

Form 45-106F1
Report of Exempt Distribution

Except in British Columbia, this is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution. In British Columbia, the required form is Form 45-106F6.

Issuer/underwriter information

Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report. If an underwriter is completing this form, also state the full name of the underwriter and the address and telephone number of the head office of the underwriter.

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Item 2: State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The Issuer is a reporting issuer in British Columbia and Alberta.

Item 3: Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- | | |
|---|---|
| <input type="checkbox"/> Bio-tech | Mining |
| <input type="checkbox"/> Financial Services | <input checked="" type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> securitized products issuers | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Other (describe) |
| <input type="checkbox"/> Industrial | _____ |

Details of distribution

Item 4: Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

Please see attached Schedule I.

Item 5: Distribution Date

The securities were distributed on **May 26, 2016**

Item 6: For each security distributed:

- (a) describe the type of security,

Units

- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

8,000,000 Units with each Unit consisting of one common share and one-half of one share purchase warrant. Each warrant is exercisable for a period of two years at a price of \$0.25, expiring May 26, 2018.

- (c) state the exemption(s) relied on.

Sections 2.3 and 2.5 of National Instrument 45-106.

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Item 7: Geographical Information about purchasers

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Deemed price per security (Canadian \$)	Total deemed dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	28	\$0.125	\$852,500
Ontario	1	\$0.125	\$50,000
Alberta	4	\$0.125	\$60,000
Singapore	1	\$0.125	\$37,500

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Deemed price per security (Canadian \$)	Total deemed dollar value raised from purchasers in the jurisdiction (Canadian \$)
Total number of Purchasers	34		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$1,000,000

Note 1: If securities are issued at different prices list the highest and lowest price the securities were sold for.

Item 8: Commissions and finder's fees

Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Denise Trainor Northwest MKT #810-789 West Pender St., Vancouver BC V6C 1H2	n/a	\$36,000.00	n/a	n/a	n/a	\$36,000
Cannacord Genuity Corp., 2200 – 609 Granville St., Vancouver, BC V7Y 1H2	R	\$16,000.00	n/a	n/a	n/a	\$16,000

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
Echelon Wealth Partners 3424 – 1055 Dunsmuir Street, Vancouver, BC V7X 1K9	R	\$2,240.00	n/a	n/a	n/a	\$2,240
PI Financial Corp 666 Burrard Street 19th Floor, Vancouver, BC, V6C 3N1	R	\$3,000.00	n/a	n/a	n/a	\$3,000
		\$57,240.00				\$57,240.00

Item 5: If a distribution is made in Ontario, please include the attached “Authorization of Indirect Collection of Personal Information for Distributions in Ontario”. The “Authorization of Indirect Collection of Personal Information for Distributions in Ontario” is only required to be filed with the Ontario Securities Commission.

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: June 3, 2016

Musgrove Minerals Corp.

Name of issuer (please print)

Rana Vig, President, Chief Executive Officer and Director, Telephone: (604) 218-4766

Print name, title and telephone number of person signing

“Rana Vig”

Signature

Instruction

The person filing the form must complete the bracketed information by deleting the inappropriate word.

Item 6: State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.