ACN 103 011 436

Management's Discussion and Analysis

(Form 51-102F1)

For the Year ended March 31, 2022

Information as of June 30, 2022 unless otherwise stated

Note to Reader

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Macarthur Minerals Limited ("Macarthur Minerals" or the "Company") for the year ended March 31, 2022 has been prepared by management, in accordance with the requirements of National Instrument 51-102, as of June 30, 2022 (unless otherwise stated).

This MD&A should be read in conjunction with the Company's Audited Annual Financial Statements for the year ended March 31, 2022, together with the notes thereto, as well as the Company's previous quarterly and half yearly financial and MD&A reports throughout the year. The Audited Annual Financial Statements for the year ended March 31, 2022 are prepared in accordance with International Financial Reporting Standards ("IFRS").

Forward-Looking Information

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

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

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

Discussion on Operations

BACKGROUND

Macarthur Minerals Limited 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). Macarthur Minerals 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 for targeting iron ore. In addition, Macarthur Minerals has lithium brine interests in the Railroad Valley, Nevada, USA.

WESTERN AUSTRALIAN IRON ORE PROJECTS

Lake Giles Projects

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

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

Lake Giles Iron Project

On August 12, 2020 Macarthur Minerals released an updated Mineral Resource estimate for the Lake Giles Iron Project[1]. The Mineral Resource estimates include Measured Resources of approximately 53.9 Mt @ 30.8% Fe, Indicated Resources of 218.7 Mt @ 27.5% Fe and Inferred Resources of 997.0 Mt @ 28.4% Fe.

The resource formed the basis of a Feasibility Study ("FS") that was released to the market on April 11, 2022. The FS was based on a 3 Mtpa magnetite operation incorporating the Moonshine and Moonshine North magnetite deposits. The FS confirms the commercial viability of the Project to produce 3 Mtpa (dry basis) of high-grade magnetite concentrate over a long mine life of 25 years from Proven and Probable Mineral Reserves. The key production and financial outcomes are presented in Table 1[2].

Table 1. Lake Giles Iron Project – Feasibility Study Production and Financials Summary

Production		
Ore mined	236.6 Mt	
Waste mined	624.9 Mt	
Total mined	861.5 Mt	
Strip ratio	2.64	
Concentrate produced	74 Mt	
Concentrate iron grade	66.1%	
Plant recovery	31%	
Financials	**AUDm**	**USDm**
Sales revenue	12,614	8,956
Operating Expenses	8,116	5,672

1 Refer to the Company's news release dated August 12, 2020, titled "Moonshine Magnetite Resource Upgrade."

2 Refer to the Company's news release dated March 21, 2022, titled "Positive Feasibility Study Results for Lake Giles Iron Project."

Initial Capital Expenditure		
Construction capex	801.1	568.8
Mining overburden pre-strip	61.6	43.8
Total initial capital	862.7	612.5
Future Capital Expenditure		
Sustaining capital	203	144.1
Deferred capital - Tailings	39.8	28.3
Capitalised non-operational waste mining	355.7	252.5
Total future capital	598.0	424.6
Closure Expenditure		
Closure and rehabilitation	58.2	41.3
Total Operating Cash Flows	3,625	2574
Taxes & Royalties		
Tax paid	873	620
Royalties	631	435
Valuation	**AUDm**	**USDm**
NPV (6%) Pre-tax	816	579
NPV (6%) Post-tax	443	314
IRR Pre-tax	13.0%	-
IRR Post-tax	10.1%	-

The FS published on March 21, 2022 underpins a maiden Mineral Reserve of 237 Mt, supporting a 25-year mine life. The independent technical report, entitled "NI 43-101 Technical Report and Feasibility Study, Lake Giles Iron Project, Menzies, Western Australia" with an issue date of April 11, 2022 was prepared in accordance with the requirements of National Instrument 43-101 ("NI 43-101") and released to the market on April 11, 2022[3] The technical report is filed under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com (filing date: April 11, 2022) and on the Company's website at www.macarthurminerals.com. The Mineral Reserves are presented in Table 2.

Table 2. Mineral Reserves – Lake Giles Iron Project (reported at a cut-off of DTR >15%)

Category	Tonnes (Mt)	Head Grades (%)					Concentrate Grades (%)					
		Fe	SiO_2	Al_2O_3	P	LOI	DTR	Fe	SiO_2	Al_2O_3	P	LOI
Moonshine												
Proven	34.2	28.1	51.6	1.2	0.04	1.7	30.5	65.9	6.8	0.2	0.02	-0.6
Probable	166.4	27.2	51.9	1.4	0.05	1.4	30.7	66.6	6.2	0.1	0.02	0.0
Sub-total	**200.6**	**27.4**	**51.9**	**1.4**	**0.04**	**1.4**	**30.6**	**66.5**	**6.3**	**0.1**	**0.02**	**-0.1**
Moonshine Nth												
Proven	17.8	35.4	35.4	2.2	0.06	4.2	34.3	66.5	5.0	0.3	0.03	-0.9
Probable	18.2	30.4	44.7	1.3	0.05	2.9	35.9	63.2	9.4	0.2	0.04	-0.3
Sub-total	**36.0**	**32.9**	**40.1**	**1.7**	**0.05**	**3.5**	**35.1**	**64.8**	**7.3**	**0.3**	**0.05**	**-0.6**
Combined												
Proven	51.9	30.6	46.0	1.5	0.05	2.6	31.8	66.1	6.1	0.2	0.03	-0.7
Probable	184.7	27.6	51.2	1.4	0.05	1.5	31.2	66.2	6.6	0.1	0.02	-0.1
TOTAL	**236.6**	**28.2**	**50.1**	**1.4**	**0.05**	**1.8**	**31.3**	**66.2**	**6.5**	**0.1**	**0.02**	**-0.2**

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

[3] Refer to the Company's news release dated April 11, 2022, titled "Technical Report for Lake Giles iron Project Feasibility Study."

The survey data will be used to define groundwater drilling targets.

Ularring Hematite Project

The Ularring Hematite Project's Mineral Resources are comprised of Indicated Mineral Resources of approximately 54.5 Mt @ 47.2% Fe and approximately 26 Mt @ 45.4% Fe Inferred Resources. The Mineral Resource estimates were prepared by CSA Global on behalf of Macarthur Minerals (NI43-101 Technical Report, 2012[4]) and reported in accordance with the CIM Definition Standards for Mineral Resources and Reserves 2014.

The Company has received approval to develop an iron ore mine for the Ularring Hematite Project and associated infrastructure at the project location under the *Environmental Protection Act 1986* and the *Environmental and Biodiversity Conservation Act 1999*. On March 26, 2021, the Company made application for two miscellaneous licences to support the development of a mining camp and crushing and screening operations near the Snark deposit of the Ularring Hematite Project[5].

During the year, the Company undertook a programme of work to ensure that required approvals, mine planning and transport solutions are in place to enable a short run-up to commencement of direct shipping ore ("DSO") mining operations at the Snark and Drabble Downs deposits, subject to the iron ore price environment supporting the commencement of commercial DSO mining operations.

<u>Ularring Hematite Project Development Activities</u>

During the reporting period the Company made a number of material advancements in its strategy to deliver early-revenue hematite operations. A summary is set out below. The Company continues to examine options for an early production opportunity for its Ularring Hematite Project at Lake Giles, subject to a return to a supportive iron ore pricing environment for an Ularring product.

1) <u>Mine Planning</u>

On May 26, 2021, the Company announced that it is advancing mine planning work to support intended hematite mining operations at Lake Giles in Western Australia. The Company has commenced work to prepare a mine plan for a DSO product under a mining campaign which will initially target the Snark and Drabble Downs deposits of the Ularring Hematite Project. For this purpose, in June 2021 Macarthur made an application for a Miscellaneous Licence covering an area of 74 hectares adjacent to the Snark DSO project to host non-process infrastructure[6].

2) <u>Agreement with LAVO Hydrogen Technology Holding Pty Ltd</u>

On June 1, 2021 Macarthur announced that it has signed a Strategic Partnership and Collaboration Agreement ("Agreement") with LAVO Hydrogen Technology Holding Pty Ltd ("LAVO") to investigate the facilitation of a staged technology solution that is intended to deliver a clear carbon reduction strategy for Macarthur's flagship Lake Giles Iron Project, with a first phased roll-out to support Macarthur's intended early hematite DSO mining operations at Ularring Hematite Project.

LAVO uses an innovative, patented metal hydride to produce hydrogen energy batteries. The battery system acts as a solar sponge, integrating with solar arrays to capture and store renewable energy for use when needed. The unit creates Hydrogen from water, stores the Hydrogen into LAVO's patented metal hydride and generates electricity by converting hydrogen into power.

3) <u>Co-operation Agreement with Jin Sung International</u>

On June 15, 2021, Macarthur announced that it had entered into a Co-operation Agreement with diversified Singaporean based conglomerate Jin Sung International Pte Ltd, paving the way for a potential strategic investment into Macarthur's iron ore and non-iron ore assets. The non-binding Co-operation Agreement sets

[4] NI 43-101 Technical Report filed October 1, 2012, titled "NI 43-101 Technical Report, Macarthur Minerals Limited, Pre-Feasibility Study, Ularring Hematite Project, Western Australia."

[5] Refer to the Company's news release dated March 26, 2021, titled "Additional tenements to support groundwater drilling campaign."

[6] Refer to the Company's news release dated June 29, 2021, titled "Lake Giles Ularring DSO Update: Macarthur makes application for additional tenure to support planned DSO operation."

out the terms upon which the parties intend to progress discussions on the development of a transaction involving a strategic equity investment.

A potential transaction between the parties may take the form of a strategic equity investment into Macarthur's iron ore assets or non-iron ore assets, or the provision of direct project financing.

4) *Pacific National Agreement*

On July 8, 2021, the Company announced that it had entered into a term sheet with rail haulage service provider Pacific National, for the transport by rail of up to 400,000 tonnes per annum of iron ore between Kalgoorlie and Esperance.

5) *Mine Gate Sale Agreement – GWR Group Limited*

On July 14, 2021, Macarthur announced that it has signed a binding term sheet with an Australian iron ore producer GWR Group Limited (ASX: GWR) (GWR) under a deal which will enable Macarthur to complete a mine gate purchase from GWR of up to 400,000 tonnes per annum of DSO product from GWR's Wiluna West Iron Ore Project, located in Western Australia for an initial period of 2 years, with the ability to extend for up to a further 2 years and a first right of refusal to purchase tonnages in excess of 400,000 per annum if Macarthur has access to matching rail and port capacity. The sale price for GWR's DSO will reflect an equitable split of the realised sale price on a FOB basis at the ship rail, having regard to Macarthur's costs to transport the product, which will be disclosed on an open book basis between the parties. The term sheet is subject to the parties entering into a definitive agreement following completion of the balance of the route to market arrangements by Macarthur on a basis that is commercially acceptable to both parties.

6) *Aurizon Rail Haulage Agreement*

On August 5, 2021, Macarthur announced that it has agreed terms with Aurizon, for the transport of DSO at a rate of up to 500,000 tonnes per annum between West Kalgoorlie and Kwinana. The term of the agreement is for 12 months and is subject to conditions including Macarthur securing matching port capacity and Aurizon satisfying regulatory approvals.

The combined rail paths also provide an opportunity to export DSO lump and fines products secured from GWR under a recently announced mine-gate sale agreement.

7) *Shipping Containers*

On September 23, 2021, the Company announced that it has secured access to 190 half height shipping containers to support DSO rail haulage services to Kwinana Bulk Terminal (KBT). Macarthur has a confirmed reservation of access to sufficient half height shipping containers with Seaco Australia Pty Ltd (Seaco) to support rail capacity under a recently announced binding rail haulage agreement with Aurizon.

Macarthur intends that leased half-height shipping containers will be loaded with iron ore and transported on a flat-bed rail freight service from Aurizon's West Kalgoorlie rail siding to KBT at a rate of up to 500,000 tonnes per annum.

Treppo Grande & Mt Jackson Iron Ore Project

On February 15, 2018, the Company's wholly owned subsidiary, Esperance Iron Ore Export Company Pty Ltd ("EIOEC") made an application for Exploration License E77/2521 for the Treppo Grande Iron Ore Project ("Treppo Grande Project"). The Treppo Grande Project covers an area of 68 km^2 and is located approximately 32 km west of the Lake Giles Projects. The project is also 35 km east of Mineral Resource Ltd's (MRL) Koolyanobbing Iron Ore Operations and is in close proximity to established rail infrastructure to the Port of Esperance. This area had been held by a private exploration company wholly owned by renowned Kalgoorlie Prospector Mel Dalla-Costa for the past eight years under an Exploration License (EL77/1208). During this time, approval was granted for an exploration program of diamond drilling and geophysical mapping. The Treppo Grande Project has already benefited from flora and fauna baseline surveys indicating that the conservation values of Mt Manning are a lower priority than surrounding BIF ridges.

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

Significant intercepts include 17.5m @ 65.53% Fe from 2.5 m from hole MMS002 and 40.4 m @ 55.54% Fe from 3.6 m from hole MMS001. The iron-rich mineralisation (> 55% Fe) is centered on the J-Hook prospect that contains occurrences of massive, fissile and specular hematite. The Company also has two iron ore exploration areas (E77/2543 and E77/2542) in the Yilgarn region, adding an additional 42 km^2 to the Company's portfolio. These tenements are adjacent to the Mt Jackson and Deception iron ore deposits owned by MRL.

The Treppo project is located within the proposed Helena and Aurora Range National Park, part of the State Government's Plan for Our Parks initiative. On November 30, 2021, Macarthur received a letter from the Minister for Mines and Petroleum stating that the Minister for Environment request that the application for tenure be refused. On 16 December 2021, the Company provided a submission to the Minister for Mines outlining the importance of the project to the region and a potential to work alongside the native title claimants.

WESTERN AUSTRALIAN GOLD PROJECTS

The Company completed a spinout of its Pilbara assets through an initial public offering ("IPO") of Infinity Mining Ltd (Infinity). Infinity under Australian Securities Exchange (ASX) ticker IMI was admitted to the Official list of ASX on December 20, 2021 and commenced trading on December 22, 2022 at 3.00 pm AEDT[7].

Effective from December 20, 2021, Infinity exited the Macarthur Group. Macarthur Australia Limited, a wholly owned subsidiary of Macarthur, as a Seed Capitalist owns a 20.74% holding in Infinity and became a substantial holder.

Macarthur Iron Ore Pty Ltd, a wholly owned subsidiary of Macarthur, acquired two tenements E45/4735 and E45/5324 from Infinity under which all non-iron ore rights are retained by Infinity pursuant to a Tenement Sale and Non-Iron Ore Rights Agreement dated 11 August 2021.

WESTERN AUSTRALIAN NICKEL AND COBALT PROJECTS

The Company has identified two areas prospective for sulphide hosted base metal deposits based on historical drill results at the Snark and Moonshine prospects, located on the Company's Lake Giles Projects in the Yilgarn, Western Australia. The Snark prospect is considered to be a highly favorable tectonic and structural setting and is well supported by surface geology featuring volcanic sequences comprising of high Mg basalts and Kambalda type komatiitic ultramafic flows in which nickel-sulfide mineralisation are hosted. The Moonshine prospect has also been identified as prospective for nickel sulphide deposits from previous drilling.

The Company has completed Moving Loop Electromagnetic ("MLEM") and Fixed-Loop Electromagnetic ("FLEM") surveys across three prospect areas: Moonshine, Snark and Clark Hill that identified numerous targets. An exploration program including drilling is planned to assess the extent and depth of mineralisation associated with these geophysical anomalies.

NEVADA BRINE LITHIUM PROJECT

Reynolds Springs Lithium Brine Project

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

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

[7] News release dated December 22, 2021, titled "Spinout of Infinity Mining Limited launched on the ASX."

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

MINERAL TENURE

As at June 30, 2022 the Company holds or has held interests in the following properties during the reporting period:

Tenement Number	Area(1)		Application/Grant Date	Expiry Date	Holder	Project
Yilgarn Projects						
M30/0206	189	HA	14-Nov-18	01-Jul-28	MIO	Lake Giles Project
M30/0207	171	HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project
M30/0213	258	HA	02-Jul-07	12-Jun-32	MIO	Lake Giles Project
M30/0214	260	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0215	521	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0216	55	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0217	114	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0227	504	HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project
M30/0228	362	HA	13-Jun-11	01-Jul-28	MIO	Lake Giles Project
M30/0229	205	HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project
M30/0248	585	HA	02-Jul-07	21-Feb-33	MIO	Lake Giles Project
M30/0249	1206	HA	22-Feb-12	21-Feb-33	MIO	Lake Giles Project
M30/0250	102	HA	22-Feb-12	04-Mar-34	MIO	Lake Giles Project
M30/0251	1246	HA	05-Mar-13	26-Nov-33	MIO	Lake Giles Project
M30/0252	478	HA	27-Nov-12	26-May-34	MIO	Lake Giles Project
L15/0409	97	HA	25-Jun-20	Under Application	MIO	Lake Giles Project
L16/0133	923	HA	25-Jun-20	Under Application	MIO	Lake Giles Project
L30/0071	1396	HA	27-May-13	27/10/2041	MIO	Lake Giles Project
L30/0089	23663	HA	26-Mar-21	Under Application	MIO	Lake Giles Project
L30/0090	43	HA	26-Mar-21	Under Application	MIO	Lake Giles Project
L30/0091	93	HA	26-Mar-21	Under Application	MIO	Lake Giles Project
L30/0092	31650	HA	26-Mar-21	Under Application	MIO	Lake Giles Project
L30/0093	74	HA	22-Jun-21	23/11/2042	MIO	Lake Giles Project
E30/522	28	SB	13-May-21	12-May-26	MIO	Lake Giles Project
E77/2542	12	SB	04-Feb-20	03-Feb-25	EIOEC	Mount Jackson Project
E77/2521	23	SB	24-Apr-18	Under Application	EIOEC	Mount Manning Project
Pilbara Projects(4)						
E45/5324(3)	4	SB	05-Apr-19	04-Apr-24	MLi (2)	Pilbara Project
E45/4735(3)	5	SB	21-Nov-17	20-Nov-22	MLi (2)	Pilbara Project
Nevada Projects						
RVL 1 to 210	1700	HA		1-Sept-22	MLN	Nevada Lithium Project

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

(2) MLi was renamed to Infinity Mining Limited as of August 20, 2021.

(3) Beneficially owned by Macarthur Iron Ore Pty Ltd (MIO), subject to MLi (Infinity) Non-Iron Ore Rights, pursuant to the Tenements Sale and Non-Iron Ore Rights Agreement dated August 11, 2021.

(4) Pilbara Projects other than noted in item 3 above, owned by Infinity Mining Limited (formerly Macarthur Lithium Pty Ltd) exited the Macarthur Group on admission to the Official list of ASX on 20 December 2022.

Corporate Update

Legal Proceedings

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

On November 26, 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 December 15, 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.

Arc Infrastructure Agreement

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

Repositioning of Non-Iron Ore Pilbara Assets

On August 3, 2021, Macarthur announced that CPS Corporate Advisors (CPS) was appointed as the lead Broker for the spin out of the Company's Pilbara gold, copper and lithium tenements (Pilbara Assets).

The Company's wholly owned subsidiary Macarthur Lithium Pty Ltd, which holds the Company's Pilbara Assets was converted to a public company and renamed Infinity Mining Limited (Infinity). Under the agreement with CPS, Infinity undertook an initial public offering (IPO) and made application for listing on the Australian Securities Exchange (ASX).

On September 14, 2021, the Company announced that it received in-principle advice on suitability from the ASX which enabled Infinity Mining Limited to advance plans for its listing on the ASX before the end of 2021. On October 14, 2021, the Company announced that Infinity closed its pre-offer capital raise for A$1.5 million prior to its intended IPO on ASX and that Infinity had completed a short but detailed programme of soil sampling over the Hillside tenements, to inform and support drill targeting for a more extensive exploration campaign during the 2022 field season.

On October 21, 2021, the Company announced that Infinity had entered into a Sale and Purchase Agreement (SPA) with Zanil Pty Ltd (Zanil) and Alec Charles Pointon (Pointon) to acquire 100% of the Central Goldfields tenements, situated in and around the Leonora region, approximately 220km north of Kalgoorlie in Western Australia. The vending of the Central Goldfields tenements into Infinity under the Sale and Purchase Agreement is a key component of the listing of Infinity on the ASX. An analytical table of the Central Goldfields tenements and the key terms of the Sale and Purchase Agreement are in the Company's news release dated October 21, 2021[8], The SPA was completed on December 9, 2021 and Infinity is in the process of submitting all necessary forms and documentation to be registered as holder of the granted Central Goldfields tenements.

On November 5, 2021, the Offer to subscribe for shares in the IPO of Infinity under its Prospectus dated October 28, 2021, opened and successfully closed on November 19, 2021 with maximum subscriptions accepted for 50,000,000 ordinary shares for a total consideration of A$10,000,000. On December 20, 2021, Infinity Mining Limited under the Australian Stock Exchange (ASX) ticker IMI was admitted to the Official list of ASX and commenced trading on December 22, 2022 at 3.00pm AEDT[9]. Macarthur Australia Limited, a wholly owned subsidiary of Macarthur, as a seed capitalist owns a 20.74% interest in the Company and became a substantial holder.

On January 1, 2022, Infinity Mining Limited exited the Macarthur Minerals Consolidated Group. For the year ending March 31, 2022, Infinity Mining will be accounted for and reflected as an associate of Macarthur Minerals Group.

[8] News release dated October 21, 2021.

[9] News release dated December 22, 2021.

Tenements Sale and Non-Iron Ore Rights Agreement

On September 9, 2021, the Company announced that the Company's Pilbara iron ore tenements, Strelley Gorge E45/4735 and Tambourah E45/5324 held by Infinity previously named Macarthur Lithium Pty Ltd, will remain in the Macarthur Group. Infinity and Macarthur Iron Ore Pty Ltd ACN 081 705 651 ("Macarthur Iron Ore"), a wholly-owned subsidiary of the Company, entered into the Tenement Sale and Non-Iron Ore Rights Agreement dated August 11, 2021, under which Infinity sold, and Macarthur Iron Ore purchased, E45/4735 and E45/5324 (Macarthur Iron Ore Tenements), and Infinity retained all rights to explore for, extract and sell all minerals, including gold, lithium and nickel, excluding iron ore, recovered from the Macarthur Iron Ore Tenements (which includes any conversions to a mining lease) (Non-Iron Ore Rights) with respect to the Macarthur Iron Ore Tenements, subject to the terms and conditions of the agreement.

Shared services agreement

On September 27, 2021, the Company executed a Shared Services Agreement with Infinity Mining Limited ACN 609 482 180. Infinity Mining Limited has agreed to make available qualified personnel as required by the Company from time to time, to fulfill the functions of Company secretary and corporate governance support; legal support; bookkeeping, budget, payments and bank account administration and project management services subject to the Company's requests and instructions. This in turn reduces the overhead expenses for both companies whilst expanding the company resources.

Board, CEO & Auditors update

On October 27, 2021, Daniel Lanskey retired from the Board of Directors as an Independent Director.

On October 28, 2021, the Company announced the appointment of RSM Australia Partners to act as Auditor of the Company as approved by shareholders effective from the Annual General Meeting held on October 27, 2021.

Warrants

7,927,683 post consolidation commons share purchase warrants issued as part of the Rights Offering completed by the Company in December 2017 and 9,202,080 warrants issued under the private placement completed in September and November 2018 expired on December 15, 2021 with 232,550 warrants exercised on the same day.

Share Based Compensation

612,651 stock options issued pursuant to the Company's Share Compensation Plan ("Plan") were exercised during the quarter, 812,349 surrendered and 30,000 expired.

Private Placement

On March 31, 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 has 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 March 28, 2022. The New Shares rank equally with the Company's existing ordinary shares. The Placement closed successfully on April 5, 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.

Results of Operations and Financial Condition

(All amounts in Australian dollars)

Selected Financial Information

The following table sets forth selected financial information of the Company for, and as at the end of, each of the last three financial years up to and including March 31, 2022. This financial information is derived from the Audited Annual Financial Statements of the Company. The Company prepares financial information according to IFRS and all information is reported in Australian dollars.

Australian $	**2022**	Restated 2021	2020
Other income (expenses)	**96,647**	85,168	100,000
Net profit (loss) for the year	**4,383,315**	(10,938,465)	(4,310,448)
Net profit (loss) per share	**0.0310**	(0.0888)	(0.05)
Total Assets	**78,841,403**	74,233,519	71,936,697
Total Long-term financial liabilities	**51,043**	246,396	310,930

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

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

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

Exploration and Evaluation Expenditures

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

Australian $	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
Capitalized expenses	**-**	201,357

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

Australian $	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
Capitalized expenses	**5,518,209**	1,295,329

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

- the Company's rights of tenure to that area of interest are current;
- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively by its sale; or
- exploration and/or evaluation activities in the areas of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas are continuing.

All other exploration and evaluation expenditure is expensed as incurred. Exploration and evaluation expenditure previously capitalised but which no longer satisfies the above policy is impaired and expensed to the Statement of Profit and loss and other comprehensive income.

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

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

At March 31, 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 their projects and has entered into a range of commercial arrangements and funding commitments.

Administrative Expenses

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

Australian $	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
Administration Expenses	**4,757,838**	7,141,666

For the year ended March 31, 2022 the Company expended $4,757,838 on administrative expenses compared with administrative expenses of $7,141,666 for the corresponding year ended March 31, 2021.

Income/ (Other Expenses)

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

Australian $	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
Interest Income	**248**	468
Other Income (Cost Recoveries)	**96,647**	85,168
Gain on Sale of Asset	**4,527,917**	-
Net gain/(losses) on foreign exchange	**62,514**	936,752
Change in fair value of warrant liability	**4,509,641**	(4,716,233)

For the year ended March 31, 2022 the Company earned interest income of $248. Compared to the corresponding year ended March 31, 2021 interest income decreased by $220.

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

The Company recognized a gain of $4,509,641 (March 31, 2021 loss of $4,716,233) from changes in fair value of the warrant liability in the consolidated statement of loss and comprehensive loss. Refer to Note 17 of the Audited Annual Financial Statements for the year ended March 31, 2022.

Income Taxes

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

Net Losses

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

Australian $	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
Total comprehensive profit/(loss)	**4,451,648**	(10,085,132)

The profit for the year ended March 31, 2022 was $4,451,648 compared with $10,085,132 net loss for the corresponding year ended March 31, 2021. As an exploration and evaluation company, the Company will continue to report losses until such time as profit is earned from potential production activities.

Change in Financial Position

Australian $	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	**1,625,572**	5,018,170
Exploration and Evaluation assets	**73,031,754**	67,513,545
Plant and Equipment	**40,732**	49,916
Total Assets	**78,481,403**	74,233,519
Accounts Payable and Accrued Liabilities	**1,173,019**	637,006
Total Liabilities	**2,838,143**	6,407,848
Net Assets	**75,643,260**	68,185,671
Net Working Capital [1]	**(242,196)**	4,520,879

[1] 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. These financial instruments have been designated as a current liability in their entirety in order to comply with International Financial Reporting Standards due to the terms and conditions of the conversion features inherent within the derivative attached to the relevant host contract.

At 31 March 2022, the Group had net assets of $75,643,260 compared to $68,185,671 at 31 March 2021. The increase is due largely to a decrease in Warrant liability along with the Investment in Infinity Mining Ltd.

The Group's cash and cash equivalents balance was $1,625,572 at March 31, 2022 which was a decrease of $3,392,598 from March 31, 2021.

Plant and equipment was $40,732 at March 31, 2022 (2021: $49,916).

Year to Date Cash Flows

Australian $	Year Ended March 31, 2022	Year Ended March 31, 2021
Operating Activities	**(2,267,153)**	(4,233,603)
Investing Activities	**(4,353,560)**	(1,045,329)
Financing Activities	**3,228,115**	5,778,937
Total cash movement	**(3,392,598)**	500,005

Cash outflow from operating activities during the year ended March 31, 2022 was $2,267,153 compared with $4,233,603 for the prior corresponding year. The decreased cash outflow was mainly due to lower administrative expenditure.

Cash outflow from investing activities during the year was $4,353,560 compared with $1,045,329 in the prior year. The increased outflow is due to higher exploration expenditure incurred during the year.

Cash inflow from financing activities during the year was $3,228,115 compared with cash inflow of $5,778,937 for the prior year. The inflow in the year ended March 31, 2022 relates to gross funds received from exercised options and warrants along with $1,000,000 representing an unsecured loan from unrelated party.

Results of Fourth Quarter

Exploration and Evaluation Expenses

Australian $	Quarter Ended March 31, 2022	Quarter Ended March 31, 2021
Exploration and Evaluation costs	**(4,562,690)**	663,201

Exploration and evaluation costs for the quarter ended March 31, 2022 was a net reduction of $4,562,690. This is due to the removal of exploration and evaluation costs related to the non-iron ore assets transferred to Infinity Mining Limited (IML). Refer to Note 13 of the Audited Annual Financial Statements for the year ended March 31, 2022.

Administrative Expenses

Australian $	**Quarter Ended March 31, 2022**	**Quarter Ended March 31, 2021**
Administration expenses	**1,481,102**	2,277,931

For the quarter ended March 31, 2022 the Company incurred administrative expenses of $1,481,102 compared to $2,277,931 for the quarter ended March 31, 2021.

The largest elements of administrative expenses for the quarter ended March 31, 2022 were personnel fees.

Net Losses

The comprehensive net profit for the quarter ended March 31, 2022 was $1,432,784 compared with the comprehensive net loss for the corresponding quarter ended March 31, 2021 of $4,181,385. The decrease in net income for the quarter ended March 31, 2022 was attributable to change in fair value of warrant liability made during the quarter.

Summary of Quarterly Information

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with March 31, 2022. This financial information is derived from the Annual Audited Financial Statements of the Company.

	Jun 30, 2020 $	**Sept 30, 2020 $**	**Dec 31, 2020 $**	**Mar 31, 2021 $**	**Jun 30, 2021 $**	**Sept 30, 2021 $**	**Dec 31, 2021 $**	**Mar 31, 2022 $**
Interest Income	94	56	66	252	125	95	166	(138)
Total Comprehensive profit/(loss)	(858,429)	(12,075,267)	2,009,443	839,121	3,249,030	2,732,714	(2,962,880)	1,432,784
Net profit/(loss) per share	(0.010)	(0.1093)	0.0144	0.006	2.48	0.0189	(0.0117)	0.010

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

The most significant factor affecting quarterly losses is continuing administrative expenses.

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

Liquidity and Capital Resources

At March 31, 2022, the Company has a net working capital deficit of $242,196 (excluding warrant liabilities). 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 Company's has no external borrowings.

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

Related Party Transactions

Balances and transactions between the Company and its wholly owned subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this MD&A. There were no transactions between the Company and related parties in the wholly owned Group during the year ended March 31, 2022 other than remuneration for key management personnel for which details are disclosed below.

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

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

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	-

Key Management Personnel

The following persons were key management personnel of the Company during the year ended March 31, 2022.

Executive Directors

Joe Phillips, Managing Director

Non-Executive Directors

Cameron McCall, Chairman

Alan Phillips, Non-Executive Director

Andrew Suckling, Non-Executive Director

Daniel Joseph Lanskey, Non-Executive Director (retired on October 27, 2021)

Management

Andrew Bruton, Chief Executive Officer (retired 13 May 2022)

Details of Remuneration

For details on the remuneration of each key management personnel of the Company refer to Refer to the Remuneration Report contained in the Director's Report of the Audited Annual Financial Statements for the year ended March 31, 2022 for detail of the remuneration paid or payable to each member of the Group's Key Management Personnel.

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

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**

Other transactions with key management personnel

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

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

Commitments

Exploration expenditures

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

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

Off-Balance Sheet Arrangements

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

Risks and Uncertainties

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

GENERAL

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

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

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

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

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

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

The Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavor to anticipate, identify and manage the risks inherent in the activities of the

Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

RISKS RELATING TO THE BUSINESS OF THE COMPANY

Going Concern (Trends)

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

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

Going Concern (Funding)

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. There are 4,101,275 warrants, 3,000,000 stock options and 12,862,618 options due to expire in the next 3 - 9 months, and if they were to be exercised in accordance with the terms and conditions of the warrants and options, this will result in a cash inflow of up to C$1.6 million and A$12.63 million respectively. The Company has a $20 million equity finance facility with L1 Capital ("Facility"). The Facility is an "at call" facility which entitles the Company to issue shares to L1 over 36 months under "Placement Notice(s)" which may be drawn upon and applied at the Group's discretion to meet its operating needs and minimum financial requirements regarding its tenement obligations.

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

Reliance on Key Personnel (Management and Directors)

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

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

- Cameron McCall – Executive Chairman (as of May 13, 2022)
- Joe Phillips – Managing Director and CEO (as of May 13, 2022)
- Andrew Bruton – CEO (retired May 13, 2022)
- Alan Phillips – Non-Executive Director
- Andrew Suckling – Non-Executive Director
- Daniel Lanskey – Non-Executive Director (retired on October 27, 2021)

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

Risk of the General Market and Economic Conditions

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

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

Competitive Conditions Risk

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

The Company may be unable to acquire additional attractive mining properties on terms it considers to be acceptable. The inability of the Company to acquire attractive mining properties would result in difficulties in it obtaining future financing and profitable operations. The Company competes with many other companies that have substantially greater financial resources than the Company and our ability to compete is dependent on being able to raise additional funds as and when required.

Risk that the Company has a Limited Operating History

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

The Company has experienced losses in previous years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at March 31, 2022 the Company's accumulated losses were $53,822,789.

Risk of Conflict of Interest

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

Conflicts of interest affecting the directors and officers of Macarthur Minerals will be governed by Macarthur Minerals' "Code of Conduct", the Constitution of Macarthur, the Directors Conflict of Interests Policy, the provisions of the *Corporations Act 2001* (C'th) and other applicable laws and relevant stock exchange policies and requirements. The directors are required by law, to act honestly and in good faith with a view to the best interests of the Company. In the event that such a conflict of interest arises at a meeting of the directors, a director affected by the conflict must disclose the nature and extent of their interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises.

Insurance Risk

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

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

Risk of Terrorist Attack or Other Sustained Armed Conflicts

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

RISK FACTORS RELATING TO FINANCE

Liquidity Risk (Solvency Risk)

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

There are 4,101,275 warrants, 3,000,000 stock options and 12,862,618 options due to expire in the next 3 - 9 months, and if they were to be exercised in accordance with the terms and conditions of the warrants and options, this will result in a cash inflow of up to C$1.6 million and A$12.63 million respectively. The Company has a $20 million equity finance facility with L1 Capital ("Facility"). The Facility is an "at call" facility which entitles the Company to issue shares to L1 over 36 months under "Placement Notice(s)" which may be drawn upon and applied at the Group's discretion to meet its operating needs and minimum financial requirements regarding its tenement obligations. The Group will continue to monitor avenues to expand its key strategic assets whether this be in the form of additional equity raising or debt funding.

Commodity Price Risk

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

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

Credit Risk

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

Risk Related to the Economics of Developing Mineral Properties

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

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

Currency Risk

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

Interest Rate Risk

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

Risk of Unforeseen Expenses

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

RISK FACTORS RELATING TO THE SECURITIES OF THE COMPANY

Risk of Share Price and Market Volatility

The market price of shares can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Canadian, United States and Australian resources sector, Canadian, United States and Australian listed entities and exploration companies in particular. During the year ended March 31, 2022, the closing price per share of the Company fluctuated from a low of CAD$0.285 to a high of CAD$0.58.

There are a number of factors (both national and international) that may affect the share market price and neither Macarthur Minerals nor its directors have control over those factors. There can be no assurance that continual fluctuations in price will not occur. Factors that could affect the trading price that are unrelated to Macarthur's performance include domestic and global commodity prices and economic outlook, fiscal and monetary policies, currency movements, and market perceptions of the attractiveness of particular industries. The shares carry no guarantee in respect of profitability, dividends, return on capital, price or degree of liquidity with which they trade on the TSX-V.

Shares Reserved for Issuance: Dilution Risk

Capital raisings to meet funding and property commitments will result in dilution to the Company's shareholders. It is likely any additional capital required by the Company, as described above, may be raised through the issuance of additional equity securities which will result in dilution to the Company's existing shareholders. Further, the Company, from time to time, is required to issue shares to earn its interests in properties. Such property share issuances will also result in dilution to the Company's existing shareholders. As at March 31, 2022, there were 12,862,618 options, 3,000,000 stock options, 8,432,500 RSUs and 4,101,275 warrants outstanding.

Share Liquidity Risk

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

Dividends

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

RISK FACTORS RELATING TO THE COMPANY'S PROPERTY INTERESTS

Title Risk

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

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

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

The Company requires land access in order to perform exploration and development activities, which can be affected by land ownership and require related compensation arrangements with landowners or occupiers. Where possible the Company will work with tenement and landowners to obtain required rights of access but unless such rights are obtained, or if there is a dispute, the Company's operations may be adversely affected or delayed. Macarthur's project areas may contain sites of cultural significance, which would need to be avoided when carrying out field programs and potential project development.

Environmental Factors and Protection Requirements

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

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

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

Risk related to Infrastructure and Development

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

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

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

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

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

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

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

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

Risk of Restrictive Access to the Projects

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

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

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

Risk of Accuracy of Exploration Maps and Diagrams

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

RISK FACTORS RELATING TO MINING GENERALLY

Mineral Exploration and Evaluation Risk

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

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

Operating Hazards and Risks

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

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

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

Risk of Availability of Labour

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

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

RISK FACTORS RELATING TO GOVERNMENT

Risk of Increased Government Policy and Imposition of Tax

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

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

Risk of Greater Governmental Regulation

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

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

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

RISK FACTORS RELATING TO THE COMPANY'S LEGAL OBLIGATIONS

Contractual risk

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

Litigation Risk

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

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

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

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

Jurisdiction Risk

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

Accounting Policies

Accounting policies, including new accounting standards and interpretations, followed by the Company are set out in Note 2 to the Audited Annual Financial Statements for the year ended March 31, 2022.

Critical Accounting Estimates

The preparation of the financial report in conformity with IFRS requires that management make judgements, estimates and assumptions that affect the reported amounts in the financial report and disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and best available current information, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. The estimates and judgements that affect the application of the Company's accounting policies and disclosures and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(i) Exploration and Evaluation Expenditure

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

(ii) Share-based payment transactions

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

This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate for market-based vesting conditions. During the reporting period the amount of $727,625 has been shown as share-based compensation expenditure in the statement of loss and comprehensive loss.

(iii) Deferred tax assets

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

Financial Instruments

The Company's principal financial instruments are comprised of cash, short term deposits and payables which approximate their fair market value due to the short-term nature of these instruments. The main risks arising from the Company's financial instruments are credit risk, interest rate risk and foreign currency risk. Refer to the Risks and Uncertainties section above and Note 4 to the Audited Annual Financial Statements for the year ended March 31, 2022

Disclosure Controls and Procedures

Although the Company is listed on the TSX-V and ASX, it continues to maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings is recorded, processed, summarized and reported within the time periods specified in the Canadian Securities Administrators' rules and forms. The Company's CEO and CFO have designed the Company's disclosure controls and procedures or caused them to be designed under their supervision to provide reasonable assurance that material information relating to the Company was made known to them and reported as required. The Company's CEO and CFO oversee on an annual basis the evaluation of the effectiveness of the Company's disclosure controls and procedures as at March 31, 2022 and concluded that they are effective and provide reasonable assurance that material information relating to the Company was made known to them and reported as required.

Internal Controls Over Financial Reporting ("ICFR")

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

The CEO and CFO have overseen the evaluation of the design and effectiveness of the Company's ICFR based on the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that the Company's ICFR was effective as of March 31, 2022.

There were no significant changes that occurred during the year ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

The Company has not in any way limited the design of the ICFR and there were no material weaknesses related to its design as at March 31, 2022.

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

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

Outstanding Share Data as of June 30, 2022:

Authorized and issued share capital:

Class	**Par Value**	**Authorized Common shares (No par value)**	**Issued**
Common	No par value	Unlimited	165,653,488

As at June 30, 2022, there were 29,862,618 options, 3,000,000 stock options, 7,082,500 RSUs and 4,101,275 warrants outstanding.

Other Information

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

Competent Person's Statement

Mark Berry, a Member of the Australian Institute of Geoscientists, is a consultant geologist to Macarthur and is a Qualified Person as defined in National Instrument 43-101. Mr Berry has reviewed and approved the technical information in relation to the Western Australian Iron Ore Projects, Western Australian Gold Projects and Western Australian Nickel and Cobalt Projects (excluding any corporate matters) contained in this MD&A and has consented to the public filing of the MD&A.

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

By order of the Board

"*Cameron McCall*"
Cameron McCall
Executive Chairman

"*Andrew Suckling*"
Andrew Suckling
Independent Director