Financial report

Consolidated Financial Statements – 31 March 2022

Contents

The financial statements are presented in the Australian currency, unless stated otherwise.

Macarthur Minerals Limited is a listed public company limited by shares. The Company's corporate office and principal place of business are detailed on page 2.

A description of the nature of the Group's operations and its principal activities are included in page 6.

The financial statements were authorised for issue by the directors on 30 June 2022. The directors have the power to amend and reissue the financial statements.

MACARTHUR MINERALS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022
(Expressed in Australian Dollars)

	Notes	**2022**	**Restated 2021***
		$	**$**
EXPENSES			
Depreciation – Plant and equipment	6(a)	**(13,443)**	(13,394)
Depreciation – Right of Use asset	6(a)	**(17,980)**	(71,921)
Exploration expenditure		**(2,297)**	(72,586)
Investor relations		**(115,840)**	(163,236)
Loss from share of associate	31	**(231,571)**	-
Impairment of investment in associate		**(896,550)**	-
Office and general expenses		**(315,912)**	(321,129)
Personnel costs		**(1,586,955)**	(1,759,038)
Professional fees	6(c)	**(452,274)**	(726,670)
Rent		**(64,465)**	(17,979)
Share-based compensation	6(b)	**(727,625)**	(3,126,271)
Share Registry, filing and listing fees		**(282,082)**	(441,152)
Travel and accommodation		**(32,521)**	(23,268)
Borrowing costs	6(e)	**(18,323)**	(405,022)
Total Administrative Expenses		**(4,757,838)**	(7,141,666)
OTHER REVENUE/(EXPENSES)			
Interest income		**248**	468
Other income	6(d)	**96,647**	85,168
Gain on sale of asset	30	**4,527,917**	-
Net gain/(loss) on foreign exchange		**62,514**	936,752
Change in fair value of warrant liability	17	**4,509,641**	(4,716,233)
		9,196,967	(3,693,845)
Profit/(Loss) before income tax from continuing operations		**4,439,129**	(10,835,511)
Income tax expense	7	**-**	-
Net Profit/(Loss) for the year from continuing operations		**4,439,129**	(10,835,511)
Net Profit/(Loss) from discontinued operations	30	**(55,814)**	(102,954)
Net Profit/(Loss)		**4,383,315**	(10,938,465)
Other Comprehensive Income/(loss) Items that will not be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on Investment in FEL	13(b)	**68,333**	853,333
Total Comprehensive profit/(loss) for the year		**4,451,648**	(10,085,132)
Basic profit/(loss) per ordinary share from continuing operations attributable to the owners of Macarthur Minerals Limited		**0.0310**	(0.0888)
Basic profit/(loss) per ordinary share from discontinued operations attributable to the owners of Macarthur Minerals Limited		**(0.0004)**	(0.0008)

*Please refer to Note 18 for details of the prior period restatement

Basic and diluted weighted average number of ordinary shares outstanding (Note 8)		**142,994,094**	121,960,893

The accompanying notes are an integral part of these consolidated financial statements.

MACARTHUR MINERALS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Australian Dollars)
AS AT 31 MARCH 2022

	Notes	2022 $	Restated 2021 $
ASSETS			
Current			
Cash and cash equivalents	9	**1,625,572**	5,018,170
Other receivables	10	**221,841**	98,155
Security deposits and other assets	11	**177,141**	176,015
Total current assets		**2,024,554**	5,292,340
Non-Current			
Plant and equipment	12	**40,732**	49,916
Right of use asset	24	**-**	257,718
Investment in FE Ltd	13(b)	**-**	1,120,000
Investment in Infinity Mining Ltd	1 & 31	**3,384,363**	-
Exploration and evaluation assets	13(a)	**73,031,754**	67,513,545
Total non-current assets		**76,456,849**	68,941,179
Total assets		**78,481,403**	74,233,519
LIABILITIES			
Current			
Trade and other payables	14	**1,173,019**	637,006
Provisions	15	**93,731**	64,519
Lease liability	24	**-**	69,936
Warrant liability	17 & 2(b)	**520,350**	5,029,991
Loan from unrelated parties	25	**1,000,000**	-
Total current liabilities		**2,787,100**	5,801,452
Non-Current			
Provisions	15	**51,043**	32,920
Lease liability	24	**-**	213,476
Total non-current liabilities		**51,043**	246,396
Total liabilities		**2,838,143**	6,047,848
Net assets		**75,643,260**	68,185,671
SHAREHOLDERS' EQUITY			
Contributed equity	16(a)	**121,772,352**	119,342,705
Reserves	16(b)	**7,693,697**	7,049,070
Accumulated losses		**(53,822,789)**	(58,206,104)
Total shareholders' equity		**75,643,260**	68,185,671

Nature and continuance of operations (Note 1)
Commitments (Notes 13 and 26)
Working Capital Position (Note 2b)

Subsequent events (Note 28)
Contingent liabilities (Note 27)

The accompanying notes are an integral part of these consolidated financial statements.

MACARTHUR MINERALS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022
(Expressed in Australian Dollars)

	Number of Shares	Contributed Equity $	Accumulated losses $	Reserves $	Total $
Balance at 1 April 2020	**102,386,361**	**104,794,986**	**(47,879,689)**	**4,648,952**	**61,564,249**
Net profit(loss) for the year	-	-	(15,905,637)	-	(15,905,637)
Other comprehensive loss for the year	-	-	-	853,333	853,333
Transfer from reserves	-	-	26,241	(26,241)	-
Share-based payment transactions	-	-	-	1,922,219	1,922,219
Private Placement	11,362,618	6,062,683	-	186,757	6,249,440
Vested RSU's	2,937,500	535,950	-	(535,950)	-
Shares in consideration for fees	837,997	323,740	-	-	323,740
Shares in consideration for assets	1,702,997	250,000	-	-	250,000
Exercise of options and warrants	1,525,000	353,963	-	-	353,963
Bonus Shares	3,612,726	1,204,053	-	-	1,204,053
Issue Shares upon Convertible Notes Conversion	15,248,936	6,856,723	-	-	6,856,723
Share issuance costs	-	(1,039,393)	-	-	(1,039,393)
Balance at 31 March 2021	139,614,135	119,342,705	(63,759,085)	7,049,070	62,632,690
Balance at 1 April 2021 – As previously reported	**139,614,135**	**119,342,705**	**(63,759,085)**	**7,049,070**	**62,632,690**
Prior period restatement [3]	**-**	**-**	**5,552,981**	**-**	**5,552,981**
Balance at 1 April 2021 - Restated	**139,614,135**	**119,342,705**	**(58,206,104)**	**7,049,070**	**68,185,671**
Net profit(loss) for the year	**-**	**-**	**4,383,315**	**-**	**4,383,315**
Other comprehensive profit for the year	**-**	**-**	**-**	**68,333**	**68,333**
Share-based payment transactions [1]	**-**	**-**	**-**	**576,294**	**576,294**
Exercise of options and warrants [2]	**6,639,353**	**2,429,647**	**-**	**-**	**2,429,647**
Balance at 31 March 2022	**146,253,488**	**121,772,352**	**(53,822,789)**	**7,693,697**	**75,643,260**

[1] Refer to Note 16(b) [2] Refer to Note 16(a)viii) [3] Refer to Note 18

The accompanying notes are an integral part of these consolidated financial statements.

MACARTHUR MINERALS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022
(Expressed in Australian Dollars)

	Notes	2022 $	2021 $
OPERATING ACTIVITIES			
Payments to suppliers and employees		**(2,345,725)**	(4,154,519)
Receipts from customers		**96,647**	325,470
Interest received		**248**	468
Interest Paid		**(18,323)**	(405,022)
Net cash flows (used in) operating activities	9	**(2,267,153)**	(4,233,603)
INVESTING ACTIVITIES			
Net purchases of plant and equipment		**(23,684)**	-
Sale of FEL shares		**1,188,333**	-
Exploration and evaluation additions	13	**(5,518,209)**	(1,045,329)
Net cash flows (used in) investing activities		**(4,353,560)**	(1,045,329)
FINANCING ACTIVITIES			
Proceeds from Private Placement		**-**	6,249,440
Proceeds from exercised options & warrants		**2,271,789**	353,963
Share issuance costs		**-**	(760,978)
Principal repayment of lease liability		**(43,674)**	(63,488)
Loan from unrelated parties		**1,000,000**	-
Net cash flows provided by financing activities		**3,228,115**	5,778,937
Change in cash and cash equivalents during the year		**(3,392,598)**	500,005
Cash and cash equivalents, beginning of the year		**5,018,170**	4,518,165
Cash and cash equivalents, end of year		**1,625,572**	5,018,170

The accompanying notes are an integral part of these consolidated financial statements.

Note 1: Nature and Continuance of Operations

Macarthur Minerals Limited is an Australian public company listed in Canada on the TSX Venture Exchange ("TSX-V") (symbol: MMS), Australian Securities Exchange ("ASX") (symbol: MIO) and OTCQB Venture Market ("OTCQB") (symbol: MMSDF). The Company has three iron ore projects in the Yilgarn region of Western Australia. The Company also has two exploration project areas in the Pilbara, Western Australia targeting iron ore. In addition, Macarthur Minerals has lithium brine interests in the Railroad Valley, Nevada, USA.

As at 31 March 2022, the Company has the following subsidiaries (collectively referred to as the "Group"):

- 100% of Macarthur Australia Limited, which holds the following 100% subsidiaries:
- 100% of Macarthur Iron Ore Pty Ltd ("Macarthur Iron Ore" or "MIO") which owns the Iron Ore Projects
- 100% of Macarthur Lithium Nevada Limited (incorporated in Nevada)
- 100% of Esperance Iron Ore Export Company Pty Ltd (previously Macarthur Midway Pty Ltd)
- 100% of Macarthur Marble Bar Lithium Pty Ltd (previously Bachelor Project Pty Ltd) (a dormant subsidiary); and
- 100% of Macarthur Minerals NT Pty Ltd ("MMNT") and MMNT's 100% subsidiary, Macarthur Tulshyan Pty Ltd.

There was no change in the nature of the Company's principal activities during the year. On 1 January 2022, Infinity Mining Limited ("IML") exited the Macarthur Minerals Consolidated Group and, for the financial year end 31 March 2022, IML will be accounted for as an associate of Macarthur Minerals Group. IML, following its own successful IPO on 19 November 2021, was separately listed on the ASX on 20 December 2021. The fair value of the Company investment in Infinity Mining Limited as at 31 March 2022 is $3,384,363, representing its holding of 22,562,422 shares at market value at reporting date.

The Company has continued to respond to the challenges of the Covid-19 pandemic by managing its operations and cashflows conservatively. The outlook for key commodities such as iron ore and gold in the current Covid-19 affected market remains strong, and as a consequence has not resulted in any impairment of the Company's key capitalised assets.

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. Benchmark prices have continued to hold throughout the March 2022 quarter, prices for 62% Fe have climbed closer to USD$150 during the quarter. Current iron ore prices are substantially higher than the benchmark 62% price of USD$99 used in the Feasibility Study recently released for the Lakes Giles Iron Project. 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.

Remote working arrangements continue to operate seamlessly across interstate and international lines. Board and Management are ensuring that productivity is being optimised and that the Macarthur team remains focused on delivering outcomes.

The Company maintained its corporate head office and principal place of business at G03, 555 Coronation Drive, Toowong, Queensland 4066, Australia until 10 May 2022 and subsequently changed its address to Suite 1G, Building 1, Kings Row Office Park, 40 McDougall Street, MILTON QLD 4064, Australia.

The financial statements were authorized for issue on 30 June 2022 by the directors of the Company.

Note 2: Summary of Significant Accounting Policies

Material financial accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the consolidated entity consisting of Macarthur Minerals Limited and its subsidiaries. Refer to Note 22 for details of subsidiaries.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

a) Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001 (Cth). The financial report complies with International Financial Reporting Standards (“IFRS”) adopted by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The separate financial statements of the parent entity have been presented within this financial report as permitted by the Corporations Act 2001 (Cth).

Except for cash flow information, the financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

b) Working capital position

This financial report has been prepared on a going concern basis which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company’s cash and cash equivalents balance at the reporting date is $1,625,572. During April 2022, the Company received in full the net funds from its $7.5m Private Placement.

The Group’s net working capital at 31 March 2022 was a $242,196 deficit compared with net working capital of $4,520,879 at 31 March 2021. The Net Working Capital deficit of $242,196 is due to the inclusion of $1,000,000 loan from non-related party, which was repaid during April 2022. The Group received in full the net funds from its $7.5m Private Placement during April 2022 which it considers sufficient to meet its working capital requirements for at least 12 months from the date these financial statements are approved. The net working capital amount excludes those amounts attributable to the warrant liability of $520,350 (2021: $5,029,991) on the basis that the Group does not have any obligations to extinguish its liability attributable to the issued warrants via cash payments.

The Company has a $20million equity finance facility with L1 Capital (“Facility”), that remains undrawn at the date of this report. 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. Based on these factors, Management is of the opinion that the Company has sufficient working capital to finance operations for the next twelve months.

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.

During the year ended 31 March 2022, the Group raised funds from new equity of $2,429,647.

c) Principles of consolidation

(i) Subsidiaries

The financial report incorporates the assets, liabilities and results of all subsidiaries controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between companies are eliminated in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company. Investments in subsidiaries are accounted for at cost in the individual financial statements of the parent, refer to Note 29.

d) Mineral exploration and evaluation assets

The Company is currently in the exploration and development stage of its exploration projects and applies the following policies.

(i) Exploration and evaluation properties

Exploration and evaluation expenditure are accumulated separately for each area of interest and capitalised to exploration and evaluation assets. Such expenditures comprise net direct costs but do 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 are expensed as incurred. Exploration and evaluation expenditure previously capitalised but which no longer satisfies the above policy is impaired and expensed to profit and loss. Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

e) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statements of Profit and Loss and Other Comprehensive Income/(Loss) during the financial period in which they are incurred.

Depreciation on assets is calculated as follows:

Plant & Equipment	5% to 33.33% Straight-line Method 22.5% Diminishing Value Method
Office Equipment	10% to 33.33% Straight-line Method 37.5% Diminishing Value Method
Motor Vehicles	20% to 25% Straight-line Method

The assets' residual values and useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Depreciation is calculated to write-off the asset's cost over its estimated useful life, commencing from when the asset is first ready for use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit and loss.

f) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

h) Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

i) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Company's and its subsidiaries functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss, except when they are deferred in equity as qualifying cash flow or net investment hedges.

j) Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

k) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence is similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate is eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group has a 20.74% interest in Infinity Mining Limited (IML), as a result of a spinout of the Group's Pilbara assets. IML, which following its own successful IPO on 19 November 2021, was separately admitted to the Official list of ASX on 20 December 2021 and commenced trading on 22 December 2021 (ASX: IMI). The Group's interest in Infinity Mining Limited is accounted for using the equity accounting method in the consolidated financial statements.

l) Segment Reporting

The chief operating decision-maker has been identified as the Managing Director of the Company. The Group has identified one reportable segment (the exploration of mineral resources). All such operations and substantially all the capital assets of the Group are situated in Australia as at the reporting date.

m) Leases - The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining term of 12 months or less) and leases of low value assets are recognised as operating expenses on a straight-line basis over the term of the lease. Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease.

Lease payments included in the measurement of the lease liability is as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement day and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

n) Farm-outs in the exploration and evaluation phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for as a gain on disposal.

o) Trades and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

p) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of managements' best estimate of the expenditure required to settle the present obligation at the reporting period date.

q) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

r) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

s) Employee benefits

(i) Wages and salaries, annual leave and superannuation

Liabilities for salaries, including annual leave and superannuation, expected to be settled within 12 months of the reporting date are recognised as Current Employee Benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(iii) Share-based compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods to represent the value of services rendered. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to a reserve. The fair value of equity instruments is determined using the relevant options pricing model. The number of instruments expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

t) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax ("GST"), unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.
Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

u) *Income tax*

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years. Deferred income tax is recognised, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, as well as unused tax losses.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or when the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(i) Deferred Tax Balances

Deferred income tax balances have not been recognised as it has not yet become probable that they will be recovered and utilised.

(ii) Tax consolidation legislation

The Company and its wholly owned Australian incorporated subsidiaries are a tax-consolidated group for income tax purposes. As a consequence, all members of the tax-consolidated group are taxed as a single entity. Infinity Mining Limited (formerly Macarthur Lithium Pty Ltd) departed the Group on 1 January 2022.

v) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

w) *Current and non-current classification*

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

x) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Proceeds from warrant unit placements are allocated between shares and warrants issued. Warrants that are part of units are assigned a value based on the residual value of the unit after deducting the fair value of the common shares. Where warrants are denominated in a currency other than the Company's functional currency, they are considered a derivative liability and marked to market at each period using the Black-Scholes model.

y) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is determined by dividing net profit/(loss) after income tax attributable to ordinary equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year; adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive if their exercise price exceeds the average market price of ordinary shares during the period.

However, where their conversion would decrease the loss per share from continuing operations, then this calculation is treated as anti-dilutive.

z) Revenue recognition

The Company's only sources of revenue are other income items such as interest cost recoveries, farm out arrangements and government subsidies.

The Group recognises revenue when the amount can be readily measured, and it is probable that future economic benefit will flow to the entity (control). Interest income is recognised on a time proportion basis using the effective interest method.

aa) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.
To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

bb) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 March 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

cc) Comparative Figures

Certain comparative figures in profit and loss have been adjusted to conform to changes in presentation for the current financial year, with no impact on net profit or comprehensive profit for the year.

Note 3: Critical accounting estimates and judgements

The preparation of the financial report 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 (Note 13)

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely and is based on assumptions about future events or circumstances.

Recoverable value of exploration assets is based on the assessment of current economic conditions.

(ii) Deferred tax assets

The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognise these deferred tax assets, as set out in Note 7.

(iii) Share-based payment transactions (Note 19)

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 relevant Trinomial model as measured on the grant date. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the equity, and the estimated forfeiture rate for market-based vesting conditions.

(iv) Warrant liability (Note 17)

The Group uses the Black-Scholes Option Pricing Model, or other valuation models, for the valuation of warrants including expected share price volatility, interest rate, foreign currency and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Group's net loss and equity reserves.

(Expressed in Australian Dollars)

v) Going concern

The financial statements have been prepared based on an assumption of going concern.

The Group has recorded a net profit after tax of $4,383,315 for the year ended 31 March 2022 (2021: loss $10,938,465).

The Directors believe the going concern assumption is valid, reaching such a conclusion after having regard to the circumstances which they consider reasonably likely to affect the Group during the period of one year from the date these financials statements are approved.

Specifically, the Group received in full the net funds from its $7.5m Private Placement during April 2022 which it considers sufficient to meet its working capital requirements for at least 12 months from the date these financial statements are approved.

The Directors believe that there is no material uncertainty in respect of the Group's ability to continue as a going concern for the period assessed above due to the level of its current cash holdings and ability to generate cash inflows from a shared service arrangement with Infinity Mining Limited, the exercise of outstanding options and warrants, along with utilisation of a $20m equity finance facility with L1 Capital that remains undrawn at the date of this report.

Note 4: Financial Instruments and Financial risk management

Financial risk management policies

The Company's principal financial instruments are cash and cash equivalents, the main purpose of which is to fund the Company's operations. The Company has various other financial assets and liabilities such as security deposits, other receivables, trade payables, and warrant derivatives which arise directly from its operations. It is and has been throughout the years ended 31 March 2022 and 31 March 2021, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk, and foreign currency risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

The Company's contracted financial instruments are summarised as:

	Note	**Consolidated Carrying Amount** 2022 $	2021 $
Financial assets			
Cash and cash equivalents	8	**1,625,572**	5,018,170
a) Financial assets at cost			
Other receivables	9	**127,090**	1,837
Security Deposits	10	**56,642**	156,626
		183,732	158,463

(Expressed in Australian Dollars)

	Note	Consolidated Carrying Amount 2022 $	2021 $
b) Financial assets at fair value through other comprehensive income			
Investment in FE Ltd	12(b)	-	1,120,000
c) Financial assets at fair value through profit and loss			
Investment in Infinity Mining Ltd	1	3,384,363	-
Total financial assets		**5,193,667**	6,296,633

	Note	2022 $	2021 $
Financial liabilities			
a) Financial liabilities at amortised cost			
Trade and other payables		**1,173,018**	637,006
Loans		**1,000,000**	-
		2,173,018	637,006
b) Financial liabilities at fair value through profit and loss			
Warrant liability	16	**520,350**	5,029,991
Total financial liabilities		**2,693,368**	5,666,997

a) Credit risk

The Company's primary exposure to credit risk is on its cash and cash equivalents. The Company limits its exposure to credit risk by maintaining its financial liquid assets with high-credit quality financial institutions. The Company will trade only with recognised, creditworthy third parties. Credit verification procedures will be carried out when deemed necessary and receivable balances will be monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. This amount consists of Cash and cash equivalents of $1,625,572 (2021: $5,018,170), Other receivables of $127,090 (2021: $1,837) and Security Deposits of $56,642 (2021: $156,626).

The Company's receivables exclude current outstanding taxation payments recoverable from the Australian Government. These statutory amounts are excluded under Accounting Standards in the above analysis.

The Company's maximum exposure to credit risk at the reporting date by geographic region was:

	2022 $	2021 $
Australia	**1,022,861**	3,919,270
Canada	**786,443**	1,257,363
	1,809,304	5,176,633

(Expressed in Australian Dollars)

b) Liquidity risk

The Company's objective is to raise sufficient funds from equity and/or debt to finance its development and exploration activities until its operations become profitable.

The Company manages its liquidity risk by planning and budgeting its operational and growth requirements. The Company monitors its forecast cash flows and ensures funds are in place to meet its operational needs in the short to medium term. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to acquire, explore and develop its exploration and evaluation assets. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration or development.

The Company is dependent on raising funds through equity and/or debt or disposing of interests in its mineral properties (by options, joint ventures or outright sales) in order to finance development of its exploration and evaluation assets, further acquisitions, undertake exploration and meet general and administrative expenses in the immediate and long term.

Exposure to liquidity risk

The below table analyses the Company's non-derivative financial assets and liabilities into maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contracted undiscounted cash flows.

As at 31 March 2022

	\$ Within 1 year	**\$ 1 to 5 years**	**\$ Total**
Financial assets	**1,809,304**	**-**	**1,809,304**
Financial liabilities	**(2,173,018)**	**-**	**(2,173,018)**
Net cashflow	**(363,714)**	**-**	**(363,714)**

As at 31 March 2021

	Within 1 year	1 to 5 years	Total
Financial assets	5,176,633	-	5,176,633
Financial liabilities	(637,006)	-	(637,006)
Net cashflow	4,539,627	-	4,539,627

c) Liabilities – Loan, Lease liability, Interest rate risk

The Company's cash equivalents are highly liquid and earn interest at market rates. 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.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	2022 \$	**2021 \$**
Interest-bearing financial instruments		
Financial assets	**1,682,214**	5,174,796

Financial assets are comprised of:

	2022 \$	**2021 \$**
Cash and cash equivalents	**1,625,572**	5,018,170
Security deposits	**56,642**	156,626
	1,682,214	5,174,796

(Expressed in Australian Dollars)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates on the above interest-bearing financial instruments at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Profit or loss		Equity	
	100bp increase $	100bp decrease $	100bp increase $	100bp decrease $
31 March 2022				
Interest-bearing financial instruments	**16,822**	**(16,822)**	**16,822**	**(16,822)**
31 March 2021				
Interest-bearing financial instruments	16,822	(16,822)	16,822	(16,822)

d) *Foreign currency risk*

The Company's consolidated financial statements can be affected by movements in the CAD$/USD$ exchange rate, due to some administrative expenses and liabilities being incurred in other than in $AUD is being the functional currency of the Company.

Exposure to currency risk

The Company's exposure to foreign currency risk at the statement of financial position date was as follows:

	AUD $	CAD $ 2022	USD $	AUD $	CAD $ 2021	USD $
Cash and cash equivalents	**839,128**	**634,363**	**152,081**	3,760,807	84,245	1,173,119
Receivables	**127,090**	**-**	**-**	1,837	-	-
Security Deposits	**56,642**	**-**	**-**	156,626	-	-
	1,022,860	**634,363**	**152,081**	3,919,270	84,245	1,173,119
Trade and other payables	**1,116,688**	**48,228**	**8,103**	576,409	58,843	1,753
Employee Benefits	**144,774**	**-**	**-**	97,439	-	-
Warrant liability	**-**	**520,350**	**-**	-	5,029,991	-
Loan - Other	**1,000,000**	**-**	**-**	-	-	-
Lease liability	**-**	**-**	**-**	283,412	-	-
	2,261,462	**568,578**	**8,103**	957,260	5,088,834	1,753
Net exposure	**(1,238,602)**	**65,785**	**143,978**	2,962,010	(5,004,589)	1,171,366

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and exchange rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

(Expressed in Australian Dollars)

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2022		2021	
	Profit $	**Equity $**	**Profit $**	**Equity $**
+/-2% in interest rates	**+/$33,644**	**+/$33,644**	+/-$103,496	+/-$103,496
+/-5% in $AUD/$CAD	**+/-$3,289**	**+/-$3,289**	+/-527,879	+/-527,879
+/-5% in $AUD/$US	**+/-$7,199**	**+/-$7,199**	+/-$58,568	+/-$58,568
+/-10% in listed investments	**+/-$Nil**	**+/-$Nil**	+/-$112,000	+/-$112,000

e) Commodity price risk

The Company's future revenues 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 production stage, its exposure to price risk has no impact on the financial statements, however price risk is a critical assumption for the Group's economic studies on its Iron Ore Projects and for impairment testing.

f) Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3: Inputs that are not based on observable market data.

The fair values of the Company's cash and cash equivalents, other receivables, and accounts payable and accrued liabilities approximate carrying values, which are the amounts recorded on the consolidated statement of financial position due to their short-term nature. The Company's only financial instrument classified as fair value through profit or loss is the Warrant Liability, which is classified as Level 2 in the fair value hierarchy, refer to Note 17 for additional information.

Note 5: Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of resource properties.
The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the management of capital, the Company includes shareholders' equity.

The properties in which the Company currently has an interest are in the exploration and development stage, as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration, conduct studies and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

(Expressed in Australian Dollars)

In addition to its lithium and iron ore exploration and evaluation activities, the Company will continue to assess new properties and seek to acquire an interest in additional properties if there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As set out in Note 16, further equity was issued in the year.

There were no other changes in the Company's approach to capital management during the year ended 31 March 2022. The Company is not subject to externally imposed capital requirements.

Note 6: Revenue and expenses

Result for the year includes the following items:

		2022 $	Restated 2021 $
a)	***Depreciation***		
	Depreciation – Plant and Equipment	**13,443**	13,394
	Depreciation – Right of Use asset	**17,980**	71,921
		31,423	85,315
b)	***Share-based compensation***		
	Share based payments	**576,294**	1,922,219
	Bonus shares issued to Executives and employees	**151,331**	1,204,052
		727,625	3,126,271
c)	***Professional fees:***		
	- Legal costs	**78,326**	188,628
	- External consultants	**373,948**	538,042
		452,274	726,670
d)	***Other income includes:***		
	Other income:		
	- Rates reimbursements	**-**	-
	- Accommodation cost recovery	**19,980**	3,900
	- Option Fee Income	**-**	-
	- Government subsidies received	**-**	81,268
	- Cost Order (LPD)	**75,000**	-
	- Gain on sale of FE Ltd Shares	**1,667**	-
		96,647	85,168
e)	***Borrowing costs includes:***		
	- Interest on Convertible Notes	**-**	387,668
	- Interest on Other Loans	**14,538**	-
	- Interest on lease liability (Note 24)	**3,785**	17,354
		18,323	405,022

Note 7: Income tax

	2022 $	Restated 2021 $
Income tax expense		
Current tax	**-**	-
Deferred tax	**-**	-
Aggregate income tax expense	**-**	-

	2022 $	2021 $
a) Reconciliation of income tax equivalent expense (credit) to prima facie tax equivalent payable		
Profit (loss) from continuing operations before income tax expense	**4,439,129**	(10,835,511)
Profit (loss) from discontinued operations before income tax expense	**(55,814)**	(102,954)
Net profit/(loss)	**4,383,315**	(10,938,465)
Tax at Australian tax rate of 25% (2021: 26%)	**1,095,829**	(2,844,001)
Adjustment for the tax effect of:		
Non-assessable income	**-**	(27,180)
Change in fair value of warrant liability	**(1,127,410)**	1,226,221
Share based payments	**181,906**	812,831
Unrealised foreign exchange loss	**(15,628)**	-
Non-deductible legal fees	**19,582**	50,096
Allowable expenditure capitalised to exploration and evaluation assets	**(1,379,552)**	(336,414)
Section 40-880 deductions	**(108,244)**	(80,972)
Impairment of investment in associate	**224,125**	-
Loss from share of associate	**57,893**	-
Other	**(208,646)**	38,144
	(1,260,145)	(1,161,275)
Tax effect on income tax losses and temporary differences not carried forward as deferred tax assets	**1,260,145**	1,161,275
Income tax expense/(credit) attributable to profit/(loss) from continuing operations	**-**	-

b) Change in tax rate

Changes in tax laws and rates may affect any recorded deferred tax assets and liabilities and the Company's effective tax rate in the future. The applicable tax rate as at 31 March 2022 was 25% (2021: 26%) on the basis that Macarthur Minerals was a Small Business Entity for the purposes of the tax law.

Deferred tax in the year to 31 March 2022 has been measured using the effective rate that will apply in Australia to Macarthur Minerals from 1 April 2021 (i.e. 25%).

c) Tax consolidation

Macarthur Minerals and its wholly owned Australian subsidiaries are members of an Australian income tax consolidated group. Infinity Mining Limited departed the Group on 1 January 2022.

d) Tax losses

Consolidated tax losses for which no deferred tax has been recognised:

	Tax losses from operations $	Tax losses on capital raising expenses $	Total $
2022			
Tax losses	**89,985,210**	**6,707,180**	**96,692,390**
Potential benefit	**22,496,303**	**1,676,795**	**24,173,098**
2021			
Tax losses	85,935,841	6,274,205	92,210,046
Potential benefit	22,343,319	1,631,293	23,974,612

(Expressed in Australian Dollars)

The tax benefit of these losses will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
- The Company continues to comply with the conditions for deductibility of losses imposed by the relevant tax legislation.

In particular, the Company's tax losses can be carried forward to offset its future income and the future income of members of its tax consolidated group, subject to the satisfaction of the Continuity of Ownership Test or the Same or Similar Business Test and having regard to the application of the "available fraction".

In this respect the ability to utilise tax losses in the future will be dependent on specific shareholding tracing in the years of losses and the future years of income, and future events including the business activity of the Company in future years of income.

Note 8: Earnings per share

Basic earnings per share is calculated by dividing net income/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the total basic and diluted earnings per share computations.

Earnings per share for profit/(loss) from continuing operations

	2022 $	**2021 $**
Total profit/(loss) for the year attributable to the owners of Macarthur Minerals Limited	**4,383,315**	(10,938,465)
Basic earnings per share	**0.0310**	(0.0888)

Earnings per share for profit/(loss) from discontinued operations

	2022 $	**2021 $**
Total profit/(loss) for the year attributable to the owners of Macarthur Minerals Limited	**(55,814)**	(102,954)
Basic earnings per share	**(0.0004)**	(0.0008)

	Number	Number
Weighted average number of ordinary shares for basic/diluted earnings per share	**142,994,094**	121,960,893

The Company's outstanding options, warrants and RSU's that did not have a dilutive effect at 31 March 2022 are set out in Note 20.

(Expressed in Australian Dollars)

Note 9: Cash & Cash Equivalents

	2022 $	2021 $
Cash at bank and in hand		
Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates	**1,625,572**	5,018,170
	1,625,572	5,018,170

Reconciliation of net loss after income tax to the net cash flows from operations

	2022	2021
Net Profit/(Loss)	**4,383,315**	(10,938,465)
Adjustments for:		
Depreciation – Plant and Equipment	**13,443**	13,394
Depreciation – Right of use asset	**17,980**	71,921
Share-based payments – employees & other costs	**734,152**	3,126,271
Change in fair value of warrant liability	**(4,509,641)**	4,716,233
Gain on sale of asset	**(4,527,917)**	-
Loss from share of associate	**231,571**	-
Impairment of investment in associate	**896,550**	-
Loss from discontinued operations	**(55,814)**	-
Interest revenue	**(248)**	-
Shares issued in lieu of Consultancy fees	**-**	45,259
Loss on disposal of PPE	**11,346**	-
Foreign exchange (gain)/loss	**-**	(936,752)
Other adjustments	**-**	-
Changes in Assets and Liabilities:		
Receivables and other assets	**(274,406)**	266,111
Payables and provisions	**812,516**	(597,578)
Net cash used in operating activities	**(2,267,153)**	(4,233,606)

Note 10: Other Receivables

	2022 $	2021 $
Other receivables (financial instruments)	**127,091**	1,837
Other receivables (non-financial instruments)	**94,750**	96,318
	221,841	98,155

Note 11: Other assets

	2022 $	2021 $
Security deposits	**56,642**	156,626
Prepayments	**120,499**	19,389
	177,141	176,015

(Expressed in Australian Dollars)

Note 12: Plant and equipment

	Plant & Equipment $	Office Equipment $	Motor Vehicles $	Total $
Year ended 31 March 2021				
Opening net book value	1,166	10,826	51,737	63,729
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation charge	(455)	(4,270)	(9,088)	(13,813)
Closing net book amount	711	6,556	42,649	49,916
At 31 March 2021				
Cost	655,381	402,861	59,325	1,117,567
Transfers	-	-	-	-
Accumulated depreciation and impairment	(654,670)	(396,305)	(16,676)	(1,067,651)
Net book amount	711	6,556	42,649	49,916
Year ended 31 March 2022				
Opening net book value	**711**	**6,556**	**42,649**	**49,916**
Additions	**3,646**	**20,038**	**-**	**23,684**
Disposals	**-**	**-**	**(19,425)**	**(19,425)**
Depreciation charge	**(711)**	**(4,345)**	**(8,387)**	**(13,443)**
Closing net book amount	**3,646**	**22,249**	**14,837**	**40,732**
At 31 March 2022				
Cost	**659,027**	**422,898**	**39,900**	**1,121,825**
Transfers	**-**	**-**	**-**	**-**
Accumulated depreciation and impairment	**(655,381)**	**(400,649)**	**(25,063)**	**(1,081,093)**
Net book amount	**3,646**	**22,249**	**14,837**	**40,732**

Note 13: Exploration and Evaluation Assets

(a) 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 31 March 2022, the Company held 100% of the outstanding and issued share capital of Macarthur Australia. Macarthur Australia's wholly owned subsidiaries MIO holds assets which include the Iron Ore Projects. On 1 January 2022, Infinity Mining Ltd exited the group and Macarthur Australia Limited retained 20.74% ownership of Infinity Mining Limited. Macarthur Minerals also holds 100% of Macarthur Lithium Nevada Limited ("MLiNV"), which holds a Lithium Exploration Project in Nevada.

The carrying value of the exploration and evaluation assets relates to the Iron Ore and Lithium Projects. At 31 March 2022, 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 these projects and has entered into a range of commercial arrangements and funding commitments. The Iron Ore projects' book value reflects the historical costs of exploration and evaluation expenditure capitalised in accordance with the Company's accounting policy and Australian Accounting Standards and IFRS.

Exploration expenditure of $5,518,209 was capitalised during the year ended 31 March 2022 (2021: $1,295,329), as per table below.

(Expressed in Australian Dollars)

Exploration and evaluation expenditure

	Acquisition Costs	Capitalised Exploration Costs	Total
	$	**$**	**$**
Balance as at 31 March 2020	**4,010,636**	**62,207,580**	**66,218,216**
Accommodation and camp maintenance	-	50,127	50,127
Environmental surveys	-	8,210	8,210
Other	-	34,066	34,066
Personnel and Contractors	-	227,294	227,294
Rent and rates	-	203,258	203,258
Research and reports	-	722,855	722,855
Sampling and testing	-	2,442	2,442
Tenement management and outlays	-	24,451	24,451
Travel	-	4,150	4,150
Vehicle hire	-	18,476	18,476
	-	**1,295,329**	**1,295,329**
Balance as at 31 March 2021	**4,010,636**	**63,502,909**	**67,513,545**
Accommodation and camp maintenance	-	43,499	43,499
Environmental surveys	-	-	-
Other	-	11,372	11,372
Personnel and Contractors	-	265,765	265,765
Rent and rates	-	265,036	265,036
Research and reports	-	5,068,458	5,068,458
Sampling and testing	-	9,640	9,640
Tenement acquisitions	-	(178,590)	(178,590)
Tenement management and outlays	-	1,482	1,482
Travel	-	7,114	7,114
Vehicle hire	-	24,433	24,433
	-	**5,518,209**	**5,518,209**
Balance as at 31 March 2022	**4,010,636**	**69,021,118**	**73,031,754**

All capitalised exploration costs represent costs incurred during the exploration and evaluation phase. Please note the decrease in amounts relate to the exit of Infinity Mining Limited from the Group on 1 January 2022.

(b) Investment in FE Ltd ("FEL")

The Company has sold its investment in FEL, a publicly traded Company on the Australian Stock Exchange, during the year. The fair value gain is reported in Other Comprehensive Income.

(c) Commitments

In order to maintain its current rights of tenure for exploration and/or mining activities, the Company is required to perform minimum annual expenditure requirements specified in the tenement documents. The expenditure obligations are subject to renegotiation when an application for a mining lease and/or renewal of exploration permits are made or at other times and are subject to whether the Company decides to continue a tenement's rights until its expiry. Due to the nature of the Company's activities, it is difficult to accurately forecast the amount of future expenditure that will be necessary to incur in order to maintain present interests.

(Expressed in Australian Dollars)

The following obligations are not provided for in the financial statements and are payable at future dates as follows:

	2022 $	2021 $
Not later than one year	**980,663**	1,368,684
Later than one year but not later than five years	**3,674,506**	4,088,930
	4,655,169	5,457,614

For the financial year ending 31 March 2023, the Company may apply for exemptions against expenditure in relation to those tenements which did not have sufficient expenditure recorded against them in the prior 12 months of their term. Exemption has and may be sought on the basis that aggregate expenditure on those tenements in prior years far exceeded the minimum required. In the event that exemption for these tenements is not granted (which the Company believes is highly unlikely), the Company may have to impair/expense the value of the amount capitalised to exploration and evaluation assets for those tenements.

If exemptions being applied for are approved as outlined above, the obligations not provided for in the financial statements and are payable at future dates as follows:

	2022 $	2021 $
Not later than one year	**407,205**	931,684
Later than one year but not later than five years	**3,674,506**	4,088,930
	4,081,711	5,020,614

Note 14: Trade and other payables

	2022 $	2021 $
Current		
Trade payables	**121,241**	530,113
Other payables and accruals	**1,051,778**	106,893
	1,173,019	637,006

Note 15: Provisions

The liabilities recognised for employee benefits consist of the following amounts:

	2022 $	2021 $
Current		
- Short term employee obligations	**93,731**	64,519
Non-current:		
- Long service leave entitlements	**51,043**	32,920
	144,774	97,439

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(Expressed in Australian Dollars)

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2022	2021
Employee benefits obligation expected to be settled after 12 months	100,172	77,951

The current portion of these liabilities represents the Company's obligations to its current employees that relate to annual/long service leave which have vested.

Note 16: Contributed equity and reserves

a) Ordinary Shares

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

	2022 $	2021 $
Ordinary shares		
Issued and fully paid	**121,772,352**	119,342,705
	Number	**Number**
Number of shares on issue	**146,253,488**	139,614,135

	2022	2021
At the beginning of the reporting period	**139,614,135**	102,386,361
Shares issued during the year:		
i. Exercise of options and warrants	**6,639,353**	1,525,000
ii. 17 Sept 2020 (CAD$0.32 per share)	**-**	2,937,500
iii. 26 Oct 2020 (AUD$0.55 per share)	**-**	5,137,382
iv. 2 Nov 2020 (AUD$0.55 per share)	**-**	6,225,236
v. Bonus shares	**-**	3,612,726
vi. Shares in consideration for consultancy fees	**-**	837,997
vii. Conversion of Convertible Notes	**-**	15,248,936
viii. Shares in consideration for assets	**-**	1,702,997
At the end of the year	**146,253,488**	139,614,135

Details of shares issued above are outlined below:

i. During the year, 1,593,203 options (2021: 1,525,000) were exercised and 4,546,150 warrants were exercised. A further $128,148 was received on 31 March 2022 represented by 500,000 options exercised. These shares were not issued until after 31 March 2022 (refer to Note 28(c)). The value to Contributed Equity was AUD$2,429,647 (2021: $353,963). During the 2021 year, 1,525,000 options were exercised.

(Expressed in Australian Dollars)

ii. On 17 September 2020, pursuant to the Company's Share Compensation Plan, 2,937,500 shares were issued to Employees and Directors of the Company upon conversion of RSU's which vested.

iii. On 26 October 2020, 5,137,382 shares at AUD$0.55 per share were issued in connection with the Private Placement announced on 13 October 2020. One unit comprised of one share and one option exercisable at AUD$0.90 per share, with an expiry date that is 24 months from the date of issuance.

iv. On 2 November 2020, 6,225,236 shares at AUD$0.55 per share were issued in connection with the Private Placement announced on 13 October 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. One unit comprised of one share and one option exercisable at AUD$0.90 per share, with an expiry date that is 24 months from the date of issuance.

v. During the 2021 year, 3,612,726 bonus shares at an average price of AUD$0.33 per share were issued to Directors, employees and a consultant.

vi. During the 2021 year, 837,997 shares at an average price of AUD$0.39 per share were issued to Consultants in consideration for consultancy fees.

vii. During the 2021 year, 15,248,936 shares were issued in connection with all outstanding convertible notes which were converted into Company shares prior to their maturity.

viii. During the 2021 year, 1,702,997 shares with a value of $250,000 were issued to Arrow Minerals Ltd pursuant to an agreement to acquire mineral tenure for the development of site infrastructure at Lake Giles Iron Project.

b) Reserves

	Share Based Payments Reserve $	Financial Asset Revaluation Reserve $	Share Capital Reserve $	Total $
As at 1 April 2020	4,782,285	(133,333)	-	4,648,952
Fair value gain on financial assets	-	853,333	-	853,333
Cost of share-based payments	1,922,219	-	-	1,922,219
Vested RSU's	(535,950)			(535,950)
Transfer from reserves	(26,241)	-	-	(26,241)
Residual cost of private placement	-	-	186,757	186,757
As at 31 March 2021	6,142,313	720,000	186,757	7,049,070
Fair value loss on financial assets	**-**	**68,333**	**-**	**68,333**
Cost of share-based payments	**576,294**	**-**	**-**	**576,294**
As at 31 March 2022	**6,718,607**	**788,333**	**186,757**	**7,693,697**

Share-based payment reserve

The Group has issued share options, rights and warrants on specified terms. The cost of these items is measured by reference to their fair value at the date at which they are granted and expensed over the vesting period. The fair value is determined using Option valuation models.

Financial Asset Revaluation Reserve

The financial asset revaluation reserve records revaluations of financial assets.

Share Capital Reserve
The share capital reserve records the residual value of contributed equity after deducting the fair value of the common shares issued.

Note 17: Warrant Liability

During the year ended 31 March 2022, no warrants were issued (31 March 2021 – Nil). Where the warrants have an exercise price denominated in a currency which is different from the functional currency of the Company (Australian dollar), the warrants are treated as a financial liability.
The Company’s share purchase warrants are classified and accounted for as a financial liability at fair value with changes in fair value recognised in the Consolidated Statement of Profit and Loss. The warrant derivative liability is classified as level 2 in the fair value hierarchy. As of 31 March 2022, the Company had 4,101,275 (2021 – 25,777,188) warrants outstanding, which are classified and accounted for as a financial liability. The Company recognised a profit during the year of $4,509,641 (2021: ($4,716,233 loss)) from changes in the fair value of the warrant liability.

The value of warrant liability as at 31 March 2022 is $520,350 (2021: $5,029,991). There are 4,101,275 warrants due to expire in the next 3 - 6 months. If the warrants were to be exercised in accordance with the terms and conditions of the contracts, there would be a cash inflow to the Group of CAD$1,640,510.

The Group uses the Black-Scholes Option Pricing Model, or other valuation models, for the valuation of Warrant derivatives. Option pricing models require the input of subjective assumptions including expected share price volatility, interest rate, foreign currency and forfeiture rate.

Changes in the input assumptions can materially affect the fair value estimate and the Group's net profit/(loss) and equity reserves. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of the Canadian dollar denominated warrants, with the following assumptions:

	Year ended 31 March 2022	Year ended 31 March 2021
	Weighted average	*Weighted average*
Share price	**CAD $0.465**	**CAD $0.51**
Exercise price	**CAD $0.40**	**CAD $0.52**
Risk-free interest rate	**2.13%**	**0.23%**
Expected life of warrants	**0.39 years**	**0.79 years**
Annualized volatility	**75.60%**	**278.98%**
Dividend rate	**0%**	**0%**

Note 18: Prior period misstatement of warrant liability

Misstatement of Warrant liability in prior period due to excessive volatility computation

A re-computation of the warrant liability at 31 March 2021 has highlighted an excessively high volatility factor used in the computation of the warrant liability. The consequent overstatement of the liability at 31 March 2021 has required corrections to the Warrant Liability in the Consolidated Statement of Financial Position 31 March 2021 and 31 March 2020 and to the Consolidated Statement of Profit or Loss for the year ended 31 March 2021. The impact of the prior period misstatement is outlined below.

(Expressed in Australian Dollars)

The error noted has been corrected by restating the affected financial statement line items for the prior periods as follows:

i. Consolidated statement of financial position

	Impact of correction error		
	As previously reported 2021	**Adjustments**	**Restated 2021**
ASSETS	**$**	**$**	**$**
Current			
Cash and cash equivalents	5,018,170	-	5,018,170
Other receivables	98,155	-	98,155
Security deposits and prepayments	176,015	-	176,015
Total current assets	5,292,340	-	5,292,340
Non-Current			
Plant and equipment	49,916	-	49,916
Right of use asset	257,718	-	257,718
Investment in FE Ltd	1,120,000	-	1,120,000
Investment in Infinity Mining Ltd	-	-	-
Exploration and evaluation assets	67,513,545	-	67,513,545
Total non-current assets	68,941,179	-	68,941,179
Total assets	74,233,519	-	74,233,519
LIABILITIES			
Current			
Trade and other payables	637,006	-	637,006
Provisions	64,519	-	64,519
Lease liability	69,936	-	69,936
Warrant liability	10,582,972	5,552,981	5,029,991
Loan from unrelated parties	-	-	-
Total current liabilities	11,354,433	5,552,981	5,801,452
Non-Current			
Provisions	32,920	-	32,920
Lease liability	213,476	-	213,476
Total non-current liabilities	**246,396**	-	246,396
Total liabilities	11,600,829	5,552,981	6,047,848
Net assets	**62,632,690**	**(5,552,981)**	68,185,671
SHAREHOLDERS' EQUITY			
Contributed equity	119,342,705	-	119,342,705
Reserves	7,049,070	-	7,049,070
Accumulated losses	(63,759,085)	5,552,981	(58,206,104)
Total shareholders' equity	**62,632,690**	5,552,981	68,185,671

(Expressed in Australian Dollars)

ii. Consolidated statement of profit or loss

	As previously reported 2021 $	Adjustments $	Restated 2021 $
Administrative expenses	(7,269,530)	24,910*	(7,244,620)*
Other income/(expenses)	(8,636,107)	4,942,262	(3,693,845)
Loss before income tax	(15,905,637)	4,967,172	(10,938,465)

** Includes loss from discontinued operations*

1. Warrant liability

	31 March 2021 $
Balance previously disclosed	10,582,972
Increase/(decrease) in warrant liability	(5,552,981)
Restated balance	5,029,991

Equity

2. Accumulated Losses

	31 March 2021 $
Balance previously disclosed	(63,759,085)
Increase/(decrease) in accumulated losses	5,552,981
Restated balance	(58,206,104)

Note 19: Share Compensation Plans and Share Based Payments (refer Notes 20 and 21)

The Company, in accordance with the Company's Employee and Consultant Share Compensation Plans ("Plans") and the policies of the TSX-V, is authorized to grant incentive stock options ("Options"), award equity restricted share units, or bonus shares or issue common shares from treasury pursuant to the Company's share purchase scheme to directors, employees and consultants to acquire in aggregate up to 20% of issued and outstanding ordinary shares as at 28 September 2021, being 144,427,735 Common Shares. Both of the Plans were approved on 27 October 2021 by the shareholders and replace the Company's previous Plans.

The exercise price of the Options is fixed by the Board at no lesser than the discounted market price (as defined under the TSX-V Company Manual) of the shares on the grant date, subject to all applicable regulatory requirements. Options under the Plans can be granted for a maximum term of 5 years and may be subject to vesting criteria as determined by the Board.

The fair value of all issued Options is measured and expensed as share-based compensation at the grant date if they are fully vested upon granting, otherwise the fair value is expensed over the vesting period. A corresponding increase is recorded to reserves (see Note 16). For further detail on the accounting treatment of share options refer to Note 2 accounting policies.

(Expressed in Australian Dollars)

Note 20: Macarthur Minerals Limited - Options, RSUs and Warrants

a) Options

Share option transactions issued under the Plans, the number of share options outstanding and their related weighted average exercise prices are summarised below:

	2022		2021	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	**5,035,000**	**$0.27 (CAD$0.25)**	5,080,000	$0.25 (CAD$0.22)
Granted	**500,000**	**$0.85 (CAD$0.80)**	3,500,000	$0.28 (CAD$0.27)
Expired	**(30,000)**	**$0.19 (CAD$0.20)**	(2,020,000)	$0.23 (CAD$0.22)
Forfeited	**(911,797)**	**$0.21 (CAD$0.20)**	-	-
Exercised	**(1,593,203)**	**$0.20 (CAD$0.19)**	(1,525,000)	$0.24 (CAD$0.23)
Outstanding, end of year	**3,000,000**	**$0.28 (CAD$0.26)**	5,035,000	$0.27 (CAD$0.25)
Options exercisable, end of year	**3,000,000**	**$0.28 (CAD$0.26)**	5,035,000	$0.27 (CAD$0.25)

Share options under the Company's Plans outstanding at 31 March 2022 have the following exercise prices and expiry dates:

Number of Options	Exercise Price	Expiry Date
500,000	AUD$0.34	31 Dec 2022
500,000	AUD$0.36	31 Dec 2022
500,000	AUD$0.38	31 Dec 2022
500,000	CAD$0.24	31 Dec 2022
500,000	CAD$0.32	31 Dec 2022
500,000	CAD$0.80	11 Dec 2022

During the year the Company's share price has ranged from CAD$0.29 to CAD$0.58. The weighted average remaining contractual life for the share options as at 31 March 2022 is 1.25 years. The weighted average value of options issued in the year is AUD$0.42 (2021: $0.15).

During the year ended 31 March 2022

(i) On 11 June 2021, the Company granted 500,000 options to consultants. The options expire 1 year from the date of the offer.

During the year ended 31 March 2021

(ii) On 28 May 2020, the Company granted 3,500,000 options to consultants. The options expire 3 years from the date of the offer.

(Expressed in Australian Dollars)

Options transactions with an Australian Dollar exercise price issued under the private placements and the number of options outstanding and their related weighted average exercise prices are summarised as follows:

	2022		2021	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	**12,862,618**	**AUD$0.88**	-	-
Granted	**-**	**-**	12,862,618	AUD$0.88
Expired	**-**	**-**	-	-
Forfeited	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Outstanding, end of year	**12,862,618**	**AUD$0.88**	12,862,618	AUD$0.88
Options exercisable, end of year	**12,862,618**	**AUD$0.88**	12,862,618	AUD$0.88

During the year ended 31 March 2022

(i) No options were issued during the year.

During the year ended 31 March 2021

(i) On 26 October 2020, as part of the private placements, the Company granted 5,137,382 Tranche 1 options. On 2 November 2020, after shareholder approval, the Company granted 6,225,236 Tranche 2 options. Both tranches have an exercise price of AUD$0.90 and expire 2 years from issue date.

(ii) On 12 November 2020, after shareholder approval, the Company issued CST Capital Pty Ltd, 1,500,000 unlisted options pursuant to the services agreement as part payment of the arranger fee for the establishment if the Equity Finance Facility. The options have an exercise price of AUD$0.75 and expire on 12 November 2022.

b) Restricted Share Units

RSU transactions, the number of outstanding and their related weighted average vesting prices are summarised as follows:

	2022		2021	
	Number of RSUs	**Weighted Average Vesting Price**	Number of RSUs	Weighted Average Vesting Price
Outstanding, beginning of year	**3,282,500**	**$0.72 (CAD$0.68)**	4,726,471	$0.52 (CAD$0.45)
Granted	**5,600,000**	**$0.96 (CAD$0.90)**	3,282,500	$0.72 (CAD$0.68)
Vested	**-**	**-**	(2,937,500)	$0.33 (CAD$0.32)
Forfeited	**(1,800,000)**	**$0.90 (CAD$0.84)**	(612,500)	$0.43 (CAD$0.41)
Expired	**-**	**-**	(1,176,471)	$0.84 (CAD$0.80)
Outstanding, end of year	**7,082,500**	**$0.87 (CAD$0.82)**	3,282,500	$0.72 (CAD$0.68)

(Expressed in Australian Dollars)

RSUs outstanding at 31 March 2022 are all exercisable and have the following vesting prices and expiry dates:

Number of RSUs	Vesting Price	Expiry Date
1,000,000	CAD$0.65	8 Dec 2023
1,732,500	CAD$0.70	19 Jan 2024
4,350,000	CAD$0.90	11 Jun 2024

The weighted average remaining contractual life for the RSUs as at 31 March 2022 is 2.03 years. The weighted average value of RSUs issued in the year is $0.22 (2021: $0.72).

The following assumptions were used for the trinomial model valuation of RSUs granted during the year:

	Year ended 31 March 2022	Year ended 31 March 2021
	Weighted average	*Weighted average*
Share price	**CAD $0.44**	CAD $0.68
Vesting/Exercise price	**CAD $0.82**	CAD $0.47
Risk-free interest rate	**0.32%**	0.18%
Expected life of RSU's	**2.04 years**	2.85 years
Annualized volatility	**95.00%**	110.22%
Dividend rate	**0%**	0%

During the year ended 31 March 2022

(i) On 11 June 2021, a total of 5,500,000 restricted share units ("RSUs"), were granted to Directors as part of the executive consulting contracts entered into with the Company. The RSU's vest if the closing share price of the Company's shares on the TSX Venture Exchange is greater than CAD$0.90 for 20 consecutive trading days. The RSU's expire on 11 June 2024.

(ii) On 11 June 2021, a total of 100,000 restricted share units ("RSUs"), were granted to Employees. The RSU's vest if the closing share price of the Company's shares on the TSX Venture Exchange is greater than CAD$0.90 for 20 consecutive trading days. The RSU's expire on 11 June 2024.

During the year ended 31 March 2021

(i) On 8 December 2020, a total of 1,000,000 restricted share units ("RSUs"), were granted to Cameron McCall, Executive Chairman, and Joe Phillips, Managing Director as part of the executive consulting contracts entered into with the Company. The RSU's vest if the closing share price of the Company's shares on the TSX Venture Exchange is greater than CAD$0.65 for 20 consecutive trading days. The RSU's expire on 8 December 2023.

(ii) On 19 January 2021, a total of 2,282,500 restricted share units ("RSUs"), were granted to employees and consultants, and Cameron McCall, Executive Chairman, Joe Phillips, Managing Director, Andrew Suckling, Non-Executive Director, and Alan Phillips, Non-Executive Director, Andrew Bruton, CEO and Mima Wirakara, Company Secretary as part of the executive consulting and employment contracts entered into with the Company. The RSU's vest if the closing share price of the Company's shares on the TSX Venture Exchange is greater than CAD$0.70 for 20 consecutive trading days. The RSU's expire on 19 January 2024.

(Expressed in Australian Dollars)

c) Warrants

Warrant transactions and the number of warrants outstanding and their related weighted average exercise prices are summarised as follows:

	Year ended 31 March 2022		Year ended 31 March 2021	
	Number of Warrants	**Weighted Average Exercise Price**	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	**25,777,188**	**$0.55 (CAD$0.52)**	25,777,188	$0.60 (CAD$0.52)
Granted	**-**	**-**	-	-
Forfeited	**-**	**-**	-	-
Expired	**(17,129,763)**	**$0.62 (CAD$0.59)**	-	-
Exercised	**(4,546,150)**	**$0.43 (CAD$0.40)**	-	-
Outstanding, end of year	**4,101,275**	**$0.43 (CAD$0.40)**	25,777,188	$0.55 (CAD$0.52)
Warrants exercisable, end of year	**4,101,275**	**$0.43 (CAD$0.40)**	25,777,188	$0.55 (CAD$0.52)

Warrants outstanding at 31 March 2022 have the following exercise prices and expiry dates:

Number of warrants	Exercise Price	Expiry Date
3,029,375	CAD$0.40	5 Aug 2022
867,291	CAD$0.40	1 Oct 2022
204,609	CAD$0.40	3 Nov 2022

The weighted average remaining contractual life for the warrants as at 31 March 2022 is 0.39 years. The weighted average value of warrants issued in the year is $Nil (2021: $Nil). No warrants have been exercised or expired since March 31, 2022.
During the year ended 31 March 2022

(i) No warrants were issued during the year.
(ii) 4,546,150 warrants were exercised.
(iii) 17,129,763 warrants expired.

During the year ended 31 March 2021

(i) No warrants were issue during the year.

Note 21: Share Based Payments

The Company measures the cost of share options at fair value at the grant date using the Trinomial formula, adjusted to reflect market vesting conditions, but excludes any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest, and the entity revises its estimate of options that are expected to vest at each reporting date.

The fair value calculated for options issued is expensed over their vesting period as share-based compensation and a corresponding amount is recorded to reserves. Refer to Note 20(a)(i) for details of options granted during the year.

(Expressed in Australian Dollars)

The following assumptions were used for the Black-Scholes valuation of stock options granted during the year. During the year options were granted in both Australian dollars (AUD) and Canadian dollars (CAD). The weighted average assumptions used in the Black-Scholes valuation have been separated based on the currency of the share price and exercise price. In the prior year, options were granted with a CAD exercise price.

	Year ended 31 March 2022	**Year ended 31 March 2022**	Year ended 31 March 2021	Year ended 31 March 2021
	Weighted average	***Weighted average***	*Weighted average*	*Weighted average*
Share price	**AUD$0.44**	**CAD$0.46**	AUD$0.50	CAD$0.18
Exercise price	**AUD$0.83**	**CAD$0.45**	AUD$0.81	CAD$0.24
Risk-free interest rate	**0.12%**	**0.11%**	0.13%	0.28%
Expected life of options	**0.60 years**	**0.68 years**	2.01 years	2.59 years
Annualized volatility	**181.07%**	**184.93%**	181.52%	152.76%
Dividend rate	**0%**	**0%**	0%	0%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over a commensurate period of time which approximates the expectations that would be reflected in a current market. The value of Share based payments during the year of $563,035 (2021: $706,812) was expensed to the statement of profit or loss and other comprehensive income.

Note 22: Related Parties

Interests in subsidiaries

The consolidated financial statements include the financial statements of Macarthur Minerals Limited and the subsidiaries listed in the following table:

Name	**Country of Incorporation**	**% Equity Interest 2022**	**2021**
Esperance Iron Ore Export Company Pty Ltd	Australia	100	100
Macarthur Iron Ore Pty Ltd	Australia	100	100
Macarthur Minerals NT Pty Ltd	Australia	100	100
Macarthur Tulshyan Pty Ltd	Australia	100	100
Macarthur Marble Bar Lithium Pty Ltd	Australia	100	100
Macarthur Australia Limited	Australia	100	100
Macarthur Lithium Nevada Limited	U.S.A	100	100

The Company's equity interest in all subsidiaries is in direct holdings of ordinary shares. All subsidiaries operate from the Company's premises and have the same reporting date. There are no significant restrictions on the Company's ability to access or use assets, and settle liabilities, of the Group.

Balances and transactions between the Company and its wholly owned subsidiaries have been eliminated upon consolidation. Macarthur Minerals Limited is the ultimate parent entity for all entities.

Interests in Associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material (IML) to the consolidated entity are set out below:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2022 %**	**2021 %**
Infinity Mining Limited	Australia	20.74%	0%

(Expressed in Australian Dollars)

Transactions with associate
The following transactions occurred with associate:

	Consolidated	
	2022	**2021**
	$	**$**
Receipts for goods and services:		
Costs recoveries for services to associate	708,837	-

Receivable from associate
The following balances are owing at the reporting date in relation to transactions with associate:

Balance owed from associate at year end	128,561	-

Note 23: Key Management Personnel
The following persons were key management personnel of the Company:

Non-Executive Directors
Cameron McCall, Chairman
Alan Phillips, Non-Executive Director
Andrew Suckling, Non-Executive Director (Independent)
Daniel Lanskey, Non-Executive Director (Independent) (resigned 27 October 2021)
Other
Andrew Bruton, CEO (retired 13 May 2022)
Executive Directors
Joe Phillips, Managing Director

Details of Remuneration
Details of the remuneration of each key management personnel of the Company are set out in the following tables.

2022	**Short Term Employee Benefits**				**Post-Employment Benefits**		**Share Based Payments**	
Executive Directors:	Cash Salary & Fees	Accrued Salaries	Cash Bonus	Non-monetary benefits	Super-annuation	Retirement Benefits	Options/RSUs	Total
	$	$	$	$	$	$	$	$
C McCall	275,000	-	-	-	-	-	153,244	428,244
J Phillips	350,000	-	-	-	-	-	179,436	529,436
Non-Executive Directors:								
A Phillips	90,000	-	-	-	-	-	137,822	227,822
A Suckling	94,460		-	-	-	-	92,533	186,993
D Lanskey	40,078	-	-				-	40,078
Chief Executive Officer								
A Bruton	420,000	-	-	-	-	-	-	420,000
Total	**1,269,538**	**-**	**-**	**-**	**-**	**-**	**563,035**	**1,832,573**

Remuneration accrued and payable to key management personnel as at 31 March 2022 was $34,494.

(Expressed in Australian Dollars)

Total remuneration of each key management personnel of the Company for the year ended 31 March 2021 is set out below.

2021	**Short Term Employee Benefits**				**Post-Employment Benefits**		**Share Based Payments**	
Executive Directors:	Cash Salary & Fees	Accrued Salaries	Cash Bonus	Non-monetary benefits	Super-annuation	Retirement Benefits	Options/RSUs	Total
	$	$	$	$	$	$	$	$
C McCall	320,000	-	-	54,000	-	-	204,631	578,631
J Phillips	380,000	-	-	299,002	-	-	245,206	924,208
Non-Executive Directors:								
A Phillips	110,000	-	-	54,000	-	-	54,100	218,100
A Suckling	95,636		-	67,500	-	-	54,100	217,236
D Lanskey	69,996	-	-	54,000			54,100	178,096
Chief Executive Officer								
A Bruton [1]	420,000	-	-	94,500	-	-	94,675	609,175
Total	**1,395,632**	**-**	**-**	**623,002**	**-**	**-**	**706,812**	**2,725,446**

[1] Appointed CEO on 1 December 2020.

Note 24. Right of Use Asset

a. Variable Lease Payments

The Group currently maintains a lease over its premises at 555 Coronation Drive, Toowong, Qld on a month to month basis. The Group also maintains an office in South Korea which is on a short-term basis which may be cancelled at any time.

b. AASB 16 Related Amounts recognised in the Groups Financial Statements

i. Statement of Financial Position

Right-of-use asset	**31 March 2022 $**	**31 March 2021 $**
Leased building*	**623,316**	431,527
Accumulated amortisation*	**(623,316)**	(173,809)
	-	257,718

** Incorrect adjusting charge of $191,789 was put through Leased buildings and corresponding adjustment was made to rectify in Accumulated amortisation account.*

ii Statement of Profit or Loss and Other Comprehensive Income

	31 March 2022 $	**31 March 2021 $**
Amortisation charge related to right-of-use asset	**449,507**	71,921
Interest expense on lease liabilities	**3,785**	17,354
Short-term lease expense	**453,292**	89,275

iii Total Cash outflows

Interest expense	**3,785**	17,354
Principal payments	**43,674**	63,488
	47,459	80,842

(Expressed in Australian Dollars)

Lease liabilities relating to the Right of Use asset are as follows:

As at 31 March 2022

		$ **Within 1 year**	$ **1 to 5 years**	$ **Total**
Lease liabilities	5.45%	-	-	-

As at 31 March 2021

		$ **Within 1 year**	$ **1 to 5 years**	$ **Total**
Lease liabilities	5.45%	(69,936)	(213,476)	(283,412)

Note 25. Loans

During February 2022, the Company entered into an unsecured loan arrangement with a third party for the amount of $1,000,000 at an annualised percentage rate (APR) of 7.00% interest. The Company repaid this loan in April 2022.

Note 26: Commitments

a) Exploration expenditures

Certain future exploration expenditures are required to be undertaken by the Company as a minimum retention for exploration permits. These expenditures were set out in Note 13 to the Consolidated Financial Statements for the year ended 31 March 2022.

Apart from the above, the Company has no other material commitments at the reporting period date.

Note 27: Contingent Liabilities

a) Security Bonds

The Company has a contingent liability of $56,626 for bank guarantees issued for office leasing arrangements in Brisbane and corporate credit cards. The $100,000 bank guarantee in relation to the Memorandum of Understanding (“MOU”) with Southern Ports Authority (“SPA”) was released in February 2022.

b) Supreme Court 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. On 15 December 2021, LPD and Macarthur entered into a Settlement Agreement, to which LPD discontinued the New Proceedings against Macarthur and paid Macarthur costs of the New Proceedings fixed in the amount of $75,000.

Note 28: Subsequent Events

a) Private Placement

On 31 March 2022, the Company announced a private placement (the “Offering or “Placement”) of A$7.5 million with institutional and sophisticated investors with subscriptions totalling 15,000,000 fully paid ordinary shares (“New Shares”) at a price of A$0.50 per share. For each New Share issued under the Placement one attaching option issued (“Option”). Each Option have an exercise price of A$0.65 with an expiry date 24 months from the date of issuance. The Placement price per New Share represented a 0.1% premium to the 30-day volume weighted average price (“VWAP”) of the Company’s Australian Stock Exchange (ASX) listed shares to 28 March 2022. The New Shares rank equally with the Company’s existing ordinary shares. The Placement closed successfully on 5 April 2022.

MST Financial Services Pty Limited and EAS Advisors, LLC, acting through Odeon Capital Group LLC acted as Joint Lead Managers on the Placement received a Management & Selling Fee equal to 6% (six percent) of the gross proceeds raised under the Placement and a total of ASX 2,000,000 unlisted options exercisable at A$0.65 expiring 2 years from the date of issue.

b) CEO Retirement

On 13 May 2022, the Company announced the retirement of the Chief Executive Officer, Andrew Bruton to which Joe Phillips once again assume the role of Chief Executive Officer and Managing Director. To support the transition, Cameron McCall moved to the role of Executive Chairman. The amount paid to Andrew Bruton upon his retirement as per his consultancy agreement was $420,000.

c) Exercise of options

Subsequent to year end, the Company has issued a total of 500,000 options with 500,000 options exercised providing an additional C$120,000 in cash.

d) Independent Technical Report

The NI 43-101 Technical Report for the Feasibility Study of the Company's Lake Giles Iron Project, Menzies, Western Australia, was filed under the Company's profile on SEDAR website at www.sedar.com.

e) Share Based Compensation

Since year end and up to the date of this report, 500,000 performance-based options with an exercise price of A$0.65 and expiring on 25 May 2022 were granted to consultants pursuant to the Company's Omnibus Incentive Plan and 4,400,000 Bonus Shares were issued to Directors of the Company in accordance with Employee and Consultant Compensation Plans.

f) New Office Lease

In May 2022, the Company entered into a 3-year lease at Suite 1G, Building 1, Kings Row Office Park, 40 McDougall Street, MILTON QLD 4064, Australia.

(Expressed in Australian Dollars)

Note 29: Parent Information

The accounting policies of the parent entity, which have been applied in determining the financial information below, are the same as those applied in the consolidated financial statements.
Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

Statement of Financial Position	2022 $	Restated 2021 $
ASSETS		
Current Assets	**1,894,071**	5,186,754
Non-Current Assets	**38,404,611**	34,453,766
Total Assets	**40,298,682**	39,640,520
LIABILITIES		
Current Liabilities	**2,064,296**	5,337,230
Non-Current Liabilities	**51,043**	246,396
Total Liabilities	**2,115,339**	5,583,626
EQUITY		
Issued Capital	**121,772,352**	119,342,705
Retained Earnings	**(83,979,368)**	(85,031,542)
Reserves	**390,359**	(254,269)
TOTAL EQUITY	**38,183,343**	34,056,894

STATEMENT OF COMPREHENSIVE INCOME	2022 $	2021 $
Profit/(loss) for the year	**1,052,036**	(10,712,409)
Total comprehensive profit/(loss) for the year	**1,120,369**	(9,859,077)

Guarantees

The parent entity has entered into guarantees in relation to the debts of its subsidiary companies, and some of its subsidiary companies are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities of the parent entity

Contingent liabilities exist in relation to proceedings involving LPD Holdings (Aust) Pty Ltd ("LPD") and Chan, Chan and Kwok v. Macarthur Minerals Limited and Ors. ("FSDC Directors' Claim") the details of which are contained in Note 27.

Contractual commitments for the acquisition of property, plant and equipment by the parent entity

At 31 March 2022, Macarthur Minerals Limited has not entered into any contractual commitments for the acquisition of property, plant and equipment (2021: Nil).

Note 30: Sale of interest in subsidiary

In January 2022, Infinity Mining Limited ("IML") departed the Consolidated Group, as a result of a spinout of its Pilbara assets which following its own successful IPO on 19 November 2021 and were separately admitted to the Official list of ASX on 20 December 2021 and commenced trading on 22 December 2021 (ASX: IMI). The Group has a 20.74% interest in Infinity Mining Limited. Management has eliminated from the results the balances of items as disclosed below which were before IML departed the Group.

(Expressed in Australian Dollars)

Effect on Consolidated Statement of Profit & Loss and other Comprehensive Income:

	2022 $	2021 $
Administrative expense/(income)	(55,814)	(102,954)
Loss/(profit) for the year	**(55,814)**	**(102,954)**

Effect on Consolidated Statement of Financial Position:

Cash	(14,279)	6,616
Prepayments and other receivables	(135,315)	-
Exploration and evaluation assets	(112,601)	81,328
Plant and equipment	(3,924)	291
GST	(152,301)	6,959
Payables	439,687	(66,610)
Loans between related companies	310,905	(304,942)
Net assets	**332,172**	**(276,358)**
Share Capital	(493,227)	493,227
Reserves	769,585	-
Accumulated losses	55,814	(769,585)
Total equity	**332,172**	**(276,358)**

Details of the disposal

	2022 $
Total sale consideration*	4,512,484
Carrying amount of net assets disposed	332,172
Adjusting corrections	(316,739)
Gain on disposal before income tax	4,527,917

*Market value of 22,562,422 IML shares at issue date.

(Expressed in Australian Dollars)

Note 31: Investment in an associate

The Group has a 20.74% interest in Infinity Mining Limited (IML). The Group's interest in IML is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in IML:

	2022
	$
Current Assets	**8,314,888**
Non-Current Assets	**9,340,642**
Current Liabilities	**(140,029)**
Non-Current Liabilities	**(47,282)**
Equity	**17,468,219**
Group's share in equity – 20.74%	3,622,909
Fair value adjustment for remaining interest	(238,545)
Group's carrying amount of the investment	**3,384,364**
Other Income	1,133
Administrative expenses	(427,675)
Share based payments	(690,000)
Profit/(loss) for the year (continuing operations)	(1,116,542)
Group's share of profit/(loss) for the year – 20.74%	**(231,571)**

The associate had no contingent liabilities or capital commitments as at 31 March 2022.

Note 32: Remuneration of Auditors

	Consolidated	
	2022	**2021**
	$	**$**
During the year the following fees were paid or payable for services provided by the auditors.		
RSM Australia Partners:		
Audit of the financial reports*	**75,000**	-
Other services	**-**	-
* *Included audit of half year accounts as per ASX requirements*	**75,000**	-
Nexia Brisbane:		
Audit of the financial reports*	**-**	66,500
Other services	**-**	5,982
* *Included audit of half year accounts as per ASX requirements*	**-**	72,482
Davidson & Company LLP:		
Audit of the financial reports in Canada	**-**	19,367
Other services	**-**	2,841
	-	22,208

Note 33: Deed of Cross Guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Macarthur Minerals Limited
Macarthur Australia Limited
Macarthur Iron Ore Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' reports under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Macarthur Minerals Limited, they also represent the 'Extended Closed Group'.

There are no material differences between the amounts as per the consolidated group and the closed group.

Macarthur Minerals Limited
Directors' declaration

In accordance with a resolution of the directors of the Company, I declare that:

1. the financial statements and notes, as set out on pages 2 to 45 are in accordance with the Corporations Act 2001 and:

   (i) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board and the Australian Accounting Standards as issued by the Australian Accounting Standards Board as described in note 2 to the financial statements; and

   (ii) give a true and fair view of the financial position as at 31 March 2022 and of the performance for the year ended on that date of the consolidated group; and

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 33 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the board

Cameron H. McCall

Cameron McCall
Executive Chairman
30 June 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Macarthur Minerals Limited

Opinion

We have audited the financial report of Macarthur Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 31 March 2022 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
(iii) complying with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and International Code of Ethics for Professional Accountants (including International Independence Standards) and the ethical requirements of the International Ethics Standards Board for Accountants (IESBA Code) and Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report.. We have also fulfilled our other ethical responsibilities in accordance with the Code and IESBA Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Carrying Value of Exploration and Evaluation Expenditure Refer to Note 13 in the financial statements	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $73,031,754 as at 31 March 2022. We determined this to be a key audit matter due to the significant management judgement involved in assessing the carrying value in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, including: • Determination of whether expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessing whether any indicators of impairment are present and, if so, judgments applied to determine and quantify any impairment loss; and • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be determined.	Our audit procedures included: • Ensuring that the right to tenure of the areas of interest was current through confirmation with the relevant government departments; • Agreeing a sample of the additions to capitalised exploration expenditure during the year to supporting documentation, and ensuring that the amounts were capitalised correctly; • Assessing and evaluating management's assessment that no indicators of impairment existed for those tenements where the Group has current rights of tenure; • Assessing and evaluating management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; • Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; • Through discussions with the Group's Directors, and review of the Group's ASX announcements and other relevant documentation, assessing management's determination that exploration activities have not yet progressed to the point where the existence or otherwise of an economically recoverable mineral resource may be determined; and • Assessing the adequacy of the disclosures in the financial report.
Equity Instruments (i.e. Share based payments and Options) Refer to Note 21 in the financial statements	
During the year the Group entered into a number of share based payments by way of issuing shares, options and restricted share units. The Group's accounting policy in respect of share based payments is outlined in Note 2. For the year ended 31 March 2022 the amount charged to profit or loss in respect of share based payments totalled $727,625 (2021: $3,126,271) and the amount credited to profit or loss in respect of fair value adjustments of warrants totalled $4,509,641 (2021: $4,716,233 debit)	Our audit procedures included: • We obtained evidence of the terms and conditions of the share based payments; • We obtained evidence of, and tested the assumptions and calculations made by management to account for the payments; and • We assessed the adequacy of the relevant disclosures in the financial statements.

Key Audit Matter	How our audit addressed this matter
Accounting for share based payments is a key audit matter as it is material to the Group's financial statements, and significant judgement is applied in determining the fair value of share based payments.	
Accounting for Spin off Transaction (Infinite Mining Limited) Refer to Note 1 in the financial statements	
During the year Infinity Mining Limited ("IML") exited the Macarthur Minerals Consolidated Group and, for the period since exiting the Group until 31 March 2022 IML will be accounted for as an associate of Macarthur Minerals Group. IML, following its own successful IPO on 19 November 2021, was separately listed on the ASX on 20 December 2021. The fair value of the Group's investment in Infinity Mining Limited as at 31 March 2022 is $3,384,363, representing its holding of 22,562,422 shares at market value at reporting date. Accounting for the spin off transaction is a key audit matter as it is material to the Group's financial statements.	Our audit procedures included: • Obtain the trial balance for IML at the date of the spin off transaction; • Derecognise all assets and liabilities of the subsidiary at the date when control is lost; • Recognise fair value of consideration received for the transaction; • Recognise any resulting gain or loss in profit or loss attributable to the parent entity; and • Accounting for the remaining interest/investment in the associate using the equity method.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RSM

RSM AUSTRALIA PARTNERS

Albert Loots
Partner

Brisbane, Queensland
Dated: 30 June 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Macarthur Minerals Limited for the year ended 31 March 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Albert Loots
Partner

Brisbane, Queensland
Dated: 30 June 2022