



ACN 103 011 436

Management's Discussion and Analysis

(Form 51-102F1)

For the Quarter ended September 30, 2023

Information as of November 14, 2023 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" or the "Company") for the quarter period ended September 30, 2023 has been prepared by management, in accordance with the requirements of National Instrument 51-102, as of November 14, 2023 (unless otherwise stated).

This MD&A should be read in conjunction with the Company's Annual Audited Financial Statements and MD&A for the period ended March 31, 2023, together with the notes thereto, as well as the Company's previous quarterly and half yearly financial and MD&A reports. The Condensed Interim Consolidated Financial Statements for the quarter period ended September 30, 2023 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 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 km², 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 Moonshine Magnetite Project and the Ularring Hematite Project) is 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 Moonshine Magnetite Projects has been sufficient to allow the estimation of Mineral Resources for both projects.

Lake Giles Iron Project

On August 12, 2020, Macarthur Minerals released an updated Mineral Resource estimate for the Lake Giles Magnetite Project¹. The Mineral Resource estimates includes 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 that was released to the market on April 11, 2022. The feasibility study was based on a 3 Mtpa magnetite operation incorporating the Moonshine and Moonshine North magnetite deposits. The Feasibility Study 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 Ore Reserves. The key production and financial outcomes are presented in the following table 1².

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
Initial Capital Expenditure		

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."

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 Feasibility Study published on March 21, 2022, underpins a maiden Ore Reserve of 237 million tonnes, 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, 2022³. 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, Moonshine and Moonshine North, DTR >15%

Category	Tonnes (Mt)	Head Grades (%)					Concentrate Grades (%)					
		Fe	SiO ₂	Al ₂ O ₃	P	LOI	DTR	Fe	SiO ₂	Al ₂ O 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

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

The general site layout plan presented in Figure 1.

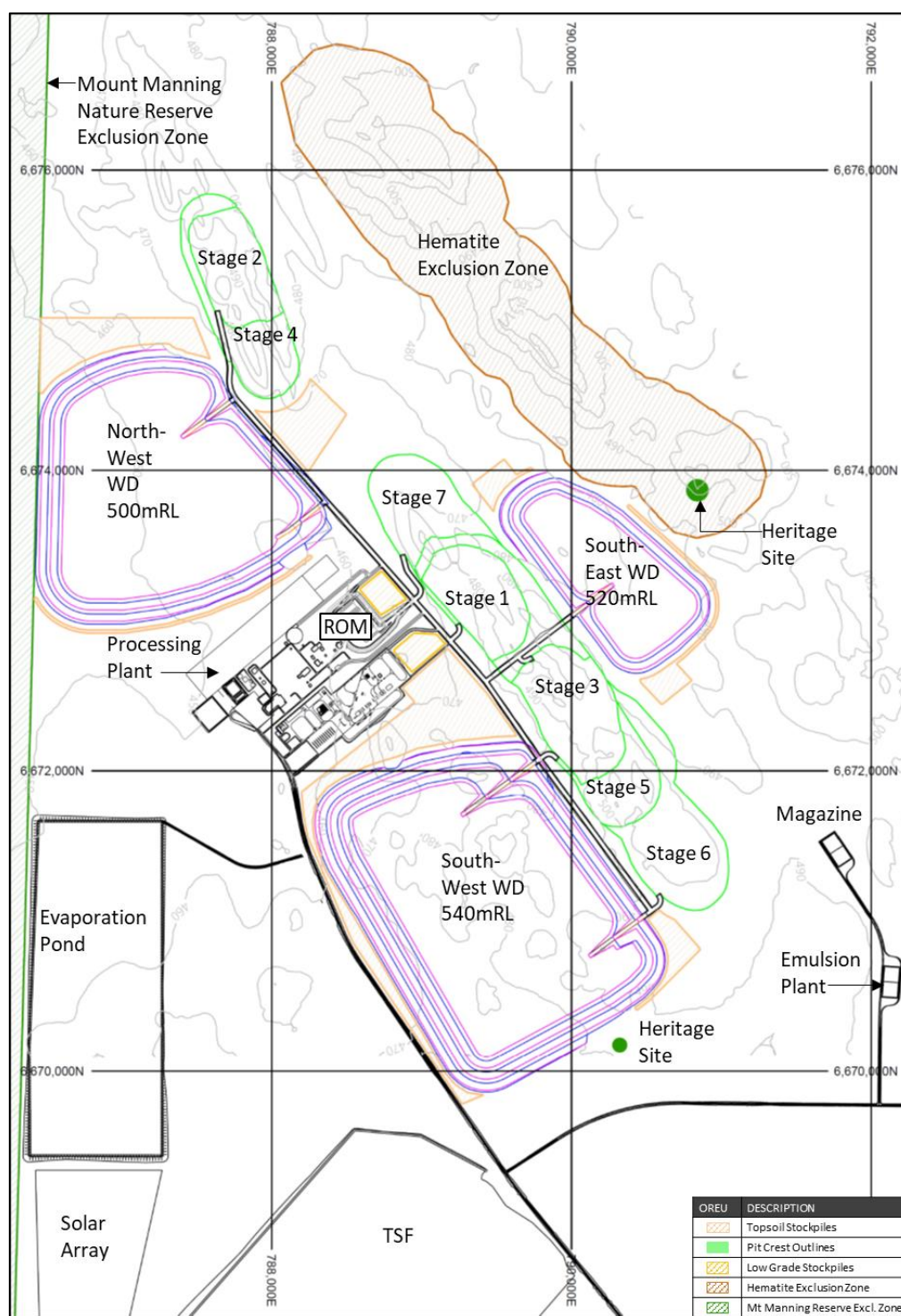


Figure 1 General site layout

On March 26, 2021, the Company made applications 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 km² 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. 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, 2012⁴) 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*.

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 km² 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 the established rail infrastructure to the Port of Esperance.

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. Following a submission process facilitated by the Department of Mines, Industry Regulation and Safety (referred to in the Company's 2022 Annual Report), on August 15, 2022, E77/2521 was refused by the Minister for Mines pursuant to the Minister's powers in section 111A of the Mining Act 1978 (WA). The Company was notified of such refusal on September 16, 2022. In the meantime, Macarthur applied for ELA 77/3004 on September 2, 2022, as a result of the decision in *True Fella Pty Ltd v Pantoro South Pty Ltd* [2022] WAMW 19 (True Fella).

DMIRS has asserted that the relevant area was subject to a Section 19 exemption from mining at the time of the application (although the gazette had not yet been published) and that it intends to refuse ELA 77/3004 on the basis that there is no ground available for ELA 77/3004. As at today's date, ELA 77/3004 has not yet been refused and is still pending, and the Company is making enquiries with DMIRS regarding the exemption from mining.

WESTERN AUSTRALIAN GOLD/LITHIUM/NICKEL PROJECTS

Macarthur and Macarthur Australia Limited, a wholly owned subsidiary of Macarthur, are the substantial holder with 21.50% holding in Infinity Mining Limited (ASX: IMI). The company holds the Pilbara Projects in the Pilbara region of Western Australia and the Central Goldfields Projects located in and around the Leonora Goldfields region in Western Australia.⁵⁶

Macarthur Iron Ore Pty Ltd, a wholly owned subsidiary of Macarthur, acquired two tenements E45/4735 (Strelley Gorge) and E45/5324 (North Tambourah) 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 August 11, 2021. Tenements EL 45/4735 (Strelley Gorge) applied for and was granted a 5-year extension of term through to 20 March 2027. In October 2022 as part of an Infinity Mining VTEM Max 967.8-line kilometre, geophysical survey, 60 late-time geophysical anomalies were identified across Strelley Gorge. Of these anomalies, two stand out (49 and 55); anomaly 55 has a noticeably higher amplitude to its surrounding anomalies. This tenement southeast corner borders the Sulphur Springs VHMS deposit currently owned by Development Global Limited (Formerly Venture Resources Limited.)⁷

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 27 July 2022, titled "Quarterly Activities Report for period ended 30 June 2022".

⁶ Refer to the Company's news release dated 28 October 2022, titled "Quarterly Activities Report for period ended 30 September 2022".

⁷ Refer Infinity Mining Limited New Release, Results of VTEM Max Survey for precious and Base metals at Panorama, Strelley George and Hillside Projects, 10 May 2023.

WESTERN AUSTRALIAN NICKEL AND COBALT PROJECTS

The Lake Giles Project ("The Project") is located approximately 150 km northwest of the town of Kalgoorlie, 240km North of Poseidon Nickel Ltd Lake Johnston Nickel Project (ASX: POS) and 190km northwest of the Kambalda nickel province in WA (Figure 1). Additionally, the Lake Giles Project is surrounded by Dreadnought Resources Ltd Central Yilgarn Project (ASX: DRE) where they are actively exploring for nickel and gold.

The Project is owned by Macarthur Iron Ore Pty Ltd, a 100% owned subsidiary of Macarthur Minerals Limited ("Macarthur" or "the Company").



Figure 2: Lake Giles Project Location

The Lake Giles tenements cover the Yerilgee greenstone belt located in the central part of the Southern Cross Province of the Yilgarn Archaean Craton. The region is characterized by lenticular greenstone belts often partly enveloped by foliated and gneissic granitoids. Regionally the greenstone belts consist of metamorphosed ultramafic, mafic and sediments, including BIF which are Archean in age and are commonly intruded by mafic, intermediate, and granitic rocks.

The prospective ultramafic rocks of the Project are interpreted to be of Kambalda komatiite type. Serpentinised olivine cumulate rocks sometimes metamorphosed to talc-carbonate occur in many places and are considered to have a high potential for the discovery of nickel sulphides. These have similar characteristics to those of the Forrestania and Lake Johnston greenstone belts. The Lake Johnston nickel mineralised bodies such as Maggie Hays, are hosted within a Kambalda style ultramafic komatiite, which is an upturned volcanic flow against a basaltic basal unit.

In Geoscience Australia's 2016 report⁸ on the 'Potential for intrusion-hosted Ni-Cu-PGE sulfide deposits'¹ they highlighted the potential as moderate to high for either or both tholeiitic intrusion-hosted and komatiite-hosted Ni-Cu-PGE sulfide deposits within the Yerrilgee Greenstone Belt and hence the Lake Giles Ni Project.

During 2022/23 Macarthur completed a detailed review of the historic data and drill holes across this region and identified the following feature that would suggest a large nickel system in this region.

Historical drilling assay data has identified 319 drill holes, within MIO tenure, with highly anomalous nickel 0.1% or greater, including 150 drill holes recording 0.2% and greater indicating that there is significant potential for nickel mineralisation. Previous drilling principally targeted iron ore with approximately 50% of the drilling not yet analysed for nickel and associated elements. (Figure 2).

Significant Ni intercepts from historical drilling and trench sampling highlight the potential for economic Ni mineralisation at Lake Giles, including:

LGRC_0010 (288m): 128m @ 0.17% Ni (from 108m) including 1m @ 0.29% Ni;

LGRC_0015 (168m): 106m @ 0.15% Ni (from 62m) finished in anomalous Ni;

LGRC_0018 (370m): 103m @ 0.16% Ni (from 77m) and 23m @ 0.17% Ni (from 235m);

LGDD_054 (363m): 23.5m @ 0.85% Ni (from 4.5m) including 11.5m @ 1.03% Ni (from 10.5m); and

With Gossanous outcrop with grab samples assaying 2.61% Co and 2.01% Ni.

Seven advanced targets have been identified that are considered highly prospective for nickel mineralisation and these remain completely untested⁹

⁸ Dulfer, H., Skirrow, R.G., Champion, D.C., Highet, L.M., Czarnota, K., Coghlan, R. & Milligan, P.R. 2016. Potential for intrusion-hosted Ni-Cu-PGE sulfide deposits in Australia: A continental-scale analysis of mineral system prospectivity. Record 2016/01. Geoscience Australia, Canberra.
<http://dx.doi.org/10.11636/Record.2016.001>

⁹ Refer to the Company's news release dated 9 May 2023, titled "Nickel Prospect Update: Early Indications of Significant Mineralisation".

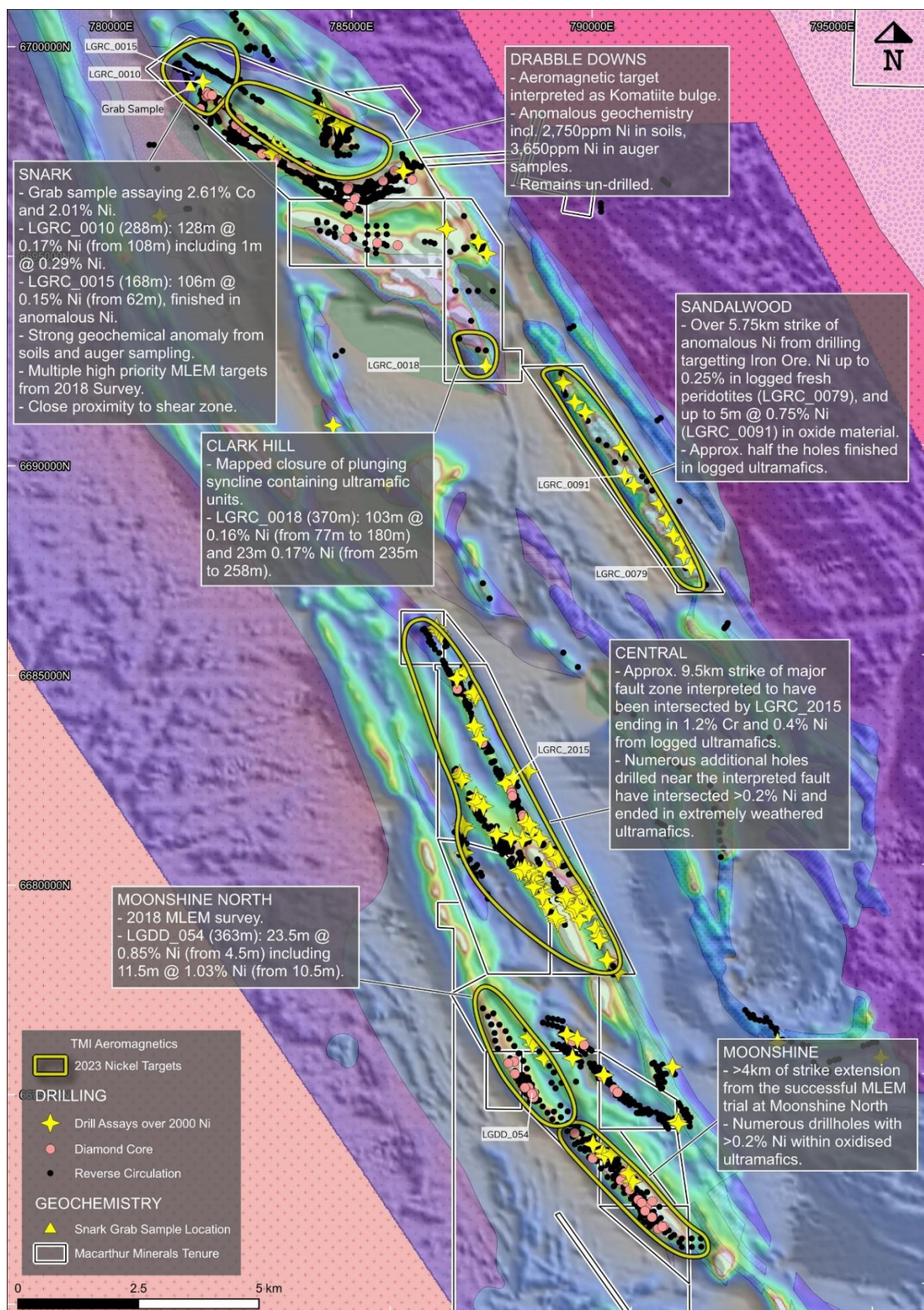


Figure 3: Nickel target areas within MIO Tenure and historical drilling over airborne magnetics (TMI with NE AGC Shade).

Moving Forward the Company intends to assay the 41 diamond drill holes completed by Macarthur in 2019 across the Moonshine and Moonshine North targets have intersected numerous altered komatiites. In addition, Macarthur now plans to carry out specific nickel targeted exploration including assaying the geotechnical diamond drill core and selected anomalous RC chips for a broad analytical suite of elements, Downhole Electromagnetic surveying (DHEM) on targeted open holes, as well as further ground-based electromagnetic surveying upon recommendation from Newexco.

NEVADA BRINE LITHIUM PROJECT

Reynolds Springs Lithium Brine Project

The Reynolds Springs lithium brine project consists of 210 unpatented placer mining claims covering an area of 7 square miles (18 km²) located in Railroad Valley, near the town of Carrant, 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.

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 play as and amongst the highest we have seen outside of the Clayton Valley.

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

MINERAL TENURE

As at November 14, 2023 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	28-Nov-22	27-Nov-43	MIO	Lake Giles Project
L30/0093	74	HA	22-Jun-21	23-Nov-4242	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
E77/3004	23	SB	02-Sept-22	Under Application	EIOEC	Mount Manning Project
E30/568	8	SB	02-Jun-23	Under Application	MIO	Lake Giles Project
E30/569	13	SB	02-Jun-23	Under Application	MIO	Lake Giles Project
E15/1775	2	SB	10-May-22	9-May-27	MIO	Lake Giles Project
G30/10	4145	HA	23-Aug-22	Under Application	MIO	Lake Giles Project
G30/11	109	HA	23-Aug-22	Under Application	MIO	Lake Giles Project
G30/12	132	HA	23-Aug-22	Under Application	MIO	Lake Giles Project
Pilbara Projects ⁽²⁾						
E45/5324	4	SB	05-Apr-19	04-Apr-24	MIO	Pilbara Project
E45/4735	5	SB	21-Nov-17	20-Nov-27	MIO	Pilbara Project
Nevada Projects						
RVL 1 to 210	1700	HA		1-Sept-23	MLN	Nevada Lithium Project

(1) 1 sub-block (SB) = approx. 3.2km² in the Pilbara and 2.8km² in the Yilgarn.

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

Corporate Update

Share Based Compensation

For the quarter ended September 30, 2023 and up to the date of this report, 50,000 RSUs expiring 19 January 2024 forfeited.

Infinity Mining Limited

Since September 30, 2023 and up to the date of this report, Macarthur Minerals has 24,365,802 shares in Infinity Mining Limited (ASX: IMI) or 21.50% (based on 113,345,057 shares) and 6,091,450 Options with exercise price \$0.20 expiring 19 September 2024 (ASX: IMIO) issued as pro-rata non-renounceable bonus issue of one (1) Bonus Option for every four (4) Shares held in IMI on the Record Date of 12 September 2023, for nil consideration.

Results of Operations and Financial Condition

(All amounts in Australian dollars)

The following financial information should be read in conjunction with the Condensed Interim Consolidated Financial Statements for the quarter period ending September 30, 2023 which are prepared in accordance with IFRS.

Exploration and Evaluation Expenses

Capitalized exploration and evaluation costs are as follows:

Australian \$	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022	6 months to September 30, 2023	6 months to September 30, 2022
Capitalized expenses	169,280	342,671	460,760	1,021,644

For the quarter ended September 30, 2023, the Company expended \$169,280 on exploration and evaluation activities. For the corresponding quarter ended September 30, 2022, the Company expended \$342,671 on exploration and evaluation activities. This represents a decrease in expenditure of \$173,391. The largest elements of exploration and evaluation costs during the quarter were personnel costs.

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 its Nevada 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.

Results of Operations and Financial Condition (Cont'd)

Administrative Expenses

Administrative expenses are expenses not directly related to the Lake Giles Iron Ore and Pilbara Projects and are expensed immediately.

Australian \$	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022	6 months to September 30, 2023	6 months to September 30, 2022
Administration Expenses	(1,060,939)	(1,073,692)	(1,741,406)	(4,052,361)

For the quarter ended September 30, 2023, the Company expended \$1,060,939 on administrative expenses compared with administrative expenses of \$1,073,692 for the corresponding quarter ended September 30, 2022. Please note administrative expenses exclude those amounts pertaining to loss from share of associate and Impairment and Impairment reversal of Investment in associate.

Income/ (Other Expenses)

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

Australian \$	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022	6 months to September 30, 2023	6 months to September 30, 2022
Interest Income	2,894	542	11,813	575
Other Income (Cost Recoveries)	29,635	94,742	35,229	148,078
Gain on Sale of Asset	-	-	-	-
Net gain/(losses) on foreign exchange	(1,187)	(1,225)	8,795	37,307
Change in fair value of warrant liability	-	1,219	-	520,350
Net rental income/(expense) from associated entity	10,068	-	18,946	-

For the quarter ended September 30, 2023, the Company earned interest income of \$2,894 compared with \$542 for the corresponding quarter ended September 30, 2022. 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 also recognized a gain on foreign exchange of \$8,795 for six months, compared with a foreign exchange loss of 1,187 for the corresponding quarter ended September 30, 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 Profit/(Loss)

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 \$	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022	6 months to September 30, 2023	6 months to September 30, 2022
Total comprehensive income/(loss)	(1,263,187)	(339,670)	(3,114,737)	(2,932,929)

The loss for the quarter ended September 30, 2023 was \$1,263,187 compared with \$339,670 for the corresponding quarter ended September 30, 2022. As an exploration and evaluation company, the Company will continue to report losses until such time as profit is earned from potential production activities.

Results of Operations and Financial Condition (Cont'd)

Change in Financial Position

Australian \$	6 months to September 30, 2023	6 months to September 30, 2022
Cash and cash equivalents	569,849	3,561,553
Exploration and Evaluation assets	74,691,181	74,053,398
Plant and Equipment	48,680	73,617
Total Assets	78,385,790	82,122,458
Accounts Payable and Accrued Liabilities	263,025	455,324
Total Liabilities	919,612	806,103
Net Assets	77,466,178	81,316,355
Net Working Capital	(3,559)	3,201,308

At September 30, 2023, the Group had net assets of \$77,466,178 compared to \$81,316,355 at September 30, 2022.

The Group's cash and cash equivalents balance was \$569,849 at September 30, 2023 which was a decrease of \$2,991,704 from September 30, 2022.

Plant and equipment was \$48,680 at September 30, 2023 (2022: \$73,617).

Year to Date Cash Flows

Australian \$	6 months to September 30, 2023	6 months to September 30, 2022
Operating Activities	(1,298,662)	(2,810,309)
Investing Activities	(542,000)	(1,216,770)
Financing Activities	466,179	5,963,060
Total cash movement	(1,374,483)	3,561,553

Cash outflow from operating activities during the period ended September 30, 2023 was \$1,298,662 compared with \$2,810,309 for the prior corresponding period.

Cash outflow from investing activities during the period ended September 30, 2023 was \$542,000, compared with \$1,216,770 in the prior corresponding period, reflecting decreased exploration expenditure.

Cash inflow from financing activities during the period was \$466,179 compared with \$5,963,060 for the prior corresponding period, which included Private Placement funds.

Summary of Quarterly Information

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with September 30, 2023. This financial information is derived from the Condensed Interim Financial Statements, and the Annual Audited Financial Statements of the Company.

	Dec 31, 2021 \$	Mar 31, 2022 \$	Jun 30, 2022 \$	Sept 30, 2022 \$	Dec 31, 2022 \$	Mar 31, 2023 \$	Jun 30, 2023 \$	Sept 30, 2023 \$
Interest Income	166	(138)	33	542	2,255	814	8,919	2,894
Total Comprehensive profit/(loss)	(2,962,880)	1,432,784	(2,593,258)	(339,670)	(854,106)	(1,097,781)	(1,851,550)	(1,263,187)

Basic and diluted profit/(loss) per share	(0.0117)	0.010	(0.0160)	(0.0021)	(0.0052)	(0.007)	(0.0112)	(0.0076)
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The Company has not recognized any revenue or incurred any loss from discontinued operations or extraordinary items since becoming a reporting issuer. The most significant factor affecting cash outflows is continuing administrative expenses.

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 September 30, 2023, the Company had a net working capital deficit of \$3,559.

On 29 August 2023, Company entered into an unsecured loan arrangement with a shareholder for a total facility of \$1m. As at 30 September 2023, \$500,000 had been drawn down from the facility. The facility is repayable on 28 February 2024, and incurs interest at 10% per annum. The Company anticipates its cash expenditure requirements will remain stable as the Company continues limited 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 period ended September 30 2023 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:

Name	Principal place of business / Country of incorporation	Ownership interest September 30 2023	March 31 2023
		%	%
Infinity Mining Limited	Australia	21.50%	21.14%

Transactions with associate

The following transactions occurred with associate:

	Consolidated September 30 2023	March 31 2023
	\$	\$
Receipts for goods and services:		
Costs recoveries for services to associate	154,361	324,035

Receivable from associate

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

Balance owed from associate at the end of the period	71,947	74,107
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Key Management Personnel

The following persons were key management personnel of the Company during the year ended September 30, 2023.

Executive Director

Cameron McCall, Executive Chairman and CEO

Non-Executive Directors

Alan Phillips, Non-Executive Director

Andrew Suckling, Non-Executive Director (Independent)

Ryan Welker, Non-Executive Director (Independent)

Other transactions with key management personnel

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

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

Commitments

Exploration expenditures

Certain future exploration expenditures are required to be undertaken by the Company as a minimum retention for exploration permits. These expenditures are set out in Note 3 to the Condensed Interim Consolidated Financial Statements for the period ended September 30, 2023. 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 guarantee contracts, nor has it any retained or contingent interests in assets transferred to an unconsolidated entity. The Company has not committed to any obligations under any 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, ASX and OTCQB 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.

Risks and Uncertainties (Cont'd)

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 incurred a net loss after tax of \$3,114,737 after including an impairment of Investment in Associate and had net operating cash outflows of \$1,298,662 for the half-year ended 30 September 2023. As at 30 September 2023, current liabilities exceeded current assets by \$3,559.

The Directors believe the going concern assumption is valid, reaching such a conclusion after having regard to the factors set out below. Should these factors not eventuate, there is a material uncertainty which may cast significant doubt as to whether the company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The Directors believe that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial statements after consideration of the following factors:

- The Directors believe that future funding will be available to meet the Group's objectives of expanding key strategic assets and continuing to pay its debts as and when they fall due, including through:

Risks and Uncertainties (Cont'd)

- engaging with parties interested in joint venture arrangements; and/or
- raising additional capital through equity placements to existing or new investors. The Group has a demonstrated history of success in this regard including having raised approximately \$5,718,602 (after costs) via a private placement in April 2022. The directors are confident in their ability to continue to raise additional funds on a timely basis, as and when required; and/or
- raising additional debt funding;
- The Group's ability to generate cash inflows from a shared service arrangement with Infinity Mining Limited;
- The Group's present cash holdings at 30 September 2023 is \$569,849 and its commitment to exploration expenditure can be reduced as required, subject to minimum spend requirements;
- The Group has capacity, if necessary, to reduce its operating cost structure in order to minimise its working capital requirements.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

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 and CEO
- Alan Spence Phillips – Non-Executive Director
- Andrew Suckling – Non-Executive Director
- Ryan Welker – Non-Executive Director

The Company maintains Accident and Health Insurance for the Key Personnel (CEO).

Risk of the General Market and Economic Conditions

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

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

Risks and Uncertainties (Cont'd)

Competitive Conditions Risk

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

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

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

Risk that the Company has a Limited Operating History

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

The Company has experienced losses in previous years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at September 30, 2023, the Company's accumulated losses were \$61,822,341.

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.

For the period assessed above, the Group has the ability to generate cash inflows from a shared service arrangement with Infinity Mining Limited, the exercise of outstanding options and warrants, along with, if necessary, the Group's ability to sell shares on market from its 21.50% holding in Infinity Mining Limited.

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.

Risks and Uncertainties (Cont'd)

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 period ended September 30, 2023, the closing price per share of the Company fluctuated from a low of CAD\$0.14 to a high of CAD\$0.25.

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 interest in properties.

Such property share issuances will also result in dilution to the Company's existing shareholders.

As at September 30, 2023, 8,900,000 stock options, 6,800,000 RSUs and 17,000,000 options were 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.

Risks and Uncertainties (Cont'd)

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 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 is 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.

Risks and Uncertainties (Cont'd)

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

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

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

The Company has estimated Inferred and Indicated Mineral Resources for the Ularring Hematite Project and Measured, Indicated and Inferred Mineral Resources for the Moonshine Magnetite Project. The Mineral Resources are estimates only and are based on interpretations, knowledge, experience and industry practice which may change when new techniques or information becomes available.

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

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.

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.

Risks and Uncertainties (Cont'd)

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.

Risks and Uncertainties (Cont'd)

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 Condensed Interim Consolidated Financial Statements for the period ended September 30, 2023.

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 \$416,571 has been shown as share-based compensation expenditure in the statement of loss and comprehensive loss.

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.

Disclosure Controls and Procedures

Although the Company is listed on the TSX-V, it maintains 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 and as at March 31, 2023 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 OTCQB, 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

Macarthur Minerals Ltd

Management's Discussion and Analysis
For the period end September 30, 2023

TSX-V: MMS, ASX: MIO, OTCQB: MMSDF

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 September 30, 2023. There were no significant changes that occurred during the period ended September 30, 2023, 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 September 30, 2023. The CEO and the CFO oversee all material transactions and related accounting records. The Audit and Risk Committee of the Company, with management, reviews the financial statements of the Company, on a quarterly and annual basis. The external auditor reviews on a quarterly basis 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 November 14, 2023:

Authorized and issued share capital:

Class	Par Value	Authorized Common shares (No par value)	Issued
Common	No par value	Unlimited	166,053,488

As at November 14, 2023, 8,900,000 stock options, 6,800,000 RSUs and 17,000,000 options are 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.

Qualified 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 Ularring Hematite and Moonshine Magnetite Iron Ore Projects, Western Australian Gold Projects, Treppo Grande and Mt Jackson Iron Ore Project, 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 and CEO

"Andrew Suckling"

Andrew Suckling

Independent Director