



**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

**THREE AND SIX MONTHS ENDED
MAY 31, 2016**

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management, and were not reviewed by the Company's independent auditor.

MUSGROVE MINERALS CORP.**Condensed consolidated interim statements of financial position****(Unaudited - expressed in Canadian dollars)**

	Note	May 31, 2016	November 30, 2015
ASSETS			
Current			
Cash		802,490	7,035
Short-term investment in a GIC	5	165,000	-
Marketable securities		-	1,200
Prepaid		73,533	-
Note receivable	6	100,000	-
Other receivables		13,590	2,664
TOTAL ASSETS		1,154,613	10,899
LIABILITIES			
Current			
Payables and accrued liabilities	7	141,880	116,344
Short-term loans		1,205	1,205
		143,085	117,549
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	17,902,161	16,513,350
Reserves	8,10	5,020,708	5,022,891
Deficit		(21,911,341)	(21,642,891)
		1,011,528	(106,650)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,154,613	10,899

Note 1: Nature of business and continuance**APPROVED FOR ISSUANCE BY THE BOARD OF DIRECTORS**"Norman Brewster"

Director

"Rana Vig"

Director

– See Accompanying Notes to the condensed consolidated interim financial statements –

MUSGROVE MINERALS CORP.**Condensed consolidated interim statements of comprehensive loss****(Unaudited - expressed in Canadian dollars)**

		Three months ended May 31		Six months ended May 31	
		2016	2015	2016	2015
	Note	\$	\$	\$	\$
EXPENSES					
Advertisement and promotion		-	-	-	8,500
Consulting	11	159,510	37,700	205,904	69,500
Filing and transfer agent fees		640	3,973	15,030	5,313
Professional fees		(1,945)	10,809	8,363	12,809
Property exploration		-	-	7,075	12,000
Office		708	11,816	30,415	12,994
Transaction fees	3	45,182	-	45,182	-
LOSS BEFORE OTHER ITEMS		(204,095)	(64,298)	(311,969)	(121,116)
Gain on disposition of Musgrove Minerals Corp.	3(a)	42,639	-	42,639	-
Other income (losses)		1,080	1,048	1,080	1,048
Option payment received		-	80,000	-	80,000
Loss-disposition of marketable securities		(200)	(30,000)	(200)	(30,000)
Foreign exchange gain (loss)		-	(250)	-	2,609
NET LOSS		(160,576)	(13,500)	(268,450)	(67,459)
Basic and diluted loss per share		(0.01)	(0.01)	(0.03)	(0.04)
Weighted Average number of outstanding shares		14,075,365	1,778,366	8,872,789	1,778,366
COMPREHENSIVE LOSS					
Net loss for the period		(160,576)	(13,500)	(268,450)	(67,459)
Other Comprehensive loss :					
Translation gain (loss)		(42,183)	(655)	(42,183)	(655)
Unrealized gain (loss) of marketable securities		(5,000)	(500)	-	(7,500)
Comprehensive loss for the period		(207,759)	(14,655)	(310,633)	(75,614)

– See Accompanying Notes to the condensed consolidated interim financial statements –

MUSGROVE MINERALS CORP.

Condensed consolidated interim statements of changes in equity (deficiency)

(Unaudited - expressed in Canadian dollars)

	Note	Number of shares	Share capital	Reserves				Deficit	Equity attributed to shareholders
				Investment revaluation reserve	Translation reserve	Option reserve	Warrant reserve		
			\$	\$	\$	\$	\$	\$	
Balance at November 30, 2014		1,778,366	16,513,350	3,000	67,380	1,968,249	2,987,714	(21,473,582)	66,111
Translation gain (loss) from subsidiaries		-	-	-	(655)	-	-	-	(655)
Unrealized loss on marketable securities		-	-	(7,500)	-	-	-	-	(7,500)
Loss for the period		-	-	-	-	-	-	(67,459)	(67,459)
Balance at May 31, 2015		1,778,366	16,513,350	(4,500)	66,725	1,968,249	2,987,714	(21,541,041)	(9,503)

	Note	Number of shares	Share capital	Reserves				Deficit	Equity (deficiency) attributed to shareholders
				Investment revaluation reserve	Translation reserve	Option reserve	Warrant reserve		
			\$	\$	\$	\$	\$	\$	
Balance at November 30, 2015		1,778,366	16,513,350	-	66,928	1,968,249	2,987,714	(21,642,891)	(106,650)
Loss for the period		-	-	-	-	-	-	(268,450)	(268,450)
Issuance shares for cash		20,296,999	1,388,811	-	-	-	40,000	-	1,428,811
Unrealized gain (loss) on marketable securities	4	-	-	-	-	-	-	-	-
Translation gain (loss) from subsidiaries		-	-	-	(42,183)	-	-	-	(42,183)
Balance at May 31, 2016		22,075,365	17,902,161	-	24,745	1,968,249	3,027,714	(21,911,341)	1,011,528

– See Accompanying Notes to the condensed consolidated interim financial statements –

MUSGROVE MINERALS CORP.**Condensed consolidated interim statements of cash flows****(Unaudited - expressed in Canadian dollars)**

Six months ended,	May 31, 2016	May 31, 2015
	\$	\$
Operating activities		
Net loss	(268,450)	(67,459)
Loss from marketable securities	200	30,000
Gain from disposition of Musgrove Minerals Corp.	(42,639)	-
Option payment received (non-cash)	-	(80,000)
Receivable and prepaid	(84,459)	9,696
Payables and accrued liabilities	25,992	(33,376)
Cash flows used in operating activities	(369,356)	(141,139)
Financing activities		
Proceeds from shares/units issuance	1,428,811	-
Cash flows provided by financing activities	1,428,811	-
Investing activities		
Disposition of marketable securities	1,000	20,000
Investment in a GIC	(165,000)	-
Increase of interest bearing note receivable	(100,000)	-
Option payment received (cash)	-	30,000
Cash flows used in investing activities	(264,000)	50,000
Increase(decrease) in cash	795,455	(91,139)
Cash, beginning of period	7,035	139,442
Cash, end of period	802,490	48,303

Musgrove Minerals Corp.

Notes to the condensed interim consolidated financial statements

Three and six months ended May 31, 2016

(Unaudited - expressed in Canadian dollars)

1. Nature and Continuance of Operations

Musgrove Minerals Corp. (the “Company”) was incorporated under the laws of British Columbia, Canada on March 29, 2000. The Company’s office is located at Suite 2600-1066 West Hasting St., Vancouver, V6E 3X1. Its principal activity is the acquisition and exploration of mineral properties in the USA and Mexico (Note 3). The Company’s common shares are traded on the TSX Venture Exchange (the “Exchange”) under the symbol “MGS”.

2. Statement of Compliance with International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed consolidated interim financial statements for three months ended February 29, 2016 (the “Interim Financial Statements”) are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. Certain disclosures required in annual financial statements have been condensed or omitted. It is therefore recommended that these Interim Financial Statements be read in conjunction with the Company’s consolidated financial statements for the most recent year ended November 30, 2015.

These Interim Financial Statements were authorized for issuance by the Board of Directors on July 20, 2016.

3. Corporate Restructuring

a) On April 14, 2016, the Company dissolved its wholly owned subsidiary, Musgrove Minerals Corp.

b) On May 30, 2016 the Company entered into an amalgamation agreement with RewardStream Solutions Inc. (“RewardStream”). Musgrove and RewardStream will amalgamate (the “Amalgamation” or the “Transaction”) to form a new company with the name “RewardStream Solutions Inc.” (“Amalco”). Pursuant to the Amalgamation, all of the outstanding Musgrove securities and RewardStream securities will be exchanged for corresponding securities of Amalco as follows:

- Each issued and outstanding Musgrove share will be exchanged for 0.5 Amalco shares (the “Exchange Ratio”);
- Each issued and outstanding RewardStream share will be exchanged for approximately 1.56 Amalco shares;

The Transaction received shareholder approval on June 24, 2016 and conditional approval from the TSXV on June 22, 2016. Completion of the Transaction is subject to a number of conditions including final TSX-V approval and the completion by Musgrove of a private placement consisting of at least 12,000,000 units (the “Units”) at a price of \$0.125 per Unit for gross proceeds of at least \$1,500,000 (the “Concurrent Financing”). Each Unit consists of one common share and one-half of one share purchase warrant (the “Warrant”). Each Warrant entitles the

Musgrove Minerals Corp.

Notes to the condensed interim consolidated financial statements

Three and six months ended May 31, 2016

(Unaudited - expressed in Canadian dollars)

3. Corporate Restructuring (Continued)

holder to purchase one additional common share at a price of \$0.25 per share for a period of two years. The Warrants are subject to an accelerated expiry if the 10 trailing-day volume weighted average price of the Musgrove shares on the TSX Venture Exchange (“TSX-V”) exceeds \$0.375, in which event the holder will be given notice that the Warrants will expire 30 days following the date of such notice. The Warrants will be exercisable by the holder during the 30-day period between the notice and the expiration of the Warrants. Following completion of the Transaction, the Warrants will be adjusted according to their terms based on the Exchange Ratio.

The first tranche of the Concurrent Financing was closed on May 26, 2016 for gross proceeds of \$1,000,000. The final tranche of the Concurrent Financing will be completed in connection with closing of the Transaction.

The Transaction will result in a change of business for Musgrove within the meaning of the policies of the TSXV.

As of the date of this report, the Transaction has not yet been completed.

More details of the Transaction are available from the Company’s recent press releases and information circular filed on www.sedar.com under the profile of the Company.

Completion of the Transaction is subject to a number of conditions. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

4. Exploration and Evaluation Assets

Musgrove Creek Property, USA

On June 13, 2007, the Company acquired the Musgrove Creek Property situated in the Idaho, USA through an option agreement (“the MC Option Agreement”) and under the terms of the option agreement, the Company assumed the underlying lease agreement dated June 12, 2003 with respect to certain mineral claims that comprise the Musgrove Creek Property.

The Company is required to pay annual lease payments to the underlying lessor of US\$50,000 per year for the remaining life of the lease. These claims are subject to an underlying 2% production royalty and a lump sum payment of US\$350,000 upon completion of a feasibility study. The Company is also required to incur minimum annual exploration expenditures of US\$100,000.

The Company will complete the assignment of the MC Option Agreement to an arm’s length party following completion of the Transaction (as defined above).

5. Short-term investment in GIC

As at May 31, 2016, the Company held a guaranteed income certificate (“GIC”) at a major Canadian Chartered bank for the balance of \$165,000. This GIC will mature February 28, 2017, has an interest at prime rate less 2.1% per annum and is redeemable before its maturity.

Musgrove Minerals Corp.

Notes to the condensed interim consolidated financial statements

Three and six months ended May 31, 2016

(Unaudited - expressed in Canadian dollars)

6. Note receivable

As at May 31, 2016, the Company held a promissory note receivable of \$100,000 from RewardStream. This promissory note has an interest of 10% per annum, will mature on November 30, 2016, and is secured by certain assets of RewardStream.

7. Payables and Accrued Liabilities

	May 31, 2016	November 30, 2015
	\$	\$
Trade payables	118,539	47,134
Due to related parties (Note 7)	2,131	45,000
Accruals	21,210	24,210
	141,880	116,344

8. Share Capital

During three months ended February 29, 2016, the Company issued 11,310,000 common shares at \$0.05/share for gross proceeds of \$565,500. The Company issued 987,000 common shares as finder's fees.

During three months ended May 31, 2016, the Company issued 8,000,000 units at \$0.125/unit for gross proceeds of \$1,000,000 (Note 3). The Company paid \$68,189 cash finder's fees. As at May 31, 2016, there were \$68,500 subscription receivable (paid as of the date of this report) in connection with this unit issuance. Each unit consists of one common share and one-half of one share purchase warrant. These warrants will expire on May 26, 2018 and each warrant can be exercisable into one common share at \$0.25/share. The Company has allocated \$40,000 to the Company's reserve to account for the issuance of these warrants.

9. Warrants

As at May 31, 2016 the Company had the following warrants outstanding:

Number	Issuance date	Exercisable price	Maturity
4,000,000	May 26, 2016	\$0.25/share	May 26, 2018
740,740	August 18, 2014	\$0.36/share	August 17, 2017

10. Translation reserve

The foreign currency translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

Musgrove Minerals Corp.

Notes to the condensed interim consolidated financial statements

Three and six months ended May 31, 2016

(Unaudited - expressed in Canadian dollars)

11. Related Party Transactions

Key personnel compensation:

Six months ended	May 31, 2016	May 31, 2015
	\$	\$
Consulting fees	30,000	63,500

On December 1, 2015, the Company entered into a Services Agreement (the "Services Agreement") with Rana Vig, the CEO of the Company, for \$60,000 per annum (the "Fee").

As at May 31, 2016, \$Nil (November 30, 2015 - \$42,000) was owing to the Chief Executive Officer of the Company and \$2,131 (November 30, 2015 - \$4,300) was owing to the Chief Financial Officer of the Company. The amounts owing to related parties do not bear interest, are unsecured and are due on demand.

12. Subsequent Events

On June 6, 2016, the Company sold its wholly owned Mexican subsidiary, Minerales Jazz S.A. de C.V. ("Minerales Jazz"), to an arm's length party.