



# **HALF-YEAR FINANCIAL REPORT**

**31 December 2022**

**ABN 12 143 890 671**

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## CORPORATE DIRECTORY

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### DIRECTORS

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

### COMPANY SECRETARY

Patricia (Trish) Farr

### REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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### AUDITOR

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower  
5 Spring Street  
Perth, WA 6000

### SHARE REGISTRY

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

### STOCK EXCHANGE LISTING

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

Home Exchange: Perth, Western Australia  
ASX Code: MGV

## DIRECTORS' REPORT

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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 half-year ended 31 December 2022.

### DIRECTORS

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

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

### OPERATING RESULT

The Group's loss for the half-year ended 31 December 2022 after providing for income tax amounted to \$1,020,938 (2021: \$338,413).

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were:

- 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;
- 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 period.

### REVIEW OF OPERATIONS

Musgrave Minerals Limited is an active Australian gold explorer and emerging developer. The Company's focus is the Cue Gold Project in the Murchison region of Western Australia which hosts significant gold mineralisation including the high-grade Break of Day and Lena Mineral Resources. The Cue Gold Project has a current Mineral Resource Estimate of 12.3Mt @ 2.3g/t Au for 927koz gold.

Musgrave continues to deliver exploration success at Cue with new discoveries at Amarillo and Waratah which are expected to deliver further resource growth in 2023. The Company's focus in the near term is to deliver a Stage 1 Prefeasibility Study ("PFS") and to continue to increase the gold resources through discovery and extensional drilling.

In December 2022, Evolution Mining Limited ("Evolution") satisfied the Earn-In milestone to earn a 75% equity interest in the Cue Joint Venture, which covers a select area of Lake Austin and surrounds ("Evolution JV") on the Cue Project. The Evolution JV excludes all the known resources including the Lena, Break of Day, Big Sky and White Heat-Mosaic deposits and the Mainland area.

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

## Cue Project

At the Cue Project, the total project gold Mineral Resources (Indicated and Inferred) stand at 12.3Mt @ 2.3g/t Au for 927koz Au (see *MGV ASX announcement 31 May 2022, "Cue Mineral Resource Increases to 927,000 ounces"*). A subset of this resource is the Break of Day High-Grade Trend (982kT @ 10.4g/t Au for 327koz Au). The high-grade, near-surface nature of the gold mineralisation along the Break of Day trend is the primary focus for the Stage 1 PFS.

The Company is working towards delivery of the Stage 1 PFS in late March 2023. The study will primarily focus on the Project's near surface, and higher grade current Indicated Mineral Resources and will aim to demonstrate the technical and financial viability of the early years of the Cue Gold Project. Exploration and resource conversion drilling will continue, with the aim to extend the mine life beyond Stage 1.

Significant development study works were undertaken during the period including further metallurgical and geotechnical assessments, heritage surveys, surface and ground water management studies, processing and infrastructure assessments, mining optimisation studies, preliminary underground assessment, waste rock management, tailings facility assessment and flora and fauna studies.

The success from ongoing exploration drilling continues to support the opportunity to grow the resource base through discovery following positive drilling results at numerous prospects including Big Sky, Amarillo and Waratah. Reverse circulation ("RC") drilling returned significant results from multiple prospects including:

### White Heat-Mosaic Deposit

- 7m @ 149.7g/t Au from 143m (22MORC130), including;
    - 1m @ 1,040g/t Au from 143m
  - 4m @ 116.5g/t Au from 50m (22MORC111), including;
    - 2m @ 230.5g/t Au from 51m
  - 4m @ 24.9g/t Au from 44m (22MORC113)
  - 6m @ 17.3g/t Au from 92m (22MORC115)
  - 5m @ 80.2g/t Au from 12m (22MORC251), including;
    - 2m @ 194.5g/t Au from 12m
  - 8m @ 19.8g/t Au from 37m (22MORC242)
- (see *MGV ASX announcements dated 2 August 2022 and 7 November 2022*).

### Big Sky Deposit

- 4m @ 20.9g/t Au from 19m (22MORC159)
  - 3m @ 10.1g/t Au from 95m (22MORC168)
  - 5m @ 13.2g/t Au from 53m (22MORC325)
  - 4m @ 9.5g/t Au from 31m (22MORC314)
  - 8m @ 5.9g/t Au from 22m (22MORC312)
  - 6m @ 6.9g/t Au from 61m (22MORC300)
- (see *MGV ASX announcements dated 30 August 2022 and 21 November 2022*).

### Amarillo Prospect

- 3m @ 14.6g/t Au from 60m (22MORC088)
  - 8m @ 4.6g/t Au from 34m (22MORC371)
- (see *MGV ASX announcements dated 29 June 2022 and 14 February 2023*).

### Waratah Prospect

- 4m @ 29.9g/t Au from 17m (22MORC228), including;
  - 1m @ 114g/t Au from 18m
- 3m @ 9.8g/t Au from 12m (22MORC231)
- 3m @ 8.4g/t Au from 43m (22MORC348)  
(see MGV ASX announcements dated 19 September 2022, 6 January 2023 and 23 February 2023).

All targets are open down plunge. Drilling is continuing to focus on resource conversion (Inferred to Indicated) and resource growth.

### Evolution Joint Venture

Evolution Mining Limited ("Evolution") have satisfied the Earn-In milestone to earn a 75% equity interest in the Cue Joint Venture, which covers a select area of Lake Austin and surrounds on the Cue Project. The existing gold resources, including Lena and Break of Day and the Mainland option area, are excluded from the Evolution JV Agreement.

Evolution have completed multiple phases of aircore and diamond drilling with encouraging results at the West Island prospect. Exploration is ongoing.

Recent diamond drilling results include:

- 3.5m @ 16.2g/t Au from 366.0m (22CUDD007)
- 2.0m @ 66.0g/t Au from 438.0m (22CUDD008)
- 6.0m @ 6.4g/t Au from 385.5m (22CUDD012)
- 1.0m @ 74.2g/t Au from 410.0m (22CUDD016)
- 11.5m @ 8.7g/t Au from 235.5m (22CUDD021), and
- 7.0m @ 5.2g/t Au from 393.0m (22CUDD021)  
(see MGV ASX announcements dated 21 July 2022, 20 October 2022 and 24 January 2023).

### Corporate

In November the Company raised \$8 million (before costs) via a placement of 40,000,000 fully paid ordinary shares at an issue price of \$0.20 per Share to corporate, institutional, professional and sophisticated investors. A Share Purchase Plan ("SPP") was undertaken subsequent to the placement and offered existing eligible shareholders the opportunity to acquire up to \$30,000 of shares in the Company at the same price as the placement. The SPP raised \$2,117,000 and 10,585,000 new fully paid ordinary shares were issued as a result.

There have been a number of changes to the Company's unlisted options with some expiring and some being exercised. During the period, 3,450,000 unlisted options were exercised, raising \$360,525 in cash.

At the Company's Annual General Meeting held on 8 November 2022, shareholders approved the issue of 5,250,000 unlisted options to Directors. In addition, 6,900,000 unlisted options were issued to employees under the Employee Share Option Plan during the period.

At 31 December 2022 the Company's capital structure comprised:

- 591,207,949 fully paid ordinary shares; and
- 25,870,000 unlisted options at various exercise prices and expiry dates

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

**TABLE 1: SUMMARY OF JORC RESOURCES FOR THE CUE PROJECT****Mineral Resources****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
<b>SUBTOTAL – Break of Day High Grade Trend</b>	<b>567</b>	<b>12.5</b>	<b>228</b>	<b>416</b>	<b>7.4</b>	<b>99</b>	<b>982</b>	<b>10.4</b>	<b>327</b>
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
<b>SUBTOTAL – Western Trend</b>	<b>3,861</b>	<b>1.5</b>	<b>188</b>	<b>5,953</b>	<b>1.8</b>	<b>353</b>	<b>9,815</b>	<b>1.7</b>	<b>541</b>
<b>SUBTOTAL – Southern Area</b>	<b>4,427</b>	<b>2.9</b>	<b>417</b>	<b>6,369</b>	<b>2.2</b>	<b>452</b>	<b>10,797</b>	<b>2.5</b>	<b>868</b>
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
<b>SUBTOTAL - Eelya</b>	<b>633</b>	<b>0.6</b>	<b>13</b>	<b>441</b>	<b>1.3</b>	<b>18</b>	<b>1,075</b>	<b>0.9</b>	<b>31</b>
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
<b>SUBTOTAL - Tuckabianna</b>	<b>69</b>	<b>2.6</b>	<b>6</b>	<b>365</b>	<b>1.9</b>	<b>23</b>	<b>434</b>	<b>2.0</b>	<b>28</b>
<b>SUBTOTAL – Northern Area</b>	<b>702</b>	<b>0.8</b>	<b>18</b>	<b>806</b>	<b>1.6</b>	<b>41</b>	<b>1,509</b>	<b>1.2</b>	<b>59</b>
<b>GRAND TOTAL</b>	<b>5,129</b>	<b>2.6</b>	<b>435</b>	<b>7,175</b>	<b>2.1</b>	<b>492</b>	<b>12,306</b>	<b>2.3</b>	<b>927</b>

(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 a 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 MG V (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

**Copper Mineral Resources <sup>(1)</sup>**

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 <sup>(1)</sup>**

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

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

<sup>(1)</sup> 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.*

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

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

### **Exploration Results**

*The information in this report that relates to Exploration 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.*

### **Environment-Social-Governance (ESG)**

Musgrave is focused on ensuring its sustainability goals are not merely aspirational but govern the way we act, now and into the future. A Sustainability Review led by an external consultant has identified key topics for our ongoing focus throughout the business. We will continue to safely and responsibly deliver exploration success and advance towards building a profitable gold mining business, with environmental, social and governance considerations integrated into our decision making.

## EVENTS SUBSEQUENT TO THE REPORTING DATE

On 2 March 2023 Musgrave Minerals Ltd exercised its option over the Mainland area to acquire a 100% interest in the tenure.

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

## AUDITOR'S INDEPENDENCE DECLARATION

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

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



**Mr Graham Ascough**  
Chairman

Perth, 10 March 2023

## DECLARATION OF INDEPENDENCE BY MELISSA REID TO THE DIRECTORS OF MUSGRAVE MINERALS LTD

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

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



**Melissa Reid**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, 10 March 2023

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-year ended 31 Dec 2022	Half-year ended 31 Dec 2021
Note	\$	\$
Other income	71,980	353,068
Employee benefits expense	12 (816,102)	(387,069)
Depreciation expense	(89,317)	(63,160)
Finance costs	(2,554)	(5,133)
Other expenses	(184,945)	(236,119)
<b>Profit / (loss) before income tax expense</b>	<b>(1,020,938)</b>	<b>(338,413)</b>
Income tax benefit/(expense)	-	-
<b>Profit / (loss) from continuing operations</b>	<b>(1,020,938)</b>	<b>(338,413)</b>
<b>Profit / (loss) attributable to members of the parent entity</b>	<b>(1,020,938)</b>	<b>(338,413)</b>
<b>Other comprehensive income / (loss)</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Equity instruments at fair value through other comprehensive income – fair value changes	5 (106,544)	(636,244)
<b>Total comprehensive profit / (loss) for the period</b>	<b>(1,127,482)</b>	<b>(974,657)</b>
<b>Profit / (loss) per share attributable to the owners of Musgrave Minerals Limited</b>	<i>Cents per share</i>	<i>Cents per share</i>
Basic profit / (loss) per share	11 (0.19)	(0.06)
Diluted profit / (loss) per share	11 n/a	n/a

*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 31 DECEMBER 2022

	Note	31 Dec 2022 \$	30 Jun 2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	14,608,326	10,636,210
Trade and other receivables		260,591	337,157
Other current assets		19,865	16,649
<b>TOTAL CURRENT ASSETS</b>		<b>14,888,782</b>	<b>10,990,016</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	5	637,419	743,963
Property, plant and equipment		531,581	565,382
Right of use assets		26,339	69,726
Exploration and evaluation assets	6	41,207,199	36,538,037
<b>TOTAL NON-CURRENT ASSETS</b>		<b>42,402,538</b>	<b>37,917,108</b>
<b>TOTAL ASSETS</b>		<b>57,291,320</b>	<b>48,907,124</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	1,115,736	1,913,459
Provisions		259,160	254,204
Lease liabilities		22,883	62,489
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,397,779</b>	<b>2,230,152</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		-	10,750
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>10,750</b>
<b>TOTAL LIABILITIES</b>		<b>1,397,779</b>	<b>2,240,902</b>
<b>NET ASSETS</b>		<b>55,893,541</b>	<b>46,666,222</b>
<b>EQUITY</b>			
Issued capital	9	83,369,641	73,438,246
Reserves	10	2,180,887	1,866,390
Accumulated losses		(29,656,987)	(28,638,414)
<b>TOTAL EQUITY</b>		<b>55,893,541</b>	<b>46,666,222</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY				
	Issued Capital	Options Reserve	Financial Asset Reserve	Accumulated Losses	Total Equity
Note	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>72,739,946</b>	<b>2,256,747</b>	<b>324,591</b>	<b>(27,299,085)</b>	<b>48,022,199</b>
Total comprehensive loss for the period	-	-	-	(338,413)	(338,413)
Other comprehensive loss	-	-	(636,244)	-	(636,244)
<b>Total comprehensive loss for the period net of tax</b>	<b>-</b>	<b>-</b>	<b>(636,244)</b>	<b>(338,413)</b>	<b>(974,657)</b>
Shares issued	503,625	-	-	-	503,625
Transaction costs of issuing shares	(5,136)	-	-	-	(5,136)
Issue of options	<b>12</b>	195,206	-	-	195,206
Transfer from share option reserve:					
Due to exercise of options	199,811	(199,811)	-	-	-
– Due to expiry / lapse of options	-	(243,398)	-	243,398	-
<b>Balance at 31 December 2021</b>	<b>73,438,246</b>	<b>2,008,744</b>	<b>(311,653)</b>	<b>(27,394,100)</b>	<b>47,741,237</b>
<b>Balance at 1 July 2022</b>	<b>73,438,246</b>	<b>2,375,024</b>	<b>(508,634)</b>	<b>(28,638,414)</b>	<b>46,666,222</b>
Total comprehensive loss for the period	-	-	-	(1,020,938)	(1,020,938)
Other comprehensive loss	-	-	(106,544)	-	(106,544)
<b>Total comprehensive loss for the period net of tax</b>	<b>-</b>	<b>-</b>	<b>(106,544)</b>	<b>(1,020,938)</b>	<b>(1,127,482)</b>
Shares issued	10,477,525	-	-	-	10,477,525
Transaction costs of issuing shares	(616,407)	-	-	-	(616,407)
Issue of options	<b>12</b>	493,683	-	-	493,683
Transfer from share option reserve:					
– Due to exercise of options	70,277	(70,277)	-	-	-
– Due to expiry / lapse of options	-	(2,365)	-	2,365	-
<b>Balance at 31 December 2022</b>	<b>83,369,641</b>	<b>2,796,065</b>	<b>(615,178)</b>	<b>(29,656,987)</b>	<b>55,893,541</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-year ended 31 Dec 2022	Half-year ended 31 Dec 2021
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	-	320,442
Payments to suppliers and employees	(755,718)	(689,373)
Interest received	68,766	23,430
Interest paid	(2,554)	(5,133)
Net advances/payments from/(to) joint venture partner	(14,099)	36,223
	<b>(703,605)</b>	<b>(314,411)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(12,129)	(175,539)
Payments for exploration activities	(5,129,697)	(3,388,909)
	<b>(5,141,826)</b>	<b>(3,564,448)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	10,117,000	-
Proceeds from exercise of options	360,525	503,625
Share issue costs	9 (616,407)	(5,136)
Lease principal repayments	(43,571)	(30,068)
	<b>9,817,547</b>	<b>468,421</b>
Net increase / (decrease) in cash and cash equivalents	3,972,116	(3,410,438)
Cash at the beginning of the period	10,636,210	20,910,936
<b>CASH AT THE END OF THE PERIOD</b>	<b>4 14,608,326</b>	<b>17,500,498</b>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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### NOTE 1: CORPORATE INFORMATION

This general-purpose financial report of Musgrave Minerals Ltd ("the Company") for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 10 March 2023.

The Company's principal activities are to carry out exploration of mineral tenements, to continue to seek extensions of areas held and to seek out new areas with mineral potential and to evaluate results achieved through development studies to determine the technical and financial viability of the Cue Gold Project.

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

### NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

This general purpose interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Musgrave Minerals Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

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

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

#### b) New accounting standards and interpretations

In the half-year ended 31 December 2022, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2022.

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

#### c) Going concern

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



#### d) Critical accounting estimates and judgements

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

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual financial statements as at and for the year ended 30 June 2022.

#### NOTE 3: SEGMENT INFORMATION

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

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

#### NOTE 4: CASH AND CASH EQUIVALENTS

	31 Dec 2022	30 Jun 2022
	\$	\$
Cash at bank and on hand	3,596,325	3,059,885
Short-term deposits	11,012,001	7,576,325
	<b>14,608,326</b>	<b>10,636,210</b>

#### NOTE 5: FINANCIAL ASSETS

	31 Dec 2022	30 Jun 2022
	\$	\$
<b>Financial assets at fair value through other comprehensive income</b>		
<b>Shares in listed corporations</b>		
Opening balance	743,963	1,577,188
Change in fair value	(106,544)	(833,225)
Closing balance	<b>637,419</b>	<b>743,963</b>

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

## NOTE 6: EXPLORATION AND EVALUATION ASSETS

	31 Dec 2022	30 Jun 2022
	\$	\$
Opening balance	36,538,037	26,009,600
Exploration expenditure incurred during the period	4,669,162	10,528,437
Closing balance	<b>41,207,199</b>	<b>36,538,037</b>

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

## NOTE 7: TRADE AND OTHER PAYABLES

	31 Dec 2022	30 Jun 2022
	\$	\$
Trade creditors	1,105,230	1,888,855
Amounts due to joint venture partner	10,506	24,604
	<b>1,115,736</b>	<b>1,913,459</b>

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

## NOTE 8: COMMITMENTS AND CONTINGENCIES

As at the reporting date there has been no material change in the commitments and contingencies since the 30 June 2022 annual report.

## NOTE 9: ISSUED CAPITAL

	31 Dec 2022	30 Jun 2022
	\$	\$
<b>Issued capital</b>		
Fully paid ordinary shares	<b>83,369,641</b>	73,438,246

### a) Movement in ordinary shares on issue

	Half-year ended 31 Dec 2022		Year ended 30 Jun 2022	
	No.	\$	No.	\$
Opening balance	<b>537,172,949</b>	<b>73,438,246</b>	533,222,949	72,739,946
Options exercised – various	3,450,000	430,802	3,950,000	703,436
Placement - 2 Dec 2022	40,000,000	8,000,000	-	-
Share purchase plan – 29 Dec 2022	10,585,000	2,117,000	-	-
Share issue costs	-	(616,407)	-	(5,136)
Closing balance	<b>591,207,949</b>	<b>83,369,641</b>	537,172,949	73,438,246

### b) Movement in options on issue

	Half-year ended 31 Dec 2022		Year ended 30 Jun 2022	
	No.	\$	No.	\$
Opening balance	17,200,000	2,375,024	16,080,000	2,256,747
Options granted	12,150,000	493,683	6,070,000	561,486
Options exercised	(3,450,000)	(70,277)	(3,950,000)	(199,811)
Options expired / lapsed	(30,000)	(2,365)	(1,000,000)	(243,398)
Closing balance	25,870,000	2,796,065	17,200,000	2,375,024

**NOTE 10: RESERVES**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Share option reserve</b>		
Opening balance	2,375,024	2,256,747
Issue / vesting of director and employee options (Note 12)	493,683	561,486
Exercise of director and employee options	(70,277)	(199,811)
Expiry / lapse of options	(2,365)	(243,398)
Closing balance	<b>2,796,065</b>	<b>2,375,024</b>
<b>Financial asset reserve</b>		
Opening balance	(508,634)	324,591
Financial assets at fair value through other comprehensive income	(106,544)	(833,225)
Closing balance	<b>(615,178)</b>	<b>(508,634)</b>
<b>Total Reserves</b>	<b>2,180,887</b>	<b>1,866,390</b>

## NOTE 11: LOSS PER SHARE

	<b>2022</b>	<b>2021</b>
	<b>Cents</b>	<b>Cents</b>
Basic profit / (loss) per share	(0.19)	(0.06)
Diluted profit / (loss) per share	n/a	n/a

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Profit / (loss) used in calculating basic and diluted earnings per share	(1,020,938)	(338,413)

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic profit / (loss) per share	545,345,069	534,811,537
Weighted average number of ordinary shares used in calculating diluted profit / (loss) per share	n/a	n/a

### Basic earnings per share

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

### Diluted earnings per share

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

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

## NOTE 12: SHARE BASED PAYMENTS

The Company's employee benefits expense for the half-year was \$816,102 (2021: \$387,069) which included a share-based payment expense of \$493,683 (2021: \$195,206) as outlined below.

At the Company's Annual General Meeting held on 8 November 2022, shareholders approved the issue of 5,250,000 unlisted options to Directors (Issue AC). In addition, a total of 2,500,000 unlisted options were issued to employees under the Employee Share Option Plan ("ESOP") on 6 July 2022 (Issue AB) and 4,400,000 unlisted options on 14 November 2022 (Issue AD).

The fair value of share options at grant date is determined using a Black-Scholes option pricing model that considers the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free rate for the term of the option. The fair value of options is determined at grant date and is expensed over the vesting period (if applicable) for those options.

The following table lists the inputs to the model for options granted during the six months ended 31 December 2022:

Inputs	Issue AB1	Issue AB2	Issue AC	Issue AD
Number	1,250,000	1,250,000	5,250,000	4,400,000
Exercise price	\$0.45	\$0.45	\$0.335	\$0.335
Grant date	6 Jul 2022	6 Jul 2022	8 Nov 2022	14 Nov 2022
Vesting date	6 Jul 2023	6 Jul 2024	13 Nov 2023	13 Nov 2023
Expiry date	19 Jun 2025	19 Jun 2025	5 Nov 2025	5 Nov 2025
Share price at grant date	\$0.25	\$0.25	\$0.22	\$0.245
Volatility (%)	86%	86%	75%	75%
Risk-free interest rate (%)	2.51%	2.51%	3.5%	3.5%
Expected dividend yield (%)	0%	0%	0%	0%
Fair value per option	\$0.1063	\$0.1063	\$0.0885	\$0.1050

## NOTE 13: DIVIDENDS

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

## NOTE 14: EVENTS SUBSEQUENT TO THE REPORTING DATE

On 2 March 2023 Musgrave Minerals Ltd exercised its option over the Mainland area to acquire 100% of the tenure.

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

## DIRECTORS' DECLARATION

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In the opinion of the directors of Musgrave Minerals Ltd:

- 1) the financial statements and notes of Musgrave Minerals Ltd are in accordance with the *Corporations Act 2001*, including:
  - a) giving a true and fair view of its financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
  - b) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- 2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

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

Mr Graham Ascough  
**Chairman**

10 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Musgrave Minerals Ltd

### Report on the Half-Year Financial Report

#### Conclusion

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

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibility of the directors for the financial report

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





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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

**BDO Audit (WA) Pty Ltd**

BDO

A handwritten signature in black ink, appearing to read 'Melissa Reid'.

**Melissa Reid**

**Director**

Perth, 10 March 2023