ 8.7g/t Au from 44m (21MORC371), including;
 - o 2m @ 35.1g/t Au from 51m
- o 23m @ 4.2g/t Au from 26m (21MORC185)

(See MGV ASX announcements 26 October 2021, 6 January 2022 and 29 April 2022)

At Waratah, 600m west of Break of Day significant drill intersections include:

- o 2m @ 28.1g/t Au from 78m (21MORC359)
- o 4m @ 29.9g/t Au from 17m (22MORC228)
- o 3m @ 9.8g/t Au from 12m (22MORC231)

(See MGV ASX announcement 6 January 2022 and 19 September 2022)

Exploration and resource definition drilling is continuing on these and other targets with a possible Mineral Resource update likely in the first quarter of 2023.

A significant exploration program across multiple prospects and targets is planned for the coming year. The objective is to continue to grow the resource base while progressing development studies to define a clear path to a stand-alone operation which will generate significant cashflow for the Company.

"Musgrave has an excellent team built on exploration and discovery success and is working to enhance that team as we progress towards development."

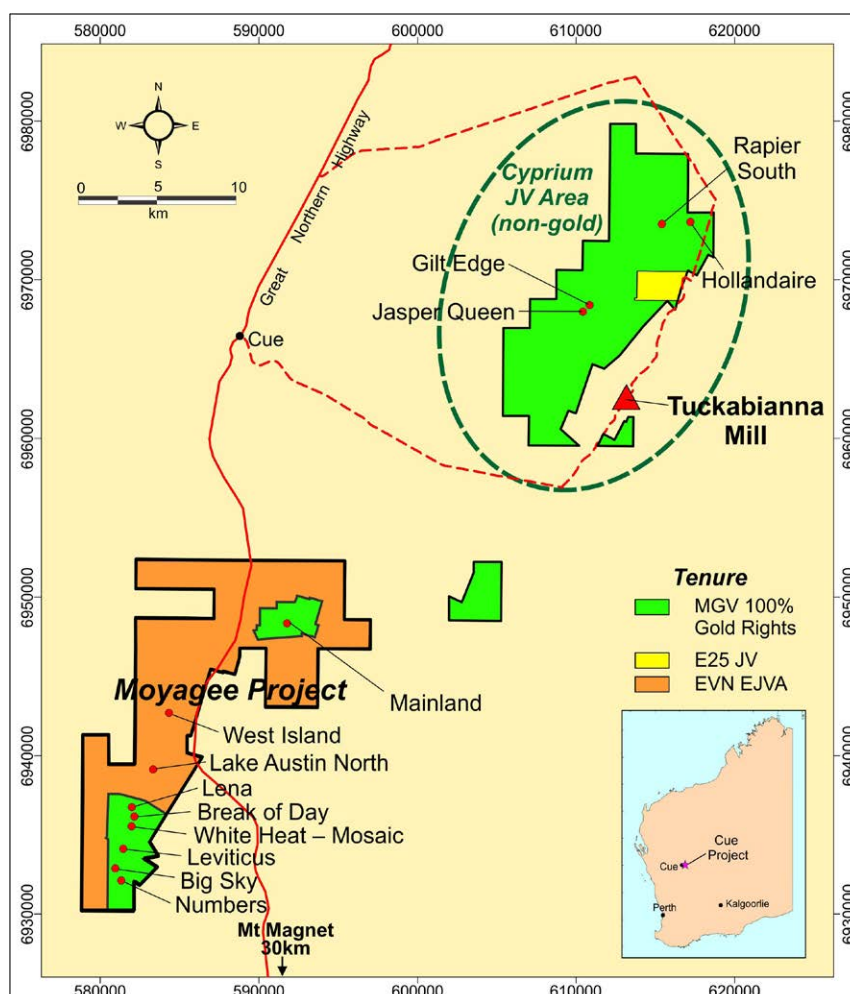


Figure 8: Cue prospect Location Map

REVIEW OF OPERATIONS

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. New gold targets have been generated and a follow-up drilling program is currently being planned.

Development Studies

The Company is continuing prefeasibility level studies to advance on previous work and to include the new White Heat-Mosaic and Big Sky deposits in development planning. Ongoing work includes pit optimisations, underground assessments, metallurgy, geotechnical and hydrological assessments, waste rock characterisation, heritage assessment and environmental studies together with resource conversion. These works will be used as a basis for a conversion of the Exploration Licence to a Mining Lease at Big Sky (Break of Day, Lena and White Heat-Mosaic are already on a granted Mining Lease) and the submission of permit applications and prescribed licence requests.

Resource conversion drilling (Inferred to Indicated) is continuing at White Heat-Mosaic and Big Sky with a focus on the top 120m at Big Sky and deeper extensions at the high-grade White Heat-Mosaic deposit.

The Company continues works to advance the economic

assessment of the project and to progress long lead time studies related to environmental approvals and permitting. With continued exploration success at Cue, the Company expects to grow the resource base to underpin these studies and advance the project to a development decision.

Evolution JV – Lake Austin

The Lake Austin area, part of the Evolution Mining Limited (Evolution) Earn-in and Exploration Joint Venture (*Figure 9*), is highly prospective for gold and is significantly underexplored. Evolution can earn a 75% interest in the JV area by sole funding a total of A\$18M on exploration over a five-year period (*see MGV ASX announcement dated 17 September 2019*). To date Evolution has spent approximately \$13M on the JV and subsequent to 30 June 2022, has proposed a further \$5M for H1 FY23. The existing gold resources on the Cue Gold Project together with the Mainland option area are excluded from the Evolution JV.

Evolution has drilled 13 diamond holes for 6,100m since electing to manage the joint venture in January 2022. Results of diamond drilling continue to identify multiple new lodes oblique to the favourable dolerite host unit at West Island. Diamond drilling will progress through the September and December quarters to delineate the potential scale of the mineral system at West Island.



Lake Austin diamond drilling, West Island Prospect

REVIEW OF OPERATIONS

Significant recent drill intercepts at West Island include:

- 2.0m @ 66.0g/t Au from 438.0m (22CUDD008) including;
 - 0.6m @ 219g/t Au from 438m, and
- 4.0m @ 3.2g/t Au from 330.0m (22CUDD008), and
- 3.5m @ 4.1g/t Au from 215m (22CUDD008), and
- 3.8m @ 5.0g/t Au from 127.9m (22CUDD008)
- 3.5m @ 16.2g/t Au from 366.0m (22CUDD007) including;
 - 1.0m @ 50.1g/t Au from 366m
- 3.3m @ 4.9g/t Au from 293.7m (22CUDD003)

(See MGCV ASX announcement 21 July 2022, "Further high-grade gold intersected at West Island, Cue JV")

More regionally, evolution has drilled 235 aircore holes for approximately 23,782m since electing to manage the joint venture in January 2022. Aircore drilling has continued to define the northern extents of the West Island favourable host dolerite stratigraphy. Drilling has confirmed the quartz dolerite unit within the favourable host unit extends for at least 6km north of the West Island prospect.

"Following the drilling success at the West Island prospect, Evolution is continuing to evaluate the gold potential of the joint venture tenure to determine the potential size of the gold opportunity under Lake Austin."

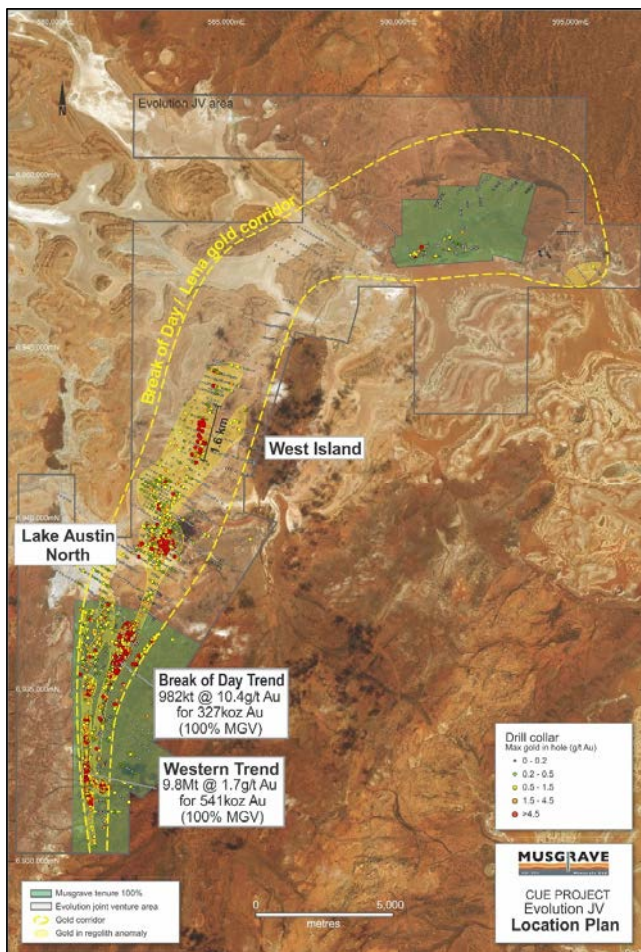


Figure 9: Location plan showing Evolution JV area, Evolution drill hole locations and includes historical drill holes with maximum gold in hole coloured

Mt Magnet South Project

In March 2022, Musgrave Exploration Pty Ltd, a wholly owned subsidiary of Musgrave Minerals Limited, entered into a sale and purchase agreement with private company Eastern Goldfields Exploration Pty Ltd to acquire a 100% interest in 297sqkm of tenure (Figure 1) south of Mt Magnet (Mt Magnet South Project). The project area covers the southern extensions of the Hill 50 and Latecomer faults that are associated with the Hill 50, Galaxy and Morning Star gold deposits at Mt Magnet and has had very little historical drilling.

Multi-client aeromagnetic data has been purchased and processed and a regional gravity survey has been completed over selected areas of the tenements. The datasets are currently being integrated with existing geological data to refine targets for follow-up field checking and surface geochemical sampling.

This is an early stage project and is expected to deliver a pipeline of targets over the coming years to integrate with the Cue Project and the development timeline.

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.

REVIEW OF OPERATIONS

Musgrave Minerals Ltd (“Musgrave” or the “Company”) is pleased to provide this annual review and summary of Musgrave’s Mineral Resource Estimate as at 30 June 2022.

The Company’s Mineral Resource Estimate is reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Codes) and are based on documentation compiled by a Competent Person as defined by the 2012 JORC Code. The significant changes to the Mineral Resource Estimate in the last 12 months are the additions of maiden resources for the new Big Sky and White Heat-Mosaic deposits as described in Table 1 below. Minor changes have also been added through the addition of a small Hollandaire Gold Cap resource, an updated Numbers deposit resource and updates to satellite deposits including Leviticus, Rapier South, Jasper Queen and Gilt Edge to comply with JORC 2012 reporting standards. All information compiled in this resource table has previously been released to the ASX, with the Company’s last resource update to the ASX on 31 May 2022. No changes to the Mineral Resource estimates have occurred since 31 May 2022.

Table 1: Summary of JORC Resources and Reserves for the Cue Project

Mineral Resources as at 30 June 2022

Gold Mineral Resources

Deposit	Indicated Resources			Inferred Resources			TOTAL RESOURCES		
	Tonnes '000s	Au g/t	Ounces Au '000s	Tonnes '000s	Au g/t	Ounces Au '000s	Tonnes '000s	Au g/t	Ounces Au '000s
Moyagee – Break of Day High-Grade Trend									
Break of Day	451	12.1	176	346	7.7	86	797	10.2	262
White Heat-Mosaic	116	14.1	52	70	5.8	13	185	11.0	65
SUBTOTAL – Break of Day High Grade Trend	567	12.5	228	416	7.4	99	982	10.4	327
Moyagee Western Trend									
Lena	2,253	1.7	121	2,053	3.1	204	4,305	2.3	325
Big Sky	1,170	1.3	48	3,480	1.1	125	4,650	1.2	173
Leviticus	–	–	–	42	6.0	8	42	6.0	8
Numbers	438	1.4	19	378	1.3	16	817	1.3	35
SUBTOTAL – Western Trend	3,861	1.5	188	5,953	1.8	353	9,815	1.7	541
SUBTOTAL – Southern Area	4,428	2.9	417	6,369	2.2	452	10,797	2.5	868
Eelya									
*Hollandaire Cu-Au (Total)	2,179	0.3	21	605	0.4	8	2,784	0.3	29
*Hollandaire Cu-Au (MGV Attributable)	436	0.3	4	121	0.4	2	557	0.3	6
Hollandaire Gold Cap	197	1.3	9	62	1.2	2	260	1.3	11
Rapier South				258	1.7	14	258	1.7	14
SUBTOTAL - Eelya	633	0.6	13	441	1.3	18	1,075	0.9	31
Tuckabianna									
Jasper Queen	–	–	–	332	1.7	19	332	1.7	19
Gilt Edge	69	2.6	6	34	3.6	4	102	2.9	10
SUBTOTAL - Tuckabianna	69	2.6	6	365	1.9	23	434	2.0	28
SUBTOTAL – Northern Area	702	0.8	18	806	1.6	41	1,509	1.2	59
GRAND TOTAL	5,130	2.6	435	7,175	2.1	492	12,306	2.3	927

(see MGV ASX announcement 31 May 2022, “Cue Mineral Resource Increases to 927,000 Ounces”)

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

Note: Due to the effects of rounding, the totals may not represent the sum of all components

REVIEW OF OPERATIONS

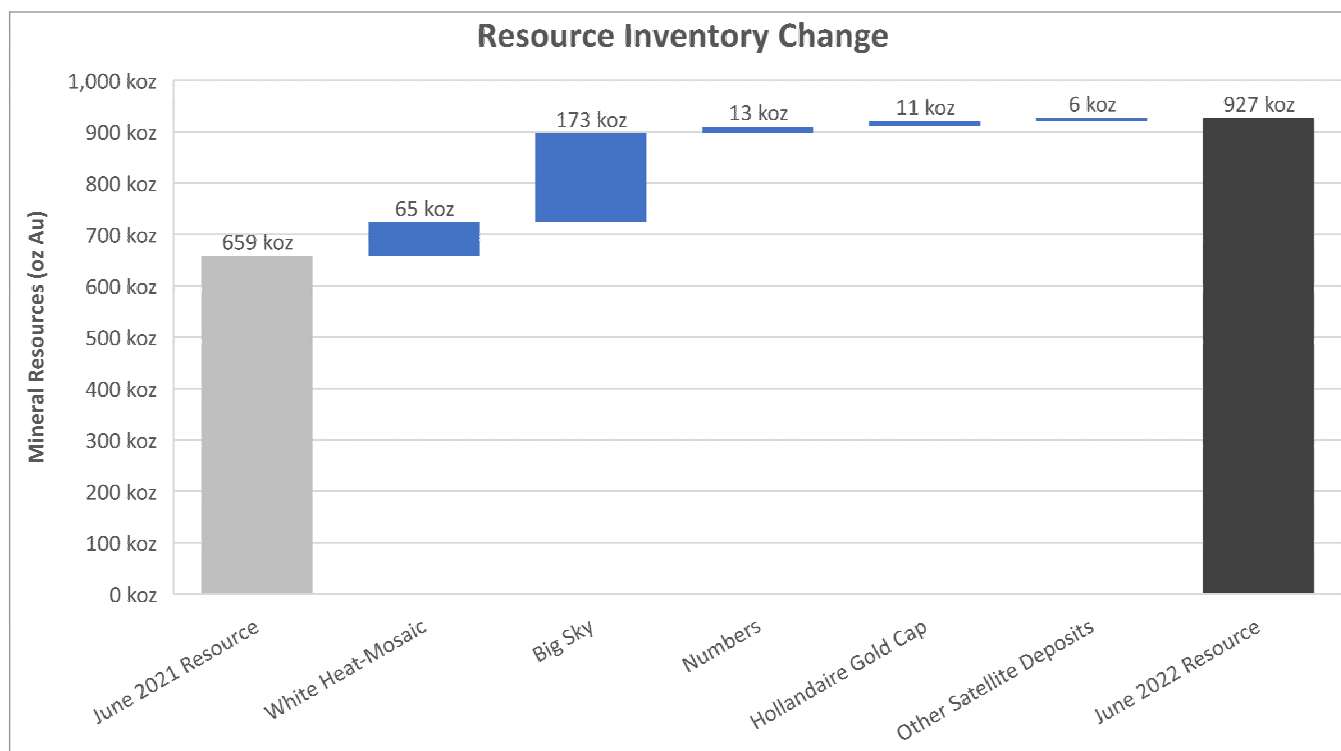


Figure 10: Resource Inventory Change

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	2,179	2.0	42.2	605	1.6	9.3	2,784	1.9	51.5

Silver Mineral Resources ⁽¹⁾

Deposit	Indicated Resources			Inferred Resources			TOTAL RESOURCES		
	Tonnes '000s	Grade %	Tonnes Ag '000s	Tonnes '000s	Grade %	Tonnes Ag '000s	Tonnes '000s	Grade %	Tonnes 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.

COMPETENT PERSON'S STATEMENT

Mineral Resources

The information in this report that relates to Mineral Resources for the Break of Day, Lena, White Heat-Mosaic, Big Sky, Numbers, Leviticus, Jasper Queen, Gilt Edge, Rapier South and the Hollandaire Gold Cap deposits 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.

REVIEW OF OPERATIONS

The information in this report that relates to Mineral Resources for the Hollandaire Copper-Gold 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 Cyprum 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 announcements by Musgrave Minerals Ltd (MGV) entitled "Lena Mineral Resource more than doubles and gold grade increases" released on 17 February 2020, "Break of Day High-Grade Mineral Resource Estimate" released on 11 November 2020 and "Cue Mineral Resource Increases to 927,000 ounces" released on 31 May 2022 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 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 Cyprum 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.

Mineral Resources and Ore Reserves Governance Controls

Musgrave Minerals Ltd ensures that the Minerals Resources quoted are subject to governance arrangement 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 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 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.

TENEMENT SCHEDULE

As at 14 September 2022

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)
P21/757	Cue	WA	Granted	100% (EVN JV)
E21/144	Cue	WA	Granted	100%
E58/507	Cue	WA	Granted	100% (EVN JV)
E58/335	Cue	WA	Granted	100%
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% base metals & 100% gold only rights
E20/608	Cue	WA	Granted	20% base metals & 100% gold only rights
E20/616	Cue	WA	Granted	20% base metals & 100% gold only rights
E20/629	Cue	WA	Granted	20% base metals & 100% gold only rights
E20/630	Cue	WA	Granted	20% base metals & 100% gold only rights
E20/659	Cue	WA	Granted	20% base metals & 100% gold only rights
E20/836	Cue	WA	Granted	20% base metals & 100% gold only rights
E20/698	Cue	WA	Granted	20% base metals & 100% gold only rights
E20/699	Cue	WA	Granted	20% base metals & 100% gold only rights
E20/700	Cue	WA	Granted	20% base metals & 100% gold only rights
M20/225	Cue	WA	Granted	20% base metals & 100% gold only rights
M20/245	Cue	WA	Granted	20% base metals & 100% gold only rights
M20/277	Cue	WA	Granted	20% base metals & 100% gold only rights
M20/526	Cue	WA	Granted	20% base metals & 100% gold only rights
P20/2279	Cue	WA	Granted	20% base metals & 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)

TENEMENT SCHEDULE

As at 14 September 2022 (continued)				
Tenement ID	Project	State	Status	MGV Interest
P21/739	Cue	WA	Granted	0% (MGV Option)
P21/741	Cue	WA	Granted	0% (MGV Option)
E58/473	Mt Magnet South	WA	Granted	100%
E58/524	Mt Magnet South	WA	Granted	100%
E59/2157	Mt Magnet South	WA	Granted	100%
E59/2448	Mt Magnet South	WA	Granted	100%
P58/1683	Mt Magnet South	WA	Granted	100%
P58/1694	Mt Magnet South	WA	Granted	100%
P58/1695	Mt Magnet South	WA	Granted	100%
P58/1696	Mt Magnet South	WA	Granted	100%
P58/1707	Mt Magnet South	WA	Granted	100%
P58/1725	Mt Magnet South	WA	Granted	100%
P58/1738	Mt Magnet South	WA	Granted	100%
P58/1808	Mt Magnet South	WA	Granted	100%
P58/1809	Mt Magnet South	WA	Granted	100%
P58/1810	Mt Magnet South	WA	Granted	100%
P58/1811	Mt Magnet South	WA	Granted	100%
P58/1812	Mt Magnet South	WA	Granted	100%
P58/1830	Mt Magnet South	WA	Granted	100%
P58/1853	Mt Magnet South	WA	Granted	100%
P58/1854	Mt Magnet South	WA	Granted	100%
EL2008/154	Musgrave	SA	Application	100%
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%

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 2022.

DIRECTORS

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

- 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

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 2022 was \$1,582,727 (2021: loss of \$2,881,297). This included a share-based payment expense of \$561,486 (2021: \$2,035,342).

As at 30 June 2022, the Group had net assets of \$46,666,222 (2021: \$48,022,199) including cash and cash equivalents of \$10,636,210 (2021: \$20,910,936).

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 activities for the financial year have been focused on gold exploration and prefeasibility level studies at Cue, aimed at growing and de-risking the project. The Company has completed more than 100,000m of drilling during the year and has had significant exploration success with a Mineral Resource Estimate update in May, following the White Heat-Mosaic and Big Sky gold discoveries.

The Mineral Resource update increased the total estimated gold in resources to 927koz on the Cue Project. The total Indicated and Inferred JORC Mineral Resources on the project are; 12.3Mt @ 2.3g/t Au for 927,000 ounces of gold (*see MGX ASX announcement 31 May 2022, "Cue Mineral Resource Increases to 927,000 Ounces"*).

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

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.

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.

DIRECTORS' REPORT

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 2022. 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	3,341,172
Unlisted options – Musgrave Minerals Limited	2,250,000

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	5,300,000
Unlisted options – Musgrave Minerals Limited	6,000,000

DIRECTORS' REPORT

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 directorships

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	1,500,000

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	1,000,000
Unlisted options – Musgrave Minerals Limited	1,300,000

DIRECTORS' REPORT

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

1,500,000

COMPANY SECRETARY

Ms Patricia (Trish) Farr, GradCertProfAcc, GradDipACG, GAICD FGIA FCG (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 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 2022, 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	10	10	2	2

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 Graham Ascough, being the Director retiring by rotation who, being eligible, will offer himself for re-election at the 2022 Annual General Meeting.

REMUNERATION REPORT (AUDITED)

The Directors present the Musgrave Minerals Limited 2022 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

DIRECTORS' REPORT

- c) Executive remuneration policy and framework
- d) Relationship between remuneration and performance
- e) Non-executive director remuneration policy
- f) Voting and comments made at the Company's last Annual General Meeting
- g) Details of remuneration
- h) Service agreements
- i) Details of share-based compensation and bonuses
- j) Equity instruments held by key management personnel
- k) Loans to key management personnel
- l) Other transactions with key management personnel.

a) Key management personnel covered in this report

Non-Executive and Executive Directors (see pages 20 to 22 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* 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 2022.

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

DIRECTORS' REPORT

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 last Annual General Meeting

Musgrave Minerals Limited received more than 92% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

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 \$	Super-annuation \$	Options \$			
2022								
<i>Directors</i>								
G Ascough	71,647	—	—	—	67,706	139,353	48.6	—
R Waugh	289,093	57,059 ⁽¹⁾	—	34,615	135,413	516,180	26.2	11.1
K Ross	49,376	—	—	4,938	45,138	99,452	45.4	—
J Percival	49,376	—	—	4,938	45,138	99,452	45.4	—
B Lambert	49,376	—	—	4,938	45,138	99,452	45.4	—
TOTALS	508,868	57,059	—	49,429	338,533	953,889	—	—
2021								
<i>Directors</i>								
G Ascough	68,250	—	—	—	355,350	423,600	83.9	—
R Waugh	281,493	68,858 ⁽²⁾	—	33,283	355,350	738,984	48.1	9.3
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	19,082	—	—	1,813	155,700	176,595	88.2	—
TOTALS	463,325	68,858	—	44,074		1,916,457	—	—

⁽¹⁾ Bonus for meeting the Company's Short Term Incentive Plan objectives in relation to the Discovery Bonus following the drilling results at the Big Sky Prospect.

⁽²⁾ 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.

DIRECTORS' REPORT

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 \$289,093 plus statutory superannuation, as amended on 1 July 2021. 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. Mr Waugh also participated in the Discovery Bonus payment for the Big Sky Prospect.

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 3,750,000 options issued to Mr Ascough, Mr Waugh, Ms Ross, Mr Percival and Mr Lambert (Option Series AA) were approved by shareholders at the 18 November 2021 Annual General Meeting.

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. The options vest on 18 November 2022.

Option series	Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	% Vested
AA	18 Nov 2021	18 Nov 2022	18 Nov 2024	\$0.590	\$0.1471	61 %

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. The fair value of options is determined at grant date and is expensed over the vesting period for those options. There is a service condition attached to the options issued, being continuous service for 12 months from grant date. 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.

DIRECTORS' REPORT

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 2022, Robert Waugh was eligible for the STIP and a Discovery Bonus of \$57,059 was paid.

STIP and Recovery Bonus	Total Opportunity	Awarded %	Forfeited %
R Waugh	\$72,723	79	21

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.

Options

	Opening balance at 1 July	Granted as remuneration	Options exercised	Fair value of options exercised \$ ⁽¹⁾	Balance at 30 June	Vested and exercisable	Vested during the year
2022							
<i>Directors</i>							
G Ascough	3,000,000	750,000	(1,500,000)	\$378,752	2,250,000	1,500,000	–
R Waugh	5,500,000	1,500,000	(1,000,000)	\$252,501	6,000,000	4,500,000	–
K Ross	1,000,000	500,000	–	–	1,500,000	1,000,000	–
J Percival	1,800,000	500,000	(1,000,000)	\$257,501	1,300,000	800,000	–
B Lambert	1,000,000	500,000	–	–	1,500,000	1,000,000	–
TOTAL	12,300,000	3,750,000	(3,500,000)	\$888,754	12,550,000	8,800,000	–

⁽¹⁾ During the year, 3,500,000 ordinary shares in the Company were provided to key management personnel as a result of the exercise of remuneration options. The consideration paid by key management personnel for the exercise of these options was \$446,250. No amounts were unpaid at 30 June 2022 on these options by key management personnel.

The value at the exercise date of options that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the options at that date.

Shareholdings

	Opening balance at 1 July	Granted as remuneration	Options exercised	Net change (other)	Balance at 30 June
2022					
<i>Directors</i>					
G Ascough	1,841,172	–	1,500,000	–	3,341,172
R Waugh	4,300,000	–	1,000,000	–	5,300,000
K Ross	1,581,492	–	–	–	1,581,492
J Percival	600,000	–	1,000,000	(500,000)	1,100,000
TOTAL	8,322,664	–	3,500,000	(500,000)	11,322,664

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 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	27 August 2024	\$0.47	500,000
23 September 2021	23 September 2024	\$0.45	1,790,000
18 November 2021	18 November 2024	\$0.59	3,750,000
6 July 2022	19 June 2025	\$0.45	2,500,000
TOTAL:			19,670,000

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 3,950,000 ordinary shares upon the exercise of 3,950,000 options having an exercise price of \$0.1275 and expiring on 16 November 2021.

CORPORATE GOVERNANCE STATEMENT

The Company's 2022 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 2022 no fees were paid or were payable for non-audit services provided by the auditors of the consolidated entity (2021: \$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, 23 September 2022

AUDITOR'S INDEPENDENCE DECLARATION



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Australia

DECLARATION OF INDEPENDENCE BY MELISSA REID TO THE DIRECTORS OF MUSGRAVE MINERALS LIMITED

As lead auditor of Musgrave Minerals Limited for the year ended 30 June 2022, 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 Limited and the entity it controlled during the period.

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

Melissa Reid

Director

BDO Audit (WA) Pty Ltd

Perth, 23 September 2022

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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
Revenue from continuing operations	3(a)	57,407	63,010
Other income	3(a)	323,442	274,226
Employee benefits expense	3(b)	(1,216,465)	(2,594,400)
Depreciation expense		(163,642)	(132,783)
Finance costs		(10,420)	(22,570)
Other expenses	3(c)	(573,049)	(468,780)
Profit / (loss) from continuing operations before income tax		(1,582,727)	(2,881,297)
Income tax benefit	5	–	–
Profit / (loss) after income tax for the year attributable to the owners of Musgrave Minerals Limited		(1,582,727)	(2,881,297)
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	(833,225)	(369,125)
Other comprehensive income / (loss) for the year (net of tax)		(833,225)	(369,125)
Total comprehensive profit / (loss) for the year attributable to the owners of Musgrave Minerals Limited		(2,415,952)	(3,250,422)
		Cents per share	Cents per share
Profit / (loss) per share attributable to the owners of Musgrave Minerals Limited			
Basic profit / (loss) per share	17	(0.30)	(0.57)
Diluted profit / (loss) per share	17	(0.30)	(0.57)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	10,636,210	20,910,936
Trade and other receivables	7	337,157	322,014
Other current assets	8	16,649	12,951
Total Current Assets		10,990,016	21,245,901
Non-Current Assets			
Financial assets	9	743,963	1,577,188
Property, plant and equipment		565,382	373,969
Right of use assets		69,726	103,393
Exploration and evaluation	10	36,538,037	26,009,600
Total Non-Current Assets		37,917,108	28,064,150
TOTAL ASSETS		48,907,124	49,310,051
LIABILITIES			
Current Liabilities			
Trade and other payables	11	1,913,459	971,325
Provisions	12	254,204	202,590
Lease liabilities	13	62,489	75,124
Total Current Liabilities		2,230,152	1,249,039
Non-Current Liabilities			
Lease liabilities	13	10,750	38,813
Total Non-Current Liabilities		10,750	38,813
TOTAL LIABILITIES		2,240,902	1,287,852
NET ASSETS		46,666,222	48,022,199
EQUITY			
Contributed equity	14	73,438,246	72,739,946
Reserves	15	1,866,390	2,581,338
Accumulated losses	16	(28,638,414)	(27,299,085)
TOTAL EQUITY		46,666,222	48,022,199

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY				
	Contributed Equity \$	Options Reserve \$	Financial Asset Reserve \$	Accumulated Losses \$	Total Equity \$
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
At 1 July 2021	72,739,946	2,256,747	324,591	(27,299,085)	48,022,199
Total comprehensive loss for the year	–	–	–	(1,582,727)	(1,582,727)
Other comprehensive loss	–	–	(833,225)	–	(833,225)
Total comprehensive loss for the year (net of tax)	–	–	(833,225)	(1,582,727)	(2,415,952)
Transactions with owners in their capacity as owners:					
Issue of shares	503,625	–	–	–	503,625
Transaction costs of issuing shares	(5,136)	–	–	–	(5,136)
Issue of options (Note 23)	–	561,486	–	–	561,486
Transfer from share option reserve:					
- Due to exercise of options	199,811	(199,811)	–	–	–
- Due to expiry / lapse of options	–	(243,398)	–	243,398	–
At 30 June 2022	73,438,246	2,375,024	(508,634)	(28,638,414)	46,666,222

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Joint venture management fees	3(a)	320,442	254,941
Payments to suppliers and employees		(1,557,549)	(1,220,333)
Interest received		55,709	60,533
Interest paid		(10,420)	(22,570)
Government grants received		–	79,500
Net advances from joint venture partner		(29,767)	(57,925)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	24	(1,221,585)	(905,854)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for property, plant and equipment		(274,340)	(357,568)
Payments for tenements		(100,000)	(100,000)
Payments for exploration activities		(9,096,329)	(6,887,065)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(9,470,669)	(7,344,633)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	14(b)	–	19,523,039
Proceeds from exercise of options		503,625	1,652,383
Share issue costs	14(b)	(5,136)	(1,046,951)
Lease principal repayments		(80,961)	(89,740)
NET CASH FLOWS FROM FINANCING ACTIVITIES		417,528	20,038,731
Net increase/(decrease) in cash and cash equivalents		(10,274,726)	11,788,244
Cash and cash equivalents at beginning of the year		20,910,936	9,122,692
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6	10,636,210	20,910,936

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 CORPORATE INFORMATION

The financial report of Musgrave Minerals Limited ("the Company") and controlled entity ("the Group"), for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 23 September 2022.

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 2022 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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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

Revenue from continuing operations

Interest revenue

Other Income

Joint venture management fees

Government grants

Other income

Total other income

Total revenue and other income

2022 \$	2021 \$
57,407	63,010
320,442	254,941
—	12,000
3,000	7,285
323,442	274,226
380,849	337,236

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 REVENUE AND EXPENSES (continued)

b) Employee benefits expense

	2022 \$	2021 \$
Wages, salaries, directors' fees and other remuneration expenses	2,199,685	1,802,269
Superannuation contributions	212,804	170,125
Transfer to / (from) annual leave provision	74,800	43,150
Transfer to / (from) long service leave provision	(23,186)	23,860
Share-based payments expense (Note 23)	561,486	2,035,342
Transfer to capitalised exploration expenditure	(1,809,124)	(1,480,346)
Total employee benefits expense	1,216,465	2,594,400

c) Other expenses

	2022 \$	2021 \$
ASX / ASIC	83,473	89,866
Employer related on-costs	109,752	73,888
Occupancy costs	21,688	3,042
Promotion, advertising and sponsorship	230,087	168,846
Secretarial, professional and consultancy costs	145,290	143,837
Share register maintenance	50,821	52,822
Other expenses	273,989	231,245
Transfer to capitalised exploration expenditure	(342,051)	(294,766)
Total other expenses	573,049	468,780

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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

5 INCOME TAX

Statement of Profit or Loss and Other Comprehensive Income

Current income tax:

- Current income tax benefit at a rate of 25% (2021: 26%)

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 25% (2021: 26%)

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

2022 \$	2021 \$
–	–
–	(1,628,100)
–	2,215,081
–	(586,981)
–	–
(1,582,727)	(2,881,297)
(395,682)	(749,137)
140,372	(1,831,304)
1,978	588,731
(1,284)	(223,372)
254,616	2,215,082
–	–

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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

5 INCOME TAX (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: (25%, 2021: 26%)

Deferred income tax liabilities:

- Capitalised expenditure deductible for tax purposes
- Trade and other receivables
- Financial assets at fair value through other comprehensive income

Deferred income tax assets:

- Trade and other payables
- Employee benefits
- Capital raising costs
- Net lease liability
- Tax losses available to offset deferred tax liability

Net deferred tax asset / (liability)

2022 \$	2021 \$
8,833,403	6,446,745
16,649	14,932
5,540	222,400
8,855,592	6,684,077
(5,200)	(5,070)
(63,551)	(52,673)
(202,498)	(309,513)
(878)	(2,741)
(8,583,465)	(6,314,080)
–	–

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 \$53,993,354 (2021: \$42,092,723).

Musgrave Minerals Limited is considered a base rate entity for income tax purposes and is therefore subject to income tax at a rate of 25% (2021: 26%).

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

Cash at bank and on hand

Short-term deposits

2022 \$	2021 \$
3,059,885	2,334,611
7,576,325	18,576,325
10,636,210	20,910,936

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 0.34% (2021: 0.38%).

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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

7 TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
<i>Current</i>		
GST receivable	285,007	277,534
Other	52,150	44,480
	337,157	322,014

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

	2022 \$	2021 \$
Accrued interest	14,649	12,951
Other	2,000	–
	16,649	12,951

9 FINANCIAL ASSETS

Financial assets at fair value through other comprehensive income

	2022 \$	2021 \$
<i>Non-Current</i>		
Opening balance	1,577,188	1,946,313
Change in fair value	(833,225)	(369,125)
Closing balance	743,963	1,577,188

The Group holds 12,500,000 shares in Legend Mining Limited (ASX:LEG) and 1,308,750 shares in Cyprium Metals Limited (ASX:CYM).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

9 FINANCIAL ASSETS (continued)

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

	2022 \$	2021 \$
Opening balance	26,009,600	18,966,123
Exploration expenditure incurred during the year	10,528,437	7,043,477
Closing balance	36,538,037	26,009,600

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.

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

- the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- 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.

The recoverability of the capitalised exploration and evaluation expenditure assets are dependent on the successful development and commercial exploration, or alternatively sale, of the respective areas of interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

11 TRADE AND OTHER PAYABLES

Trade creditors and accruals
Amounts due to joint venture partner

2022 \$	2021 \$
1,888,855	920,547
24,604	50,778
1,913,459	971,325

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

Short-term
Annual leave
Long service leave

2022 \$	2021 \$
151,840	77,040
102,364	125,550
254,204	202,590

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.

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

2022 \$	2021 \$
62,489	75,124
62,489	75,124

Non-current
Lease liabilities

2022 \$	2021 \$
10,750	38,813
10,750	38,813
73,239	113,937

The Company leases its corporate office and IT equipment. The Company has elected not to recognize a lease liability for 'low-value' and short-term leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

13 LEASE LIABILITIES (continued)

Future minimum lease payments as at 30 June 2022 were as follows:

	Within one year \$	One to two years \$	Two to five years \$	Total \$
30 June 2022				
Lease payments	65,910	11,000	–	76,910
Finance charges	(3,421)	(250)	–	(3,671)
Net present values	62,489	10,750	–	73,239
30 June 2021				
Lease payments	83,166	39,910	–	123,076
Finance charges	(8,042)	(1,097)	–	(9,139)
Net present value	75,124	38,813	–	113,937

14 CONTRIBUTED EQUITY

a) Share capital

	2022 \$	2021 \$
Ordinary shares fully paid	73,438,246	72,739,946

b) Movements in ordinary shares on issue

	Number	\$
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	14,250,000	2,259,219
Share issue costs	–	(1,046,951)
Balance at 30 June 2021	533,222,949	72,739,946
Options exercised - various	3,950,000	703,436
Share issue costs	–	(5,136)
Balance at 30 June 2022	537,172,949	73,438,246

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

	2022 Number	2021 Number
Opening balance	16,080,000	21,650,000
Options granted	6,070,000	8,880,000
Options exercised (Note 14(b))	(3,950,000)	(14,250,000)
Options expired / lapsed	(1,000,000)	(200,000)
Balance at the end of the financial year	17,200,000	16,080,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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

2022 \$	2021 \$
2,256,747	876,921
561,486	2,035,342
(199,811)	(606,836)
(243,398)	(48,680)
2,375,024	2,256,747

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)

Balance at the end of the financial year

Total Reserves

2022 \$	2021 \$
324,591	693,716
(833,225)	(369,125)
(508,634)	324,591
1,866,390	2,581,338

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 (Note 15)

Balance at the end of the financial year

2022 \$	2021 \$
(27,299,085)	(24,466,468)
(1,582,727)	(2,881,297)
243,398	48,680
(28,638,414)	(27,299,085)

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:

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

2022 Cents	2021 Cents
(0.30)	(0.57)
(0.30)	(0.57)

2022 \$	2021 \$
(1,582,727)	(2,881,297)

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

2022 Number	2021 Numbers
535,982,538	504,196,131
535,982,538	504,196,131

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

17 EARNINGS PER SHARE (continued)

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

2022 \$	2021 \$
33,000	30,000
33,000	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, White Heat-Mosaic, Big Sky and Lena deposits and other gold 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, White Heat-Mosaic and Lena gold deposits.

Future consideration and royalty payments

In March 2019, the Company entered into an Option Agreement ("Mainland 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 Mainland Agreement. The vendor will be entitled to a 1% gross royalty on any non-alluvial gold produced by the Company from the Mainland tenements.

In March 2022 the Company, via its wholly owned subsidiary Musgrave Exploration Pty Ltd, entered into a Sale and Purchase Agreement with an unrelated proprietary company, Eastern Goldfields Exploration Pty Ltd ("Eastern") to acquire a 100% interest in a number of tenements that comprise the Mt Magnet South Project.

Eastern will sell its 100% interest in the Mt Magnet South Project to the Company for the following consideration (a) \$100,000 payable on Completion (this has been paid); (b) on the second anniversary of Completion the Company must pay either \$150,000 in cash or shares, at Musgrave's election, to Eastern; (c) on the third anniversary of Completion the Company must pay either \$125,000 in cash or shares, at Musgrave's election, to Eastern; and (d) On the fourth anniversary of Completion the Company must pay either \$125,000 in cash or shares, at Musgrave's election, to Eastern.

Following Completion Eastern will be entitled to receive a 1.0% NSR royalty in respect of any gold and rare earth elements produced from the Mt Magnet South Project.

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 on the Menninnie Dam Project. 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 the Menninnie Dam Project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

19 CONTINGENT ASSETS AND LIABILITIES (continued)

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 2022.

20 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no 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 \$1,100,500 (2021: \$1,063,380) per annum. Of this amount \$920,800 is to be met by the Group's joint venture partners as part of their earn-in obligations (2021: \$928,180).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Group's principal financial instruments are tabled below.

	2022 \$	2021 \$
Financial assets		
<i>Current</i>		
Cash and cash equivalents (at amortised cost)	10,636,210	20,910,936
Trade and other receivables (at amortised cost)	337,157	322,014
	10,973,367	21,232,950
<i>Non-Current</i>		
Financial assets at fair value through other comprehensive income ("FVOCI")	743,963	1,577,188
	743,963	1,577,188
Financial liabilities		
<i>Current</i>		
Trade and other payables (at amortised cost)	1,913,459	971,325
Lease liabilities (at amortised cost)	62,489	75,124
	1,975,948	1,046,449
<i>Non-Current</i>		
Lease liabilities (at amortised cost)	10,750	38,813
	10,750	38,813

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table sets 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 \$		
2022						
Financial assets						
Cash and cash equivalents	–	7,576,325	–	–	3,059,885	10,636,210
Trade and other receivables	–	–	–	–	337,157	337,157
	–	7,576,325	–	–	3,397,042	10,973,367
Weighted average interest rate	–	0.41%	–	–	–	–
Financial liabilities						
Trade and other payables	–	–	–	–	1,913,459	1,913,459
Lease liabilities	–	62,489	10,750	–	–	73,239
	–	62,489	10,750	–	1,913,459	1,986,698
Weighted average interest rate	–	10%	10%	–	–	–
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	–	75,124	38,813	–	113,937	113,937
	–	75,124	38,813	–	1,085,262	1,085,262
Weighted average interest rate	–	10%	10%	–	–	–

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:

	2022 \$	2021 \$
Impact on profit / (loss) and equity		
Increase of 100 basis points	169,771	166,001
Decrease of 100 basis points	(169,771)	(166,001)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.

	2022 \$	2021 \$
Cash and cash equivalents	10,636,210	20,910,936
Trade and other receivables	337,157	322,014
	10,973,367	21,232,950

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 \$
2022			
Trade and other payables	1,913,459	1,913,459	1,913,459
Lease liabilities	50,356	73,239	73,239
	1,963,815	1,986,698	1,986,698
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

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:

	2022 \$	2021 \$
Impact on profit / (loss) and equity		
Increase of 10%	74,396	157,718
Decrease of 10%	(74,396)	(157,718)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 2022 and 30 June 2021:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2022				
Financial assets at FVOCI	743,963	–	–	743,963
	743,963	–	–	743,963
30 June 2021				
Financial assets at FVOCI	1,577,188	–	–	1,577,188
	1,577,188	–	–	1,577,188

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

23 SHARE-BASED PAYMENTS (continued)

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
S ⁽¹⁾	3,500,000	21 Nov 2018	16 Nov 2021	Immediate	\$0.1275	\$0.0506
T ⁽¹⁾	450,000	30 Nov 2018	16 Nov 2021	Immediate	\$0.1275	\$0.0506
U	3,450,000	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 ⁽²⁾	1,780,000	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
Y	500,000	31 Aug 2021	27 Aug 2024	Immediate	\$0.47	\$0.1590
Z	1,820,000	23 Sep 2021	23 Sep 2024	1 Oct 2022	\$0.45	\$0.1050
AA	3,750,000	18 Nov 2021	18 Nov 2024	18 Nov 2022	\$0.59	\$0.1471

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

⁽²⁾ 1,000,000 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 options is determined at grant date and is expensed over the vesting period for those options.

A total of 6,070,000 Director or employee options were issued during the reporting period. The fair value of share options expensed during the year was \$561,486 of which \$338,533 relate to key management personnel (2021: \$2,035,342 and \$1,340,200 respectively).

The model inputs for options granted during the year ended 30 June 2022 are as follows:

Inputs	Issue Y	Issue Z	Issue AA
Number	500,000	1,820,000	3,750,000
Exercise price	\$0.47	\$0.45	\$0.59
Issue date	31 Aug 2021	23 Sep 2021	18 Nov 2021
Expiry date	27 Aug 2024	23 Sep 2024	18 Nov 2024
Vesting date	Immediate	1 Oct 2022	18 Nov 2022
Share price at grant date	\$0.335	\$0.285	\$0.385
Expected price volatility	87.5%	75.0%	75.0%
Risk-free interest rate	0.01%	0.18%	0.97%
Expected dividend yield	0%	0%	0%

Movements in share options during the year

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

	2022		2021	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the year	16,080,000	0.534	21,650,000	0.116
Granted and vested during the year	500,000	0.470	8,880,000	0.890
Granted but not vested during the year	5,570,000	0.544	–	–
Exercised during the year	(3,950,000)	0.128	(14,250,000)	0.116
Expired / lapsed during the year	(1,000,000)	0.932	(200,000)	0.932
Outstanding at the end of the year	17,200,000	0.605	16,080,000	0.534
Exercisable at the end of the year	11,630,000	0.635	16,080,000	0.534

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.46 years (2021: 1.60 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

23 SHARE-BASED PAYMENTS (continued)

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 \$	2022 Number	2021 Number
16 November 2021	0.1275	–	3,950,000
21 November 2022	0.1045	3,450,000	3,450,000
20 August 2023	0.9320	6,680,000	7,680,000
24 June 2024	0.5600	1,000,000	1,000,000
27 August 2024	0.4700	500,000	–
23 September 2024	0.4500	1,820,000	–
18 November 2024	0.5900	3,750,000	–
Totals		17,200,000	16,080,000

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

	2022 \$	2021 \$
Cash flows from operating activities		
Profit / (loss) for the year	(1,582,727)	(2,881,297)
Non-cash flows in profit / (loss):		
- Other income	–	79,500
- Depreciation	163,642	132,783
- Share based remuneration	561,486	2,035,342
Changes in assets and liabilities		
- Decrease / (Increase) in trade and other receivables	(14,455)	(31,835)
- Decrease / (Increase) in other current assets	(3,698)	(2,476)
- Increase / (Decrease) in trade and other payables	(397,447)	(304,881)
- Increase / (Decrease) in employee entitlements	51,614	67,010
Net cash used in operating activities	(1,221,585)	(905,854)

25 RELATED PARTY DISCLOSURE

a) Parent entity

	Class	Country of incorporation	Investment at cost	
			2022 \$	2021 \$
Musgrave Minerals Limited	Ordinary	Australia	–	–

b) Subsidiaries

	Class	Country of incorporation	Investment at cost	
			2022 \$	2021 \$
Musgrave Exploration Pty Ltd	Ordinary	Australia	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

25 RELATED PARTY DISCLOSURE (continued)

c) Key management personnel compensation

	2022 \$	2021 \$
Short-term employee benefits	508,868	463,325
Post-employment benefits	49,429	44,074
Bonus payments	57,059	68,858
Share-based payments	338,533	1,340,200
	953,889	1,916,457

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	
			2022	2021
Musgrave Exploration Pty Ltd	Exploration	Australia	100%	100%

27 PARENT ENTITY DISCLOSURE

Financial Performance

Profit / (loss) for the year	(1,582,727)	(2,881,297)
Other comprehensive income	(833,225)	(369,125)
Total comprehensive profit / (loss)	(2,415,952)	(3,250,422)

Financial Position

ASSETS

Current assets	10,990,016	21,245,901
Non-Current assets	37,917,108	28,064,150

TOTAL ASSETS

48,907,124 **49,310,051**

LIABILITIES

Current liabilities	2,230,152	1,249,039
Non-Current liabilities	10,750	38,813

TOTAL LIABILITIES

2,240,902 **1,287,852**

NET ASSETS

46,666,222 **48,022,199**

EQUITY

Contributed equity	73,438,246	72,739,946
Reserves	1,866,390	2,581,338
Accumulated losses	(28,638,414)	(27,299,085)

TOTAL EQUITY

46,666,222 **48,022,199**

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 2022 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 29 to 51 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 2022 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 2022.

Signed in accordance with a resolution of the Directors.



Mr Graham Ascough
Chairman

Perth, Western Australia

23 September 2022

INDEPENDENT AUDITOR'S REPORT



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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Musgrave Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Musgrave Minerals Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 2022 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.

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.

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INDEPENDENT AUDITOR'S REPORT



Recoverability of exploration and evaluation expenditure

Key audit matter	How the matter was addressed in our audit
<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.

Other information

The directors are responsible for the other information. The other information comprises the information contained in director's report for the year ended 30 June 2022, 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 **22** to **26** of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Musgrave Minerals Limited, for the year ended 30 June 2022, 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

BDO


Melissa Reid

Director

Perth, 23 September 2022

ADDITIONAL INFORMATION

The following additional information not shown elsewhere in this report is required by the ASX Listing Rules and is current as at 14 September 2022.

Securities

Quotation has been granted for 537,172,949 ordinary shares of the Company on the Australian Securities Exchange.

Quoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
MGV	4,810	Ordinary Fully Paid	537,172,949

Unquoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
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	11	Options expiring 23/09/2024 Exercisable at \$0.45	1,790,000
MGVAB	5	Options expiring 18/11/2024 Exercisable at \$0.59	3,750,000
MGVAAA	1	Options expiring 19/06/2025 Exercisable at \$0.45	2,500,000

One holder Mr Robert Waugh and Mrs Sara Waugh <Waugh Family Trust A/C> holds 6,000,000 unlisted options (equivalent to 31% 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)	Holders	Units	% Units
1 - 1,000	285	103,618	0.02
1,001 - 5,000	1,135	3,257,554	0.61
5,001 - 10,000	786	6,428,471	1.20
10,001 - 100,000	2,007	74,453,464	13.86
100,001 and over	597	452,929,842	84.31
TOTAL	4,810	537,172,949	100%

ADDITIONAL INFORMATION

Substantial Shareholding

The Company has received the following notices of substantial holding:

- Westminex Group in relation to 50,016,159 ordinary shares

Unmarketable Parcel

There are 718 Shareholders holding less than a marketable parcel of fully paid ordinary shares (a minimum parcel is \$500 shares, being 2,084 shares using a market value of \$0.24).

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	WESTMINEX PTY LTD	50,888,325	9.47%
2	JETOSEA PTY LTD	44,981,535	8.37%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	42,383,097	7.89%
4	EVOLUTION MINING LIMITED	21,705,979	4.04%
5	CITICORP NOMINEES PTY LIMITED	14,970,371	2.79%
6	BUZI BEAR PTY LTD	14,358,919	2.67%
7	EQUITY TRUSTEES LIMITED	10,563,726	1.97%
8	MR DOUGLAS JOHN KIRWIN	7,197,994	1.34%
9	JAYLEAF HOLDINGS PTY LTD	7,000,000	1.30%
10	THE A SHARP FAMILY PTY LTD	6,644,439	1.24%
11	MR STACEY RADFORD	6,100,000	1.14%
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,737,594	1.07%
13	BNP PARIBAS NOMINEES PTY LTD	5,535,382	1.03%
14	MR ROBERT SCOTT WAUGH & MRS SARA RUTH WAUGH	5,300,000	0.99%
15	SOUDURE S/F PTY	4,450,000	0.83%
16	MERCHANT GROUP PTY LTD	4,063,140	0.76%
17	MR GRAHAM LESLIE ASCOUGH & MRS PATRICIA LYNN ASCOUGH	3,341,172	0.62%
18	OLGEN PTY LTD	3,000,000	0.56%
19	GS GROUP AUSTRALIA PTY LTD	2,742,296	0.51%
20	PRECISION OPPORTUNITIES FUND LTD	2,539,533	0.47%



