



ASX RELEASE

12th February 2015

ASX: MGV

IRREGULARITIES IN FINANCIAL RECORDS

The Board of Musgrave Minerals Ltd ("Musgrave" or "the Company") (ASX: MGV) informs the market that investigations into a number of irregular transactions reported in the financial statements for the year ended 30 June 2014, have now been completed. In addition, during the preparation of the Half Yearly Accounts as at 31 December 2014 further discrepancies were discovered.

Investigations undertaken to date indicate that the amount of funds involved is in the order of \$466,000. The irregularities are consistent with fraudulent misappropriation of Company funds. An employee of the Company was suspended on 19 September pending these investigations and their employment subsequently terminated. These irregularities have been brought to the attention of the Major Fraud Squad, Western Australia Police and their investigations are continuing.

Due to the irregular transactions as stated above, the Company's Cash balance shown in the ASX Quarterly Cashflow Report for both September & December 2014 are restated correctly as follows:

Quarter	Cash Balance shown in ASX 5B	Correct Cash Balance
September	\$5,390,000	\$5,090,000
December	\$4,630,000	\$4,330,000

Musgrave is in discussions with its auditors, regarding the impact of this misappropriation on the Company's financial results for the financial year ending 30 June 2014 and future periods.

The Directors of Musgrave are considering various avenues for recovery of the funds and to date approximately \$34,000 has been returned to the Company. Musgrave will keep the market informed of the progress of these efforts.

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