MACARTHUR Minerals Limited

ACN 103 011 436

Management's Discussion and Analysis

(Form 51-102F1)

For the Year ended March 31, 2021

Information as of June 29, 2021 unless otherwise stated

Note to Reader

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Macarthur Minerals Limited ("Macarthur Minerals" or the "Company") for the year ended March 31, 2021 has been prepared by management, in accordance with the requirements of National Instrument 51-102, as of June 29, 2021 (unless otherwise stated).

This MD&A should be read in conjunction with the Company's Audited Annual Financial Statements for the year ended March 31, 2021, together with the notes thereto, as well as the Company's previous quarterly and half yearly financial and MD&A reports throughout the year. The Audited Annual Financial Statements for the year ended March 31, 2021 are prepared in accordance with International Financial Reporting Standards ("IFRS").

Forward-Looking Information

This MD&A includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable Canadian and Australian securities legislation. All statements in this MD&A, other than statements of historical facts, are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to activities, events or developments that the Company believes, expects or anticipates will or may occur in the future. Although the Company believes that expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. The material factors or assumptions used to develop forward-looking information include prevailing and projected market prices, exploitation and exploration estimates and results, continued availability of capital and financing, and general economic, market or business conditions. Factors that could cause actual results to differ materially from those in forward-looking statements include, without limitation: fluctuations in exchange rates and certain commodity prices, uncertainties related to mineral title in the projects, unforeseen technology changes that results in a reduction in minerals demand or substitution by other minerals or materials, the discovery of new large low-cost deposits of minerals and the general level of global economic activity. Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. The forward-looking statements contained in this MD&A and are made as of the date of this MD&A or as of the date or dates specified in such statements and except as may otherwise be required pursuant to applicable laws, the Company does not assume any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Inherent in forward-looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk and Uncertainties".

These forward-looking statements are made as at the date hereof or as of the date or dates specified in such statements and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements and investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Discussion on Operations

BACKGROUND

Macarthur Minerals Limited (the "Company" or "Macarthur Minerals") is an Australian public company and is quoted on the Official List of the TSX Venture Exchange ("TSX-V") (symbol: MMS) on the Australian Securities Exchange ("ASX") (symbol: MIO) and OTCQB Venture Market ("OTCQB") (symbol: MMSDF). The Company is incorporated in Australia and registered in Queensland. Macarthur Minerals has three iron ore projects in the Yilgarn region of Western Australia. The Company has also established multiple project areas in the Pilbara, Western Australia for conglomerate gold, hard rock greenstone gold and hard rock lithium. In addition, Macarthur Minerals has lithium brine interests in the Railroad Valley, Nevada, USA.

WESTERN AUSTRALIAN IRON ORE PROJECTS

Lake Giles Projects

Macarthur Minerals' Lake Giles Iron Ore Projects ("Lake Giles Projects") are located on mining tenements covering approximately 62 km^2, 175 kilometres ("km") northwest of Kalgoorlie in Western Australia. Within the tenements, at least 33 km strike extent of outcropping banded iron formation ("BIF") occurs as low ridges, surrounded by intensely weathered and mostly unexposed granites, basalts and ultramafic rocks.

The Lake Giles Projects are situated in the Yilgarn Region of Western Australia. The Yilgarn Region is host to many significant mineral deposits that have been, or are being, mined for iron ore. The tenements cover the Yerilgee greenstone belt which is some 80 km in length and lies within the Southern Cross Province of the Yilgarn. The Lake Giles Projects are approximately 90 km from the existing Perth Kalgoorlie Railway that has a direct connection to the Port of Esperance in Western Australia, where it is intended that ore from the Projects will be shipped. Export is subject to available capacity, which is not certain. The Lake Giles Iron Project (comprising the Moonshine Magnetite Project and the Ularring Hematite Project) is located approximately 450 kilometres East North- East of the coastal city of Perth, Western Australia, and approximately 115 kilometres West of the town of Menzies. Exploration for the Ularring Hematite and Moonshine Magnetite Projects has been sufficient to allow the estimation of Mineral Resources for both projects.

Since January 2016, there has been a continued growth in the premium attaching to higher grade +65% Fe (being the target grade for the Company's Lake Giles Iron Project) against the 62% Fe benchmark, and benchmark prices have continued to hold throughout the March 2021 quarter, prices for 62% Fe have climbed closer to USD$200 during the quarter. These are some of the highest prices for iron ore that have been seen in many years. The Board remains confident that current market and the initiation of global stimulus measures provides an opportunity for the Company to advance its objectives. However, the Company will continually monitor events and adjust to circumstances as they arise.

Ularring Hematite Project

The Ularring Hematite Project's Mineral Resources are comprised of Indicated Mineral Resources of approximately 54.5 Mt @ 47.2% Fe and approximately 26Mt @ 45.4% Fe Inferred resources. The Mineral Resource estimates were prepared by CSA Global on behalf of Macarthur Minerals (NI43-101 Technical Report, 2012[1]) and reported in accordance with the CIM Definition Standards for Mineral Resources and Reserves 2014.

The Company has received approval to develop an iron ore mine for the Ularring Hematite Project and associated infrastructure at the project location under the *Environmental Protection Act 1986* and the *Environmental and Biodiversity Conservation Act 1999*. On March 26, 2021 the Company made application two miscellaneous licences to support the development of a mining camp and crushing and screening operations near the Snark deposit of the Ularring Hematite Project.

Moonshine Magnetite Project

On August 12, 2020 Macarthur released an updated Mineral Resource estimate for the Lake Giles Magnetite Project[2]. The Mineral Resource estimates includes Measured Mineral Resources of approximately 53.9Mt @ 30.8% Fe, Indicated Mineral Resources of 218.7 Mt @ 27.5% Fe and Inferred Mineral Resources of 997.0 Mt @ 28.4% Fe.

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[1] NI 43-101 Technical Report filed October 1, 2012, titled "NI 43-101 Technical Report, Macarthur Minerals Limited, Pre-Feasibility Study, Ularring Hematite Project, Western Australia."
2 Refer to the Company's news release dated August 12, 2020.

Discussion on Operations (Cont'd)

The company has commenced its work for a Feasibility Study (FS) focusing on the Moonshine magnetite deposit at Lake Giles. That work is well underway with the Mineral Resource estimates of the Moonshine deposit having been completed and released to the market on August 12, 2020. The Company filed the NI43-101 Technical Report on SEDAR, as announced on October 1, 2020[3].

On March 26, 2021 the Company made application for two "water search miscellaneous licenses" for the purpose of exploring for groundwater to support magnetite processing for the Lake Giles Iron Project. The applications cover 533 km^2 of the Rebecca Palaeovalley up to 35 km east of the Project. Prior to these applications the Company engaged CGG to undertake an aerial EM survey of the palaeochannels to as announced on March 26, 2021. The survey data will be used to define groundwater drilling targets.

On June 25, 2020, the Company lodged applications for tenure to construct a haul road and rail siding to support the Lake Giles Iron Project. Miscellaneous license application L16/133 will be used to construct a 93km haul road from the Moonshine deposit to a rail siding adjacent to the rail network, owned by Arc. The rail siding will be located on the applications for miscellaneous license L15/409 and exploration license E15/1775.

On July 16, 2020, the Company announced[4] that it had received a proposal from Arc Infrastructure ("Arc") that provides an agreed pathway to develop a Commercial Track Access Agreement ("Proposal") for below rail capacity from the Company's Lake Giles Iron Project in the Yilgarn Region of south-western Western Australia to the Port of Esperance.

Under the Proposal, the parties have agreed to work together in good faith to negotiate and agree the terms of a Commercial Track Access Agreement ("CTAA") under which Arc would provide sufficient capacity on its Network to support the Macarthur task. The Proposal also includes indicative track access pricing based on an agreed set of operational parameters that would be incorporated into the CTAA. The Company is currently exploring an option for rail unloading infrastructure utilising a specialised 'Helix' dumper designed and system manufactured by Kiruna Wagons. The Company engaged RCR Mining Technologies (RCR MT) to undertake concept engineering design work for the placement of the Helix dumper within the Port of Esperance. The Company is also in discussions with third parties on potential ownership and operation of the rail unloading infrastructure.

On January 29, 2021, the Company signed a Memorandum of Understanding ("MOU") with Southern Ports Authority ("SPA") which provides a pathway for agreeing a potential access and operating solution for the export of Macarthur's high grade magnetite iron ore product via the Port of Esperance ("Port"), potentially using the 'Helix' dumper. The MOU is discussed in further detail below.

Treppo Grande & Mt Jackson Iron Ore Project

On February 15, 2018, the Company's wholly owned subsidiary, Esperance Iron Ore Export Company Pty Ltd ("EIOEC") made an application for Exploration License E77/2521 for the Treppo Grande Iron Ore Project ("Treppo Grande Project").

The Treppo Grande Project covers an area of 68 km^2 and is located approximately 32 km west of the Lake Giles Projects. The project is also 35km east of Mineral Resource Ltd's (MRL) Koolyanobbing Iron Ore Operations and is in close proximity to established rail infrastructure to the Port of Esperance.

This area has been held by a private exploration company wholly owned by renowned Kalgoorlie Prospector Mel Dalla-Costa for the past eight years under an Exploration License (EL77/1208). During this time, approval was granted for an exploration program of diamond drilling and geophysical mapping. The Treppo Grande Project has already benefited from flora and fauna baseline surveys indicating that the conservation values of Mt Manning are a lower priority than surrounding BIF ridges.

The Treppo Grande Project was explored in recent years for high grade hematite iron ore mineralisation. Historical exploration identified three potentially economic styles of Direct Shipping Ore ("DSO") mineralisation including massive dense hematitic ironstones, specular hematite and oxidised 'Indurated Detrital Ironstone'. A drilling programme consisting of two diamond holes penetrated the hematitic ironstone at the J-Hook prospect.

3 Refer to the Company's news release dated October 1, 2020.
4 Refer to the Company's news release dated July 15, 2020

Discussion on Operations (Cont'd)

Significant intercepts include 17.5m @ 65.49% Fe from 2.5m from hole MMS002 and 40.4m @ 55.77% Fe from 3.6 m from hole MMS001. The iron-rich mineralisation (> 55% Fe) is centered on the J-Hook prospect that contains occurrences of massive, fissile and specular hematite. The Company also has two iron ore exploration areas (E77/2543 and E77/2542) in the Yilgarn region, adding an additional 42km^2 to the Company's portfolio. These tenements are adjacent to the Mt Jackson and Deception iron ore deposits owned by MRL.

WESTERN AUSTRALIAN GOLD PROJECTS

<u>Hillside Gold Project</u>

The Hillside Gold Project encompasses Exploration License E45/4685, E45/4824, E45/4708 and E45/4709 held by Macarthur Lithium Pty Ltd ("MLi"), a wholly owned subsidiary of Macarthur Minerals. This group of tenements is located approximately 185 kilometers ("km") South East of Port Hedland and 50 km South West of Marble Bar (the "Hillside Gold Project") in Western Australia.

The Hillside Gold Project is highly prospective for gold and copper. The area has previously been explored by various companies for gold, copper, zinc and lead but limited drilling exists.

These tenements surround the mining lease of the historic Edelwiess gold mine. A limited drilling program consisting of six rotary percussion ("RC") holes conducted by Metana Minerals N.L in 1980 intersected gold mineralisation associated with quartz veins. Gold was recorded in three holes with an average grade of approximately 12 g/t Au and a maximum of 25.83 Au g/t. In addition, sampling along a discontinuous outcropping gossan over a strike of 18 km, showed high potential for copper mineralisation. A total of 20 results yielded above 1,000 ppm Cu to a maximum of 7.8% Cu.

The gossan line was traced over a 14km strike length with remnant outcrop identified at regular intervals along strike. A total of 36 rock chip samples were collected including 15 from outcropping gossan with several samples containing visible copper minerals such as malachite. Remaining samples were collected from quartz outcrops, many of which returned strongly anomalous gold grades.

The assay results are highly encouraging with eight samples returning copper values over 1% with a peak of 18.8% Cu and often accompanied with elevated gold, silver and zinc values (+/- cobalt).

Exploration at the Hillside Project also discovered high grade manganese mineralisation in sub parallel outcrops to the gossan line sampled above. Rock chips samples returned a maximum of 59.4% MnO (>46% Mn).

A drilling program focussing on the gossan line and outcropping quartz reefs was completed by FEL under an option agreement. A total of 36 holes for 1798 metres was drilled. Assay results returned from the laboratory demonstrate support for a mineralised gossan model with down dip extension of mineralised gossan at surface intercepted in three holes with the following results:

- HRC001: 1m @ 0.19% Cu, 230ppm Co, 0.14% Zn, 0.07ppm Au from 28m
- HRC022: 1m @ 0.74% Cu, 349ppm Co, 0.41% Zn, 0.14ppm Au from 83m
- HRC036: 1m @ 0.18% Cu, 0.12% Zn from 25m and 1m @0.27% Cu from 40m.

During the period, FEL conducted further exploration activities on the Hillside tenements following the drilling program completed in 2019. A Fixed Loop Electromagnetic (FLEM) survey was conducted in July 2020 across several high priority targets generated from the SkyTEM electromagnetic survey in 2018 and drilling in late 2019. The survey data is currently being processed and interpreted. The Option Agreement with FEL was terminated on September 15, 2020 with Macarthur retaining full title to the tenements.

Strelley Gorge & Tambourah tenements

Macarthur holds the Strelley Gorge and Tambourah tenements in the Pilbara region of Western Australia. The Strelley Gorge tenement (E45/4735) is prospective for DSO iron ore and is located immediately adjacent to the Abydos iron ore project that has been mined by Atlas Iron. The Tambourah tenement (E45/5324) is also prospective for iron ore having intersected iron ore in historical drilling by Atlas Iron. The drilling focussed an outcropping BIF prospect in the north of the tenement. Macarthur considers both tenements prospective for iron ore and is seeking interested parties to further explore these assets.

Discussion on Operations (Cont'd)

Panorama Gold Project

The Panorama Gold Project encompasses Exploration Licenses E45/4732, E454764 and E45/4779 held by MLi, covering a total of 278km^2.

The Panorama Gold Project is located 265km south-south-east of Karratha in the Pilbara Region of Western Australia. The project is prospective for lithium and gold hosted within conglomerate. The tenement group contains an extensive area of the Mt Roe Basalt which is the geological member of the Fortescue Group that overlies the conglomerate gold horizon at Artemis Resources Limited's Purdy's Reward Project near Karratha, Western Australia.

In May and July 2018, the Company conducted stream sediment sampling programs across the tenements. During the geochemical survey a total of 45 samples were collected from selected drainage courses confirming several anomalous sediment values ranging from 13 ppb to 113 ppb Gold. This area was previously identified from historical rock chip sampling program with values of up to 3.5 g/t Au.

The Panorama Gold Project formed part of the earn-in agreement with FEL, which was terminated on September 15,2020, following FEL's election not to earn-in on a 25% Stage 1 Interest.

WESTERN AUSTRALIAN NICKEL AND COBALT PROJECTS

The Company has identified two areas prospective for sulphide hosted base metal deposits based on historical drill results at the Snark and Moonshine prospects, located on the Company's Lake Giles Projects in the Yilgarn, Western Australia.

The Snark prospect is considered to be a highly favorable tectonic and structural setting and is well supported by surface geology featuring volcanic sequences comprising of high Mg basalts and Kambalda type komatiitic ultramafic flows in which nickel-sulfide ore bodies are hosted. In February 2018, a reconnaissance trip to the area discovered surface rock samples containing the cobalt mineral asbolite with assays reporting up to 2.6% cobalt and 2.0% nickel.

The Moonshine prospect has also been identified as prospective for nickel sulphide deposits from previous drilling. Anomalous nickel values including 0.9% Ni from 10.5 meters to 22 meters including 1 meter at 1.4% nickel were detected within the first 30 meters of a diamond drill hole completed by the company in 2012.

Anomalous cobalt averaging 0.13% was also discovered from 18.5 meters to 22 meters.

The Company has completed Moving Loop Electromagnetic ("MLEM") and Fixed-Loop Electromagnetic ("FLEM") surveys across three prospect areas: Moonshine, Snark and Clark Hill. Interpretation of the MLEM and FLEM survey identified three high priority nickel sulphide targets, consisting of two distinct bedrock conductors at Moonshine and a further bedrock conductor at Snark. Preliminary Reverse Circulation "RC" drilling of two holes for 395 meters intersected sulphide minerals at depth with sulphide mineralisation open at depth with the hole ending in sulphide mineralisation. Semi-massive sulphide comprising 20% pyrite/pyrrhotite was recorded over 12m in hole 18MRC002 from 185m to end of hole ("EOH"). Anomalous nickel was found in hole 18MNRC001 with average 0.2% Ni over 31 meters ("m"). Potassic alteration was identified in hole 18MRC001 from 140m to 146m (20% Potassium content) marginal to the sulphide intersection in the hole. Anomalous gold associated with sulfidic chert was also found in interval 106m to 113m in hole 18MNRC001 (average gold content 159 part per billion ("ppb") over the interval). Both holes had successfully intersected sulphide minerals at depth and semi-massive sulphide comprising 20% pyrite/pyrrhotite was recorded over 12m in hole 18MRC002 from 185m to end of hole ("EOH"). Sulphide mineralisation is open at depth and on strike with the hole ending in sulphide mineralisation.

A follow up Stage 2 drilling program is planned to determine the extent and depth of the mineralisation and whether the sulphide mineralisation is an indicator of a nickel sulphide mineralisation system deeper in the succession or close by. The initial holes will be drilled deeper through the sequence with a diamond tail.

Discussion on Operations (Cont'd)

WESTERN AUSTRALIAN LITHIUM PROJECTS

Macarthur Minerals has11 Exploration Licenses in the Pilbara covering a total area of approximately 721km^2.

Tambourah Lithium Project

The Tambourah Lithium Project consists of Exploration License E45/4848 and is located approximately 200 km southeast of Port Hedland and 80 km southwest of Marble Bar in the Pilbara region of Western Australia. Assays received from rock chip sampling returned very promising results of up to 1.47% lithium (Li_2O), confirming the presence of lithium bearing pegmatites.

The Company also holds Exploration License E45/5324, which is near its Tambourah Lithium Project in the Pilbara Region of Western Australia. A review of historical data indicates the area is prospective for nickel-copper-cobalt and platinum group element mineralization.

WESTERN AUSTRALIAN GOLD AND LITHIUM PROJECTS EARN-IN AGREEMENT

On May 14, 2019, Macarthur entered into an option agreement (replaced by the "New Option Agreement" signed on August 28, 2019) with ASX listed exploration Company Fe Ltd (ASX: FEL) to acquire up to 75% of the 18 tenements in the Pilbara.

On September 15, 2020, the FEL JV agreement was terminated following a decision by FEL not to earn-in on a 25% Stage 1 Interest ("Stage 1 Interest") in Macarthur's gold and lithium tenements. Macarthur (through MLi) now retains 100% of the gold and lithium projects in the Pilbara. Macarthur intends to spin-out its Pilbara tenements to realise improved value for shareholders into Infinity Mining Limited to list on the Australian Securities Exchange later this year, subject to exchange approvals.

NEVADA BRINE LITHIUM PROJECT

Reynolds Springs Lithium Brine Project

The Reynolds Springs lithium brine project consists of 210 new unpatented placer mining claims covering an area of 7 square miles (18 km^2) located in Railroad Valley, near the town of Currant, in Nye County, Nevada ("Reynolds Springs Project"). The Reynolds Springs Project is located approximately 180 miles (300 km) North of Las Vegas, Nevada, and 330 miles (531 km) South East of Tesla's new Gigafactory, which has a planned production capacity of 35 gigawatt-hours per year by 2020.

A total of 206 soil samples were collected across the full extent of the Reynolds Springs Project. Lithium values in the soil samples ranged from a low of 39.3 ppm to a high of 405 ppm Li. Samples were consistently high averaging 168.3 ppm Li with 85% of samples recording over 100 ppm Li and 19% greater than 200 ppm Li. These results are considered high in comparison to the majority of non-lithium producing playas and amongst the highest we have seen outside of the Clayton Valley.

In 2018 the Company completed an assessment of downhole geophysical logs for 12 – 15 abandoned oil and gas wells that are found both within (5 wells) and in the near vicinity of the project. Several zones of high conductivity were identified that are interpreted as being indicative of brine aquifers. The Company is now looking for a partner to advance exploration of this project.

Discussion on Operations (Cont'd)

MINERAL TENURE

As at June 29, 2021 the Company holds or has interests in the following properties:

Tenement Number	Area[(1)]		Application/Grant Date	Expiry Date	Holder	Project
Yilgarn Projects						
M30/0206	189	HA	14-Nov-18	01-Jul-28	MIO	Lake Giles Project
M30/0207	171	HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project
M30/0213	258	HA	02-Jul-07	12-Jun-32	MIO	Lake Giles Project
M30/0214	260	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0215	521	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0216	55	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0217	114	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0227	504	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0228	362	HA	13-Jun-11	01-Jul-28	MIO	Lake Giles Project
M30/0229	205	HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project
M30/0248	585	HA	02-Jul-07	21-Feb-33	MIO	Lake Giles Project
M30/0249	1206	HA	22-Feb-12	21-Feb-33	MIO	Lake Giles Project
M30/0250	102	HA	22-Feb-12	04-Mar-34	MIO	Lake Giles Project
M30/0251	1246	HA	05-Mar-13	26-Nov-33	MIO	Lake Giles Project
M30/0252	478	HA	27-Nov-12	26-May-34	MIO	Lake Giles Project
L30/0071	1396	HA	27-May-13	Under Application	MIO	Lake Giles Project
L30/0073	3199	HA	14-Nov-19	Under Application	MIO	Lake Giles Project
E30/522	28	SB	23-Apr-20	Under Application	MIO	Lake Giles Project
E77/2543	3	SB	14-Nov-18	13-Nov-23	EIOEC	Mount Jackson Project
E77/2542	12	SB	04-Feb-20	03-Feb-25	EIOEC	Mount Jackson Project
E77/2521	23	SB	24-Apr-18	Under Application	EIOEC	Mount Manning Project
Pilbara Projects						
E45/4848	1	SB	14-Dec-17	13-Dec-22	MLi	Pilbara Project
E46/1210	14	SB	02-Jul-18	01-Jul-23	MLi	Pilbara Project
E45/5324	4	SB	05-Apr-19	04-Apr-24	MLi	Pilbara Project
E45/4685	11	SB	12-Jan-17	11-Jan-22	MLi [(2)]	Pilbara Project
E45/4708	27	SB	21-Nov-17	20-Nov-22	MLi [(2)]	Pilbara Project
E45/4709	22	SB	21-Nov-17	20-Nov-22	MLi [(2)]	Pilbara Project
E45/4764	4	SB	10-Aug-17	09-Aug-22	MLi [(2)]	Pilbara Project
E45/4735	5	SB	21-Nov-17	20-Nov-22	MLi [(2)]	Pilbara Project
E45/4779	33	SB	16-Jan-18	15-Jan-23	MLi [(2)]	Pilbara Project
E45/4824	65	SB	05-Dec-17	04-Dec-22	MLi [(2)]	Pilbara Project
E45/4732	43	SB	21-Nov-17	20-Nov-22	MLi [(2)]	Pilbara Project
Nevada Projects						
RVL 1 to 210	1700	HA		1-Sept-20	MLN	Nevada Lithium Project

[(1)] 1 sub-block (SB) = approx. 3.2km^2 in the Pilbara and 2.8km2 in the Yilgarn.

[(2)] Tenements subject to an earn-in agreement with FE Limited

Corporate Update

(i) Legal Proceedings

LPD v. Macarthur and Ors. ("New Proceedings")

On 26 November 2013, the New Proceedings were stayed by consent pending payment of the indemnity costs of the dismissed Initial Proceedings and the appeal costs by LPD and Mayson. No steps have been taken in the New Proceedings by the plaintiff since 22 January 2015 and this matter remains ongoing.

Chan, Chan and Kwok ("FSDC Directors") v. Macarthur Minerals Limited and Ors.

As previously reported, the FSDC Directors were ordered to pay costs of $31,101 in relation to the FSDC Directors' Claim.

On 5 July 2019, the FSDC Directors filed a notice of appeal to the Supreme Court of Queensland where the review will be held by the court on 28 August 2019. The appeal was subsequently set down for hearing on 24 October 2019. On 30 June 2020, the Court of Appeal handed down its decision, dismissing the appeal with costs. On 29 July 2020, the FSDC Directors filed in the High Court of Australia an application for special leave to appeal against the judgement of the Court of Appeal of the Supreme Court of Queensland. On 5 November 2020, the High Court dismissed the application by the FSDC Directors for special leave to appeal against a previous decision of the Court of Appeal of the Supreme Court of Queensland.

The High Court's refusal to grant the Applicants special leave to appeal means that the longstanding proceedings (initiated in 2016) are now finally at an end. There is no further avenue of appeal available to the FSDC Directors.

(ii) Financing

Private Placement

On 22 October 2020, the Company announced[5] that it had closed a private placement ("Private Placement") of AUD $6,249,440 with sophisticated and institutional investors with subscriptions totalling 11,362,618 Units.

Each placement unit ("Unit") is comprised of one New Share at a price of AUD $0.55 and one attaching option to acquire one fully paid ordinary share in the Company (each, an "Option") at an exercise price of AUD $0.90, with an expiry date 24 months from the date of issuance.

Following exchange final approvals and acceptance:

- The Placement securities being 11,362,618 Ordinary Shares and 5,137,382 Options were issued on 26 October 2020.
- The balance of 6,225,236 Options were issued on 2 November 2020, following receipt of shareholders' approval at the Company's Annual General Meeting on 30 October 2020 in accordance with ASX listing rule requirements relating to future placement capacity.

The net proceeds from the Offering will be used for working capital purposes.

Equity Finance Facility

In addition to the Private Placement, the Company has executed an AUD$20 million standby equity finance facility secured under a Controlled Placement Agreement ("Equity Finance Facility") with L1 Capital Global Opportunities Master Fund ("L1"). The agreement entitles the Company to issue shares to L1 over 36 months under "Placement Notice(s)" at the Company's discretion, and to receive funds for the issue of those shares at the greater of 90% of: (i) the average daily VWAP over 30 Trading Days of the Company's Australian Securities Exchange (ASX) listed shares following delivery of a Placement Notice (Pricing Period); and (ii) the Minimum Acceptable Price nominated by the Company (provided that the discounted Minimum Acceptable Price cannot be lower than any minimum price required under the ASX Listing Rules or the TSX Listing Rules, and in any event not less than AUD $0.20) ("Purchase Price").

5 Refer to the Company's news release dated 22 October 2020

Corporate Update (Cont'd)

The additional key terms of the Equity Finance Facility are described in the Company's News Release dated 13 October 2020[6].

Engagement of CST Capital Pty Ltd

Pursuant to a Services Agreement between CST Capital Pty Ltd ("CST") and the Company dated 12 October 2020, subject to successful completion of establishment of the Equity Finance Facility and receipt of any required exchange and shareholders' approval, a fee of USD $250,000 ("Fee") was paid to CST.

In addition to the Fee and following receipt of shareholders' approval at the Company's Annual General Meeting on 30 October 2020, 1.5 million unlisted Options for the issue of ordinary shares in the Company on ASX at an exercise price of AUD $0.75 per Option and expiring on 11 November 2022 were issued to CST on 11 November 2020.

EAS advisors

On 21 January 2020, the Company appointed EAS Advisors as its corporate advisor to assist in the financing strategy for its Lake Giles Iron Project. In connection with the engagement, EAS will be paid a monthly cash retainer of USD 10,000 per month for 8 months. Additionally, to incentivise EAS to assist in the growth of the Company:

i) EAS received a total of 2,000,000 performance-based options issued on 28 May 2020 granted as follows: 1) 500,000 options exercise price AUD$0.16 per fully paid ordinary share expiring 31 December 2020. 2) 500,000 options exercise price AUD$0.34 per fully paid ordinary share.3) 500,000 options exercise price AUD$0.36 per fully paid ordinary share. 4) 500,000 options exercise price AUD$0.38 per fully paid ordinary share. The performance-based options were issued in compliance with the Company's Share Compensation Plan and the last three tranches of options will be exercisable at any time until 31 December 2022.
ii) A component of its retainer will also include a monthly equity payment equivalent to USD$5,000 of ordinary shares in the Company trading on TSX-V, settled quarterly (calculated based on the 5 day VWAP preceding the last trading day of each month); Depending upon the structure of the financing for the Lake Giles Iron Project, EAS will receive a Fee comprising: i) a Debt Financing Completion Fee equal to 3% of the gross proceeds of debt raised or on debt linked securities; or ii) a Non-Debt Financing Completion Fee equal to 5% of gross proceeds raised for any non-debt related capital raising; or iii) an M&A Fee equal to 3% of the total enterprise value of any M&A transaction.

On 3 June 2020, 171,479 ordinary shares were issued to EAS Advisors settled as the first quarter equity payment, in connection with EAS engagement as corporate advisor on 21 January 2020. On 31 August 2020, 152, 072 ordinary shares were issued to EAS Advisors settled as the second quarter equity payment.

EAS Advisors LLC through Odeon Capital Group LLC ("Odeon") acted as financial adviser for the Private Placement. Pursuant to a Consulting and Advisory Agreement between Odeon and the Company dated 9 October 2020, Odeon received an Equity Placement Financing Completion Fee equal to AUD $374,966 resulting in the Company receiving net proceeds from the Private placement of AUD $6,249,440.

EAS Advisors, LLC, through Odeon and CST Capital Pty Ltd also acted as joint advisers for arranging the Controlled Placement Agreement. Pursuant to the Consulting and Advisory Agreement between Odeon and the Company dated 9 October 2020, Odeon received the following remuneration:

- a cash fee of AUD $100,000 on 31 October 2020 and the remaining balance of AUD $100,000 payable by 30 November 2020; and
- 233,076 ASX listed ordinary shares of the Company issued on 12 November 2020 subject to a voluntary 4 month hold period from the date of issue, for a value equal to USD $100,000 and the balance of 281,370 ASX listed ordinary shares for a value equal to USD $100,000 issued on 9 December 2020 also subject to a voluntary 4 month hold period from the date of issue.

6 Refer to the Company's news release dated 13 October 2020

Corporate Update (Cont'd)

Warrants

The extension of the expiry date of 7,928,183 post consolidation common share purchase warrants that were issued as part of the Rights Offering completed by the Company in December 2017 was approved by the TSX-V for extension to 15 December 2021.

The expiry date of 3,563,100 and 10,184,630 common share purchase warrants that were issued as part of a non-brokered private placement completed by the Company in September and November 2018 have been extended to 24 September 2021 and 15 December 2021 respectively as approved by the TSX-V. Subsequent to the consolidation of the Company's Share Capital on 20 November 2019, the number of common shares and exercise price issuable under these warrants have been adjusted in accordance with the 4:1 Consolidation ratio.

Share Based Compensation

During the year end, a total of 3,500,000 performance-based options were issued by the Company to EAS Advisor LLC and Investor Cubed Inc. respectively. Pursuant to the Company's Share Compensation Plan ("Plan"), the Company has also granted a total of 3,282,500 Restricted Share Units (RSUs) and 3,612,726 bonus shares (Bonus Shares) to directors, employees and consultants of the Company.

Engagement of Investor Cubed Inc.

On 13 May 2020, the Company entered into an agreement with Investor Cubed to provide Investor Relations and consulting services. In connection with the engagement, Investor Cubed has been awarded a consulting contract of CAD$5,000 per month for a further 12-month term and the right to purchase 1,500,000 options, granted as follows: 1) 500,000 Options exercise price CAD$0.16 expiring 31 December 2022. 2) 500,000 Options exercise price CAD$0.24 expiring 31 December 2022. 3) 500,000 Options exercise price CAD$0.32 expiring 31 December 2022. On 17 April 2021 above agreement was extended for one year.

Engagement of Australian Investor Relations Group

In July 2020, the Company has engaged global strategic consultancy Advisir to manage Australian investor relations, media relations and marketing services for the Company. The engagement terms with Advisir is on a month-to-month basis for a monthly fee of $8,750.

Memorandum of Understanding with Southern Ports Authority

On 29 January 2021, the Company signed a Memorandum of Understanding ("MOU") with Southern Ports Authority ("SPA") which provides a pathway for agreeing a potential access and operating solution for the export of Macarthur's high grade magnetite iron ore product via the Port of Esperance ("Port").

The MOU is non-binding but it does establish a clear pathway for i) the design of a 300,000 tonne storage shed ("shed") by Macarthur, ii) the design of a new rail car unloading solution at the Port by Macarthur (presently proposed to be an Australian-first Helix rail car unloading solution and associated tube conveyor) ("Helix Dumper"), iii) the approval of the shed and Helix Dumper designs by SPA and iv) the identification of suitable land by SPA for the construction of the shed and Helix Dumper within the Port.

A conceptual engineering design report was completed by RCR Mining Technologies Pty Ltd in 2020, for the proposed Helix Dumper and, subject to mutually satisfactory engineering design and approval processes for the shed and Helix Dumper being completed (and suitable land being identified by SPA for their construction), the parties intend to commence good faith negotiations on the terms of binding commercial agreements which will be necessary for Macarthur to i) construct, operate and maintain the shed and Helix Dumper; and ii) to access the Berth 3 ship loader at the Port. Negotiations on final infrastructure selection and layout are continuing as SPA undertakes its master planning process at Esperance Port, and any binding commercial agreements in relation to the shed, rail unloading infrastructure and ship loader access will be conditional upon agreed milestones being met by Macarthur (including financing for its Lake Giles Iron Project).

Corporate Update (Cont'd)

Appointment of consultants

On 16 February 2021, the Company announced that it has appointed the following leading consultants to enhance the delivery of the Feasibility Study for the high-grade magnetite, Lake Giles Iron Project in Western Australia:

- **Study Management**: Optimize Group ("Optimize") appointed to provide study management services and to assist in the preparation of the final Feasibility Study Reports.
- **Transport Logistics**: Projectus Infrastructure ("Projectus") appointed to provide transport infrastructure (rail and port) optimisation support for the delivery of the Feasibility Study.
- **Economic Modelling**: FTI Consulting ("FTI") appointed to provide economic and financial modelling services for the Feasibility Study.

In addition, on 23 March 2021, the Company announced the appointment of two leading experts to its owners' team. Highly regarded Mineral Processing Engineer, Dr Richard Peck appointed to provide technical minerals processing support for Macarthur's owners' team and globally recognized and experienced Mining Engineer and corporate executive, Mr Bernard Holtshousen appointed to provide technical and practical support to optimise the Company's mining and development approach at Lake Giles.

Agreement with Canaria Technologies

On 17 September 2020, the Company signed an Agreement with Canaria Technologies Pty Ltd ("Canaria") to facilitate the introduction, testing and potential use of Canaria's Biometrics Safety System at the Company's flagship Lake Giles Iron Project ("Project") in the Yilgarn region of Western Australia. Under the Agreement, Canaria will initially supply Macarthur with a small number of devices for a ~4 week heat stress, user testing period, through the Australian summer season 2020/2021, during which time environmental surveys and other activities are expected to be undertaken at the Project site. Further testing is anticipated to take place if the Project proceeds to the construction phase following successful completion of the Feasibility Study and completion of financing for the Lake Giles Iron Project.

Option Agreement with Fe Limited

Macarthur Lithium Pty Ltd ("MLi"), a wholly owned subsidiary of Macarthur entered into an exclusive option agreement ("Option Agreement") with Fe Limited (**ASX: FEL**) ("FEL") on 14 May 2019, for FEL to acquire an interest of up to 75% in the lithium and gold tenements in Pilbara region of Western Australia with a 45-day option for FEL to conduct due diligence and secure the required funding to proceed with exercising the option. The Project includes tenements highly prospective for gold, copper and lithium in proximity to numerous known hard rock lithium and gold deposits in the central and eastern Pilbara.

FEL paid the Option Exercise Fee to Mli by way of issue of 26,666,667 new ordinary shares in FEL to Macarthur Minerals Ltd at an offer price of $0.015.

On 2 July 2019, FEL elected to exercise its option to earn-in up to 75% interest in the Company's gold, copper and lithium tenements in the Pilbara Region of Western Australia. The original agreement was terminated and replaced by a New Option Agreement on 28 August 2019 ("New Option Agreement").

On 15 September 2020, FEL elected not to earn-in on the 25% Stage 1 Interest ("Stage 1 Interest") in Macarthur Lithium Pty Ltd's ("Mli") gold and lithium tenements in the Pilbara region of Western Australia, pursuant to the New Option Agreement. Following FEL's decision, the New Option Agreement was terminated and the parties finalised arrangements for the orderly close-out of the joint venture, with effect from 15 September 2020. Macarthur (through Mli) now retains 100% of the Tenements.

Corporate Update (Cont'd)

Repositioning of Non-Iron Ore Pilbara Assets

On 24 February 2021, Macarthur announced an exclusive agreement with Zanil Pty Ltd ("Zanil") to undertake due diligence over 10 tenements in and around the Leonora Goldfields region in Western Australia ("Agreement"). On 4 March 2021, the Company announced the repositioning of the Company's 100% owned, 720km² gold, copper, zinc, manganese and lithium exploration tenements in the Pilbara region of Western Australia under a three-way deal with Zanil and Timeless Capital Corp, in accordance with a letter of intent dated 26 February 2021 ("Letter of Intent"). The Letter of Intent proposed a vend by Macarthur of its non-iron ore assets in the Pilbara region of Western Australia (Pilbara Assets) and the copper gold assets in the Central Goldfields region of Western Australia held by Zanil (Leonora Assets) into Timeless, in return for an agreed equity allocation in Timeless. Following the announcement of that transaction, the Company completed the technical and valuation work on Macarthur's Pilbara tenements and on Zanil's package of gold tenements in the Leonora region of Western Australia (which are currently under the Agreement). An independent valuation of those assets placed a materially higher value on Macarthur's Pilbara tenements than was reflected in that deal and the Company announced a termination of the Letter of Intent on 1 April 2021. As a consequence of the original transaction not proceeding, the Company intends to spin-out the Pilbara tenements into Infinity Mining Limited to list on the Australian Securities Exchange later this year, subject to exchange approvals.

Access Agreement with Arrow Minerals Limited

On 23 December 2019, the Company entered into an agreement with Arrow Minerals Limited ("Arrow") to acquire mineral tenure for the development of site infrastructure at its Lake Giles Iron Project. Macarthur has acquired a substantial package of land covering approximately 4,950 ha adjacent to the Moonshine Magnetite deposit. The tenure will be used for constructing supporting infrastructure and it also paves the way forward to obtain access to tenure to construct a private haul road from the project through to the open access Perth to Kalgoorlie railway owned by Arc Infrastructure.

In consideration for entering into the agreement, Macarthur is required to pay Arrow $500,000, being $250,000 in cash, paid immediately, and issued $250,000 in shares in June 2020. The shares were issued at a 20% discount to the 5-day VWAP prior to the issue.

Appointment of Northland Capital

To reinstate trading on OTCQB, Northland Capital Markets, a full-service investment bank headquartered in the U.S., is engaged to act as OTCQB Sponsor and Advisor to the Company on 4 May 2020. As part of the listing process, the application to reinstate trading has been considered successfully by the Financial Industry Regulatory Authority ("FINRA"). On September 15, 2020, the Company announced[7] that its common shares re-commenced trading on the OTCQB Venture Market.

Results of Operations and Financial Condition

(All amounts in Australian dollars)

Selected Financial Information

The following table sets forth selected financial information of the Company for, and as at the end of, each of the last three financial years up to and including March 31, 2021. This financial information is derived from the Audited Annual Financial Statements of the Company. The Company prepares financial information according to IFRS and all information is reported in Australian dollars.

Australian $	**2021**	2020	2019
Other income (expenses)	**110,080**	100,000	(2,387,627)
Net profit (loss) for the year	**(15,052,304)**	(4,310,448)	51,117,215
Net profit (loss) per share	**(0.13)**	(0.05)	0.19
Total Assets	**74,233,519**	71,936,697	63,432,987
Total Long-term financial liabilities	**246,396**	310,930	18,807

[7] Refer to the Company's news release dated September 15, 2020.

Results of Operations and Financial Condition (Cont'd)

The Company has not recognized any revenue or incurred any loss from discontinued operations or extraordinary items since becoming a reporting issuer.

During the last 3 financial years, excluding reversal of impairment expenses, the Company has reported operating net losses. The most significant factor affecting operating losses during the last 3 financial years is continuing administrative expenses, which includes personnel fees, professional fees, office and general expenses and share-based compensation.

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

Exploration and Evaluation Expenditures

Capitalized exploration and evaluation costs, for the Lithium Projects are as follows:

Australian $	Year Ended March 31, 2021	Year Ended March 31, 2020
Capitalized expenses	201,357	188,835

Capitalized exploration and evaluation costs, for the Iron Ore Projects are as follows:

Australian $	Year Ended March 31, 2021	Year Ended March 31, 2020
Capitalized expenses	1,295,329	3,224,572

Exploration and evaluation expenditure is accumulated separately for each area of interest and capitalised to exploration and evaluation assets. Such expenditure comprises net direct costs but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest. Expenditure in respect of any area of interest or mineral resource is carried forward provided that:

- the Company's rights of tenure to that area of interest are current;
- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively by its sale; or
- exploration and/or evaluation activities in the areas of interest have not yet 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 areas are continuing.

All other exploration and evaluation expenditure is expensed as incurred. Exploration and evaluation expenditure previously capitalised but which no longer satisfies the above policy is impaired and expensed to the Statement of Loss and Other Comprehensive Loss.

The carrying value of the exploration and evaluation assets relates to the Iron Ore and Lithium Projects.

The ultimate recoupment of the carrying value of exploration and evaluation assets is dependent on the successful development, commercial exploitation and financing of the areas of interest, or alternatively through sale.

At March 31, 2021, based on the improvement in global demand and price for iron ore, coupled with the achievement of certain strategic milestones in the development of its iron ore assets, the Company is advancing their projects and has entered into a range of commercial arrangements and funding commitments.

Results of Operations and Financial Condition (Cont'd)

Administrative Expenses

Administrative expenses are expenses not directly related to the Exploration and Evaluation assets and are expensed immediately.

Australian $	Year Ended March 31, 2021	Year Ended March 31, 2020
Administration Expenses	**7,269,530**	5,958,536

For the year ended March 31, 2021 the Company expended $7,269,530 on administrative expenses compared with administrative expenses of $5,958,536 for the corresponding year ended March 31, 2020.

Income/ (Other Expenses)

Income normally comprises interest income earned on the Company's liquid financial instruments.

Australian $	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income	**468**	1,086
Other Income (Cost Recoveries)	**110,080**	100,000
Net gain/(losses) on foreign exchange	**936,752**	(644,736)
Change in fair value of warrant liability	**(9,683,407)**	1,680,335

For the year ended March 31, 2021 the Company earned interest income of $468. Compared to the corresponding year ended March 31, 2020 interest income decreased by $1,086.

Interest income is dependent upon interest rates and funds raised by the Company. Interest rates will vary due to market conditions and the Company has no control over the fluctuation of rates.

The Company recognized a loss of $9,683,407 (March 31, 2020 profit of $1,680,335) from changes in fair value of the warrant liability in the consolidated statement of loss and comprehensive loss. Refer to Note 16 of the Audited Annual Financial Statements for the year ended March 31, 2021.

Income Taxes

Future tax assets have not been recognized in the financial statements as the directors believe it has not yet become probable that they will be recovered and utilized.

Net Losses

The total comprehensive loss for the year reflects the administrative costs of the Company, including share-based compensation expense relating to employee and consultant share options and bonus shares.

Australian $	Year Ended March 31, 2021	Year Ended March 31, 2020
Total comprehensive profit/(loss)	**(15,052,304)**	(4,310,448)

The net loss for the year ended March 31, 2021 was $15,052,304, compared with $4,310,448 net loss for the corresponding year ended March 31, 2020. As an exploration and evaluation company, the Company will continue to report losses until such time as profit is earned from potential production activities.

Results of Operations and Financial Condition (Cont'd)

Change in Financial Position

Australian $	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Cash and cash equivalents	5,018,170	4,518,165
Exploration and Evaluation assets	67,513,545	66,218,216
Plant and Equipment	49,916	63,729
Total Assets	74,233,519	71,936,697
Accounts Payable and Accrued Liabilities	637,006	905,660
Total Liabilities	11,600,829	10,372,448
Net Assets	62,632,690	61,564,249
Net Working Capital [1]	4,520,879	4,030,542

[1] The Net Working Capital of $4,520,879 (2020: $4,030,542) excludes those amounts attributable to the warrant liability of $10,582,972 (2020: $899,565) and the Convertible Notes liability of $nil (2020: $8,134,049) on the basis that the Company does not have any obligation to redeem the Warrants for cash. These financial instruments have been designated as a current liability in their entirety in order to comply with International Financial Reporting Standards due to the terms and conditions of the conversion features inherent within the derivative attached to the relevant host contract.

At March 31, 2021, the Group had net assets of $62,632,690 compared to $61,564,249 at March 31, 2020. The increase is due largely to an increased cash balance from the successful capital raise during the year and an increase in capitalised Exploration and evaluation assets.

The Group's cash and cash equivalents balance was $5,018,170 at March 31, 2021 which was an increase of $500,005 from March 31, 2020.

Plant and equipment was $49,916 at March 31, 2021 (2020: $63,729).

Year to Date Cash Flows

Australian $	**Year Ended March 31, 2021**	**Year Ended March 31, 2020**
Operating Activities	**(4,233,603)**	(3,626,576)
Investing Activities	**(1,045,329)**	(3,690,944)
Financing Activities	**5,778,937**	11,517,657
Total cash movement	**500,005**	(4,200,137)

Cash outflow from operating activities during the year ended March 31, 2021 was $4,233,603 compared with $3,626,576 for the prior corresponding year. The increased cash outflow was mainly due higher exploration expenditure incurred during the year.

Cash outflow from investing activities during the year was $1,045,329 compared with $3,690,944 in the prior year. The outflow in both comparative years related primarily to exploration activities. The decrease in cash outflow relates to the Company's decreased exploration activity on its projects during the current period.

Cash inflow from financing activities during the year was $5,778,937 compared with cash inflow of $11,517,657 for the prior year. The inflow from prior year includes proceeds of $7,184,449 from the issue of convertible notes. Proceeds from convertible notes as at 31 March 2021 $nil, during September 2020, all outstanding convertible notes were converted into Company shares prior to their maturity. The inflow in the year ended March 31, 2021 relates to gross funds received from equity raising, including private placements and exercised options and warrants.

Results of Fourth Quarter

Exploration and Evaluation Expenses

Australian $	Quarter Ended March 31, 2021	Quarter Ended March 31, 2020
Exploration and Evaluation costs	663,201	697,613

Exploration and evaluation costs for the quarter ended March 31, 2021 was $663,201. Refer to Note 12 of the Audited Annual Financial Statements for the year ended March 31, 2021.

Administrative Expenses

Australian $	Quarter Ended March 31, 2021	Quarter Ended March 31, 2020
Administration expenses	2,277,931	1,872,456

For the quarter ended March 31, 2021 the Company incurred administrative expenses of $2,277,931 compared to $1,872,456 for the quarter ended March 31, 2020.

The largest elements of administrative expenses for the quarter ended March 31, 2021 were share-based compensation.

Income

Income is normally comprised of interest income. For the quarter ended March 31, 2021 the Company earned interest income of $252. Compared to the corresponding quarter ended March 31, 2020 interest income increased by $65 due to interest earned on an increased cash and cash equivalents balance.

Interest income is dependent upon interest rates and the amount of financing raised each year by the Company. Interest rates will vary due to market conditions and the Company has no control over the fluctuation of rates.

Net Losses

The net loss for the quarter ended March 31, 2021 was $4,128,053 compared with the net gain for the corresponding quarter ended March 31, 2020 of $172,809. The decrease in net income for the quarter ended March 31, 2021 was attributable to change in fair value of warrant liability made during the quarter.

Summary of Quarterly Information

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with March 31, 2021. This financial information is derived from the Annual Audited Financial Statements of the Company.

	Jun 30, 2019 $	Sept 30, 2019 $	Dec 31, 2019 $	Mar 31, 2020 $	Jun 30, 2020 $	Sept 30, 2020 $	Dec 31, 2020 $	Mar 31, 2021 $
Interest Income	354	348	197	187	94	56	66	252
Total Comprehensive profit/(loss)	(606,354)	1,048,101	(4,925,004)	172,809	(858,429)	(12,075,267)	2,009,443	(4,128,053)
Net profit/(loss) per share	(0.002)	0.004	(0.0166)	(0.017)	(0.010)	(0.1093)	0.0144	(0.030)

The Company has not recognized any revenue or incurred any loss from discontinued operations since becoming a reporting issuer.

During the last 8 quarters, excluding the September 2019 quarter, the March 31, 2020 quarter and the December 31, 2020 quarter, the Company has consistently reported net losses. The most significant factor affecting quarterly losses is continuing administrative expenses.

Income is predominantly derived from net gain on foreign exchange. Other income receivables include option fee income.

Liquidity and Capital Resources

At March 31, 2021, the Company has net working capital of $4,520,879 (excluding warrant liabilities).

The Company's has no external borrowings.

Over the next 4 quarters (12 months), the Company anticipates its cash expenditure requirements will remain stable as the Company continues exploration and evaluation activities. Upon project financing being raised, expenditure will significantly increase.

Related Party Transactions

Balances and transactions between the Company and its wholly owned subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this MD&A. There were no transactions between the Company and related parties in the wholly owned Group during the year ended March 31, 2021 other than remuneration for key management personnel for which details are disclosed below.

The terms and conditions of those transactions were no more favorable than those that it is reasonable to expect that an entity would have adopted if dealing on an arm's length basis.

Key Management Personnel

The following persons were key management personnel of the Company during the year ended March 31, 2021.

Executive Directors

Cameron McCall, Executive Chairman (until November 30, 2020)

Joe Phillips, CEO (until November 30, 2020) and Managing Director (as of December 1, 2020)

Non-Executive Directors

Cameron McCall, Chairman (as of December 1, 2020)

Alan Phillips, Non-Executive Director

Andrew Suckling, Non-Executive Director

Daniel Joseph Lanskey, Non-Executive Director

Management

Andrew Bruton, Chief Executive Officer (as of December 1, 2020)

Details of Remuneration

For details on the remuneration of each key management personnel of the Company refer to Note 21 of the Audited Annual Financial Statements for the year ended March 31, 2021.

Other transactions with key management personnel

A number of key management personnel, or close members of their family, hold positions in other entities that result in them having significant influence over those entities for the purposes of International Accounting Standard ("IAS") 24. Where transactions are entered into with those entities the terms and conditions are no more favorable than those that it is reasonable to expect the entity would have adopted if dealing on an arm's length basis.

The Company did not enter into any transactions with entities over which key management personnel have significant influence during the period and the corresponding prior period.

Commitments

Exploration expenditures

Certain future exploration expenditures are required to be undertaken by the Company as a minimum retention for exploration permits. These expenditures are set out in Note 12 to the Audited Annual Financial Statements for the year ended March 31, 2021.

Apart from the above, the Company has no other material commitments at the balance sheet date.

Off-Balance Sheet Arrangements

The Company has not engaged in any off-balance sheet arrangements such as obligations under guaranteed contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing, hedging or research and development services with the Company.

Risks and Uncertainties

The Company is subject to a number of risk factors due to the nature of its business and the present stage of exploration and evaluation. The following risk factors should be considered:

GENERAL

The Company is an Australian company listed on the TSX-V and ASX and engaged in the exploration and evaluation of mineral properties in Australia and in the United States.

The recoverability of the Mineral Resources and Mineral Reserves are dependent upon the ability of the Company to obtain the necessary financing to continue exploration and evaluation of its properties, and upon future profitable production or proceeds from the disposition of the properties.

Resource exploration and evaluation is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company.

The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company.

These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, infrastructure, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The amount of the Company's administrative expenditures is related to the level of financing and exploration and evaluation activities that are being conducted, which in turn may depend on the Company's recent exploration and evaluation experience and prospects, as well as the general market conditions relating to the availability of funding for exploration and evaluation stage resource companies. Consequently, the Company does not acquire properties or conduct exploration and evaluation work on them on a pre-determined basis and as a result there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

The Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavor to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

RISKS RELATING TO THE BUSINESS OF THE COMPANY

Going Concern (Trends)

The Company's financial success is dependent upon the discovery of commercial Mineral Resources on its projects which could be economically viable to develop. Such development could take several years to complete and the resulting income, if any, is difficult to determine at this time. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced.

Risks and Uncertainties (Cont'd)

Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Going Concern (Funding)

There are 21,675,913 warrants due to expire in the next 9 months, and if they were to be exercised in accordance with the terms and conditions of the warrants, this will result in a cash inflow of up to CAD$11,841,638. The Company has a $20million equity finance facility with L1 Capital ("Facility"). The Facility is an "at call" facility which entitles the Company to issue shares to L1 over 36 months under "Placement Notice(s)" which may be drawn upon and applied at the Group's discretion to meet its operating needs and minimum financial requirements regarding its tenement obligations.

The Group will continue to monitor avenues to expand its key strategic assets whether this be in the form of additional equity raising or debt funding.

Reliance on Key Personnel (Management and Directors)

The Company's development to date has largely depended, and in the future will continue to depend on the efforts of key management. Loss of any of these people could have a material adverse effect on the Company and its business, and therefore the trading price of its shares.

In this sense the Company has been, and continues to be, particularly reliant on the following directors and officers:

- Cameron McCall – Executive Chairman (Chairman, as of December 1, 2020)
- Joe Phillips – CEO (until November 30, 2020) and Managing Director (as of December 1, 2020)
- Andrew Bruton – CEO (as of December 1, 2020)
- Alan Phillips – Non-Executive Director
- Andrew Suckling – Non-Executive Director
- Daniel Lanskey – Non-Executive Director

The Company does not maintain key person insurance on any of its management.

Risk of the General Market and Economic Conditions

Changes in the general economic climate in which Macarthur Minerals operates may adversely affect its financial performance, its exploration and evaluation activities, and its ability to fund those activities. Factors that may contribute to that economic climate include changes in global and/or domestic economic conditions, the general level of economic activity, movements in interest rates and inflation, currency exchange rates and other economic factors.

The price of commodities, and level of activity within the mining industry will also be of particular relevance to Macarthur Minerals. Neither Macarthur Minerals, nor the directors, warrant the future performance of the Company or any return on an investment in Macarthur Minerals.

Risks and Uncertainties (Cont'd)

Competitive Conditions Risk

The resource industry can be intensively competitive, and a number of other hematite, magnetite gold, and lithium deposits have already been developed and are under development in Australia. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests, access to infrastructure as well as for the recruitment and retention of qualified employees and contractors.

The Company may be unable to acquire additional attractive mining properties on terms it considers to be acceptable. The inability of the Company to acquire attractive mining properties would result in difficulties in it obtaining future financing and profitable operations.

The Company competes with many other companies that have substantially greater financial resources than the Company and our ability to compete is dependent on being able to raise additional funds as and when required.

Risk that the Company has a Limited Operating History

The Company has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if the projects come into production.

The Company has experienced losses in previous years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at March 31, 2021 the Company's accumulated losses were $63,759,085.

Risk of Conflict of Interest

Certain officers and directors of the Company may be officers and/or directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time.

Conflicts of interest affecting the directors and officers of Macarthur Minerals will be governed by Macarthur Minerals' "Code of Conduct", the Constitution of Macarthur, the Directors Conflict of Interests Policy, the provisions of the *Corporations Act 2001* (C'th) and other applicable laws and relevant stock exchange policies and requirements.

The directors are required by law, to act honestly and in good faith with a view to the best interests of the Company.

In the event that such a conflict of interest arises at a meeting of the directors, a director affected by the conflict must disclose the nature and extent of their interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises.

Insurance Risk

Macarthur Minerals' operations are subject to all of the risks and hazards typically associated with the exploration and evaluation of minerals. Macarthur Minerals maintains and intends to maintain insurance that is within ranges of coverage that believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that Macarthur Minerals will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Macarthur Minerals. Insurance of all risks associated with exploration and evaluation is not always available and where available the costs may be prohibitive.

Risk of Terrorist Attack or Other Sustained Armed Conflicts

Terrorist activities, anti-terrorist efforts or other armed conflict involving Canada, United States or Australia or their interests abroad may adversely affect the Canadian, United States, Australian and global economies. If events of this nature occur and persist, the associated political instability and societal disruption could reduce overall demand for commodities potentially putting downward pressure on prevailing commodity prices and adversely affect the Company's activities.

Risks and Uncertainties (Cont'd)

RISK FACTORS RELATING TO FINANCE

Liquidity Risk (Solvency Risk)

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a rigorous planning and budgeting process to help determine the funds required to meet its operating and growth objectives. The Company prepares cash forecasts and maintains cash balances to meet short- and long-term cash requirements.

There are 21,675,913 warrants due to expire in the next 9 months, and if they were to be exercised in accordance with the terms and conditions of the warrants, this will result in a cash inflow of up to CAD$11,841,638. The Company has a $20million equity finance facility with L1 Capital ("Facility"). The Facility is an "at call" facility which entitles the Company to issue shares to L1 over 36 months under "Placement Notice(s)" which may be drawn upon and applied at the Group's discretion to meet its operating needs and minimum financial requirements regarding its tenement obligations.

The Group will continue to monitor avenues to expand its key strategic assets whether this be in the form of additional equity raising or debt funding.

Commodity Price Risk

The Company's future revenues, if any, are expected to be in large part derived from the mining and sale of minerals or interests related thereto. The price of various minerals has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic, financial and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of mineral substitutes, mineral stock levels maintained by producers and others and inventory carrying costs.

The effect of these factors on the price of various minerals, and therefore the economic viability of the Company's operations cannot accurately be predicted. As the Company has not yet reached the mining stage, its exposure to price risk does not impact on the financial statements however price risk is a critical assumption for the Company's reported Scoping Studies and Preliminary Feasibility Study) for the Lake Giles Iron Ore Projects ("Project Studies"). In addition, the oversupplied iron ore markets and depressed iron ore prices has previously constrained the Company's ability to fund further development of its Lake Giles Iron Ore Projects.

Credit Risk

Credit risk is the potential loss through non-performance by counterparties of financial obligations. The Company's primary exposure to credit risk is on its cash and cash equivalents and taxes receivable. The Company limits its exposure to credit risk by maintaining its financial liquid assets with high-credit quality financial institutions. Receivables are primarily interest receivable and goods and services tax due from the Australian Taxation Office.

Risks and Uncertainties (Cont'd)

Risk Related to the Economics of Developing Mineral Properties

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract minerals and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection.

Depending on the price of minerals produced, the Company may determine that it is impractical to commence commercial production.

Currency Risk

The Company's revenues and expenses will be incurred in Australian dollars and US dollars, though its financings may be completed in Canadian dollars. Although the Company has taken certain steps to help mitigate foreign currency fluctuations, there is no assurance that the activities or products are or will continue to be effective. Accordingly, the inability of the Company to obtain or to put in place effective hedges could materially increase exposure to fluctuations in the value of the Canadian dollar relative to the Australian dollar. This could adversely affect the Company's financial position and operating results.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents are highly liquid and earn interest at market rates in short term fixed term deposits and variable chequing accounts. Due to the short-term nature of these financial instruments, fluctuations in market interest rates do not have a significant impact on the fair values of these financial instruments.

Risk of Unforeseen Expenses

While Macarthur Minerals is currently not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of Macarthur Minerals may be adversely affected.

RISK FACTORS RELATING TO THE SECURITIES OF THE COMPANY

Risk of Share Price and Market Volatility

The market price of shares can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Canadian, United States and Australian resources sector, Canadian, United States and Australian listed entities and exploration companies in particular. During the year ended March 31, 2021, the closing price per share of the Company fluctuated from a low of CAD$0.085 to a high of CAD$0.66.

There are a number of factors (both national and international) that may affect the share market price and neither Macarthur Minerals nor its directors have control over those factors. There can be no assurance that continual fluctuations in price will not occur.

Factors that could affect the trading price that are unrelated to Macarthur's performance include domestic and global commodity prices and economic outlook, fiscal and monetary policies, currency movements, and market perceptions of the attractiveness of particular industries. The shares carry no guarantee in respect of profitability, dividends, return on capital, price or degree of liquidity with which they trade on the TSX-V.

Risks and Uncertainties (Cont'd)

Shares Reserved for Issuance: Dilution Risk

Capital raisings to meet funding and property commitments will result in dilution to the Company's shareholders. It is likely any additional capital required by the Company, as described above, may be raised through the issuance of additional equity securities which will result in dilution to the Company's existing shareholders. Further, the Company, from time to time, is required to issue shares to earn its interests in properties. Such property share issuances will also result in dilution to the Company's existing shareholders.

As at March 31, 2021, there were 5,035,000 stock options, 3,282,500 RSUs and 25,777,188 warrants outstanding.

Share Liquidity Risk

Shareholders of the Company may be unable to sell significant quantities of the Company's shares into the public trading markets without a significant reduction in the price of their shares, if any at all. The majority of the Company's shares are held with institutional holders, which means that there is a usually low trading volume. The Company's market maker has the role of ensuring there is a buyer/seller if liquidity is too low. The Company may need to take action to continue to meet the listing requirements of the TSX-V, ASX and QTCQB or achieve listing on any other public listing exchange.

Dividends

The Company currently does not pay dividends. Payment of dividends on the Company's shares is within the discretion of the Company's board and will depend upon the Company's future earnings, its capital requirements, financial condition, and other relevant factors. The Company does not currently intend to declare any dividends for the foreseeable future.

RISK FACTORS RELATING TO THE COMPANY'S PROPERTY INTERESTS

Title Risk

Macarthur cannot guarantee that one or more of its tenements within the projects will not be challenged. Macarthur may not be able to ensure that it has obtained a secure claim to individual mineral properties or exploration rights and as a result the Company's ability to develop the projects may be constrained. Macarthur may not have conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge could result in Macarthur being unable to operate on all or part of its tenements which could, in turn, affect the development of the projects.

In addition, Macarthur's interests in the projects are subject to various conditions, obligations and regulations imposed by the Western Australian and Government Department of Mines, Industry, Regulation and Safety. If the necessary approvals are refused, Macarthur Minerals will suffer a loss of the opportunity to undertake further exploration, or development, of the tenement. Macarthur currently knows of no reason to believe that current applications will not be approved, granted or renewed.

Lack of funding to satisfy minimum expenditure obligations in respect of any tenements, contractual expenditure obligations (any option, joint venture or farm in agreements the Company may enter into), may result in forfeiture of its tenements or termination of t such agreements. The Company may also be unable to meet its share of costs incurred under any Tenement Acquisition Agreements and the Company may have the tenement interests subject to such agreements reduced as a result or even face termination of such agreements. In order to secure ownership of these properties, additional financing will be required. Failure of the Company to make the requisite payments in the prescribed time periods will result in the Company losing its entire interest in the subject property and the Company will no longer be able to conduct certain aspects of its business as described in this MD&A.

The Company requires land access in order to perform exploration and development activities, which can be affected by land ownership and require related compensation arrangements with landowners or occupiers.

Where possible the Company will work with tenement and landowners to obtain required rights of access but unless such rights are obtained, or if there is a dispute, the Company's operations may be adversely affected or delayed.

Macarthur's project areas may contain sites of cultural significance, which would need to be avoided when carrying out field programs and potential project development.

Risks and Uncertainties (Cont'd)

Environmental Factors and Protection Requirements

The Company is currently engaged in exploration and evaluation activities with limited environmental impact and actively engages with government departments to ensure open communication and accurate assessment of environmental approvals. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There are no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property.

Environmental hazards may exist on the properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. Limited environmental incidents may be covered under existing insurance policies. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

Risk related to Infrastructure and Development

There are numerous activities that need to be completed in order to successfully commence production of minerals from the projects, including, without limitation, negotiating final terms of export capacity, negotiating rail and road haulage contracts, optimizing the mine plan, locating an adequate supply of fresh and saline water (for mineral processing and dust suppression), acquisition of the right to establish a rail siding, negotiating contracts for the supply of power, for the sale of minerals and for shipping, updating, renewing and obtaining, as required, all necessary permits including, without limitation, mining and environmental permits, local government road haulage approvals and handling any other infrastructure issues.

There is no certainty that the Company will be able to successfully negotiate these contracts, put these matters in place and secure these necessary resources. Most of these activities require significant lead times and the Company will be required to manage and advance these activities concurrently in order to commence production.

It is not unusual in developing a resources project to experience unexpected problems and delays in infrastructure delivery and project development. A failure or delay in the completion of any one of these activities may delay production, possibly indefinitely, and will have a material adverse effect on the Company's business, prospects, financial performance and future results of operations.

Estimates of Mineral Reserves and Resources – Lake Giles Iron Ore Projects

The Company has estimated Inferred and Indicated Mineral Resources for the Ularring Hematite Project and Measured, Indicated and Inferred Mineral Resources for the Moonshine Magnetite Project. The Mineral Resources are estimates only and are based on interpretations, knowledge, experience and industry practice which may change when new techniques or information becomes available. No assurances can be given that an Ore Reserve can be delineated which is based on economic conditions at the time. Applicants should be aware that inclusion of material in a Mineral Resource estimate does not require a conclusion that material may be economically extracted at the tonnages indicated, or at all. Mineralisation only qualifies to be categorised as an Ore Reserve once it has been demonstrated to be economically recoverable and appropriate modifying factors applied to the Mineral Resource estimates. Estimates that are valid when made may change significantly when new information becomes available. In addition, Iron Ore price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render reserves and resources uneconomic and so may materially affect the estimates.

Risks and Uncertainties (Cont'd)

Risk of Reliance on and Relevance of Project Studies – Lake Giles Iron Ore Projects

The Company's Project Studies are evaluations of potential development of a project at a given time taking many factors into account. No assurance can be given that the process, methodology or plan of development included in a Project Study will be progressed and included in further studies. Project Studies are based on existing resource estimates and market conditions and consequently, market fluctuations, varied logistics or production costs or recovery rates may render the results of existing Project Studies uneconomic and may ultimately result in a future study being very different.

The Company's ability to rely on results from Project Studies would be affected due to the time-based nature of the studies which may adversely affect the Company as it may need to repeat certain aspects of the Project Studies with new results and current market conditions.

Risk of Restrictive Access to the Projects

Macarthur's projects are located in areas which can be difficult to access at times. During this period, costs associated with the Company carrying on its business may significantly increase and exceed the amount allocated in the Company's budget, and in certain circumstances may prevent the Company from being able to conduct its drilling or significant operations on the relevant lands.

In addition, natural events, such as cyclones, floods, and fire, which are beyond the control of Macarthur, could prevent access to its tenements or offices or otherwise affect the Company's ability to undertake planned exploration or evaluation or development (and potentially production) and, as a result, could have a material adverse effect on the Company.

Current COVID-19 travel and regional access related restrictions could have the potential to impede access to the Projects from time to time.

Risk of Accuracy of Exploration Maps and Diagrams

Macarthur has commissioned and produced numerous diagrams and maps to help identify and describe the tenements and the targets sought on those tenements. Maps and diagrams should only be considered an indication of the current intention in relation to targets and potential areas for exploration and drilling, which may change.

RISK FACTORS RELATING TO MINING GENERALLY

Mineral Exploration and Evaluation Risk

The projects are in the exploration and evaluation stage. Evaluation of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and evaluation involve a high degree of risk and few properties which are explored are ultimately developed into producing mines.

There is no assurance that mineral exploration and evaluation activities will result in the discovery and development of a body of commercial minerals on any of the Company's properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Risks and Uncertainties (Cont'd)

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, evaluation, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are some of the risks involved in the operation of mines and the conduct of exploration programs.

The mining industry is subject to occupational health and safety laws and regulations which change from time to time and may result in increased compliance costs or the potential for liability and even personal liability for management and directors. It is Macarthur Minerals' intention to mitigate this risk by operating to the highest occupational health and safety standards.

Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Risk of Availability of Labour

Macarthur will require skilled labour workers and professionals in order to operate its activities. Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

The Company may experience a skills shortage. Due to the high demand for skilled and unskilled labour, there is a growing expectation of higher wages. Macarthur strives to employ the best people however this can come at a high price or may delay operations should it not be able to attain and retain those people.

RISK FACTORS RELATING TO GOVERNMENT

Risk of Increased Government Policy and Imposition of Tax

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and government policies in Australia, may have an adverse effect on the operations and financial performance of Macarthur Minerals and, ultimately, the market price of its securities.

In addition to the normal level of income tax imposed on all industries, Macarthur Minerals may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Risk of Greater Governmental Regulation

Exploration, evaluation, development and operations on the Company's properties are affected to varying degrees by government regulations relating to such matters as: (i) environmental protection, health, safety and labor; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) access to and use of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

Failure to obtain licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration or future development work, which may result in it losing its interest in the subject property.

As the Company's projects advance to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labor standards, environmental protection, mine safety and other matters. In addition, new laws or regulations, governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Risks and Uncertainties (Cont'd)

RISK FACTORS RELATING TO THE COMPANY'S LEGAL OBLIGATIONS

Contractual risk

Macarthur Minerals is a party to various contracts. Whilst Macarthur Minerals will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which Macarthur Minerals is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, Macarthur Minerals will be successful in enforcing compliance and recovering any loss in full.

Litigation Risk

All industries, including the mining industry, are subject to legal claims that are with and without merit.

The Company is currently involved in legal proceedings. It's unlikely that the final outcome of these proceedings will have a material and adverse effect on the Company's financial condition or results of operations; however, defence and settlement costs can be substantial, even for claims that are without merit.

Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding will be resolved in a manner that will not have a material and adverse effect on the Company's future cash flow, results of operations or financial condition.

The Company maintains Directors and Officers Liability insurance. The Company has provided an indemnity for each director and officer to the maximum extent permitted by law, against any liability for legal costs incurred in respect of liability incurred by them, as or by virtue of their holding office as and acting in the capacity of, an officer of the Company, except where the liability arises out of conduct involving lack of good faith or in breach of the law.

Jurisdiction Risk

All of the Company's assets are presently located in Australia and the United States and the Company may contract with international parties from time to time. It may be difficult or impossible to enforce judgments obtained in overseas courts predicated upon the civil liability provisions of the securities laws of those countries.

Accounting Policies

Accounting policies, including new accounting standards and interpretations, followed by the Company are set out in Note 2 to the Audited Annual Financial Statements for the year ended March 31, 2021.

Critical Accounting Estimates

The preparation of the financial report in conformity with IFRS requires that management make judgements, estimates and assumptions that affect the reported amounts in the financial report and disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and best available current information, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The estimates and judgements that affect the application of the Company's accounting policies and disclosures and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(i) Exploration and Evaluation Expenditure

At the end of each reporting period, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount is estimated in order to determine the extent of impairment, if any. The Company assessed the carrying value of its exploration asset given the current global iron ore economic conditions and given the results of its exploration activities to date. The Company's exploration asset is a long-term project with specific competitive features and as such no impairment factors apply at reporting date.

(ii) Share-based payment transactions

The Company measures the costs of equity-settled transactions with directors, officers, employees and consultants by reference to the fair values of the equity instrument. The fair value of equity-settled transactions is determined using the Black-Scholes options-pricing model as measured on the grant date. This model

Risks and Uncertainties (Cont'd)

involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate for market-based vesting conditions. During the reporting period the amount of $3,126,272 has been shown as share-based compensation expenditure in the statement of loss and comprehensive loss.

(iii) Deferred tax assets

The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets, as set out in Note 6.

Financial Instruments

The Company's principal financial instruments are comprised of cash, short term deposits and payables which approximate their fair market value due to the short-term nature of these instruments. The main risks arising from the Company's financial instruments are credit risk, interest rate risk and foreign currency risk. Refer to the Risks and Uncertainties section above and Note 3 to the Audited Annual Financial Statements for the year ended March 31, 2021.

Disclosure Controls and Procedures

Although the Company is listed on the TSX-V and ASX, it continues to maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings is recorded, processed, summarized and reported within the time periods specified in the Canadian Securities Administrators' rules and forms. The Company's CEO and CFO have designed the Company's disclosure controls and procedures or caused them to be designed under their supervision to provide reasonable assurance that material information relating to the Company was made known to them and reported as required.

The Company's CEO and CFO oversee on an annual basis the evaluation of the effectiveness of the Company's disclosure controls and procedures as at March 31, 2021 and concluded that they are effective and provide reasonable assurance that material information relating to the Company was made known to them and reported as required.

Internal Controls Over Financial Reporting ("ICFR")

Although the Company is listed on the TSX-V, ASX and QTCQB, the CEO and CFO are responsible for the design of ICFR, or for causing them to be designed under their supervision for evaluating the effectiveness of such internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of external financial statements in accordance with IFRS. Regardless of how well an internal control system is designed and operated, it can provide only reasonable, not absolute, assurance that it will prevent or detect all misstatements resulting from error or fraud due to the inherent limitations of any internal control system.

The CEO and CFO have overseen the evaluation of the design and effectiveness of the Company's ICFR based on the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that the Company's ICFR was effective as of March 31,2021.

There were no significant changes that occurred during the year ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

The Company has not in any way limited the design of the ICFR and there were no material weaknesses related to its design as at March 31, 2021.

The CEO and CFO oversaw all material transactions and related accounting records. The Audit Committee of the Company, with management, reviews the financial statements of the Company, on a quarterly and annual basis. The external auditor reviews and audits bi-annually and annually the Company's financial statements and disclosures.

While management and the board of directors of the Company work to mitigate the risk of a material misstatement in the Company's financial reporting, the Company's control system, no matter how well designed or implemented, can only provide reasonable, but not absolute, assurance of detecting, preventing and deterring errors and fraud.

Outstanding Share Data as of June 29, 2021:

Authorized and issued share capital:

Class	Par Value	Authorized Common shares (No par value)	Issued
Common	No par value	Unlimited	140,614,135

As at June 29, 2021, there were 5,035,000 stock options, 8,882,500 RSUs, 25,277,188 warrants and 12,862,618 options outstanding.

Other Information

Additional disclosures pertaining to the Company, including its most recent financial statements, management information circular, material change reports, press releases and other information, are available on the SEDAR website at www.sedar.com or on the Company's website at www.macarthurminerals.com. Readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Competent Person's Statement

Mr Andrew Hawker, BSc. Geol, MAIG, is a member of the Australian Institute of Geoscientists, is a consultant geologist to Macarthur and is a Qualified Person as defined in National Instrument 43-101. Mr Hawker has reviewed and approved the technical information in relation to the Ularring Hematite and Moonshine Magnetite Iron Ore Projects. Western Australian Gold Projects, Western Australian Lithium Projects, the Treppo Grande Iron Ore Project and Nickel and Cobalt Projects (excluding any corporate matters) contained in this MD&A and has consented to the public filing of the MD&A.

Randy Henkle, a Registered Member of the Society of Mining and Exploration and a Professional Geologist licensed in British Columbia, Canada, is a Qualified Person as defined in National Instrument 43-101. Mr Henkle has reviewed and approved the technical information in relation to Nevada Brine Lithium Project contained in this MD&A and has consented to the public filing of the MD&A.

By order of the Board

"*Cameron McCall*"

Cameron McCall

Executive Chairman

"*Andrew Suckling"*

Andrew Suckling

Independent Director