



**ABN 93 103 011 436**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited – prepared by Management)

**For the Three months ended June 30, 2023**

**All amounts are in Australian dollars unless otherwise stated**

**Condensed Interim Consolidated Financial Statements – June 30, 2023**

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This condensed interim financial report covers the consolidated financial statements for the entity consisting of Macarthur Minerals Limited and its subsidiaries. The financial report is presented in the Australian currency.

The Company's registered office and principal place of business is detailed on page 7.

The financial report was authorised for issue by the directors on August 14, 2023. The directors have the power to amend and reissue the financial report.

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The Management of the Company is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") for the preparation of the condensed interim consolidated financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's auditor has not performed a review of these condensed interim consolidated financial statements.

**MACARTHUR MINERALS LIMITED****CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2023

(Expressed in Australian Dollars)

(Unaudited)

	Notes	June 30, 2023	March 31, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		870,483	1,944,332
Other receivables		201,496	166,168
Security deposits and other assets		57,605	106,704
<b>Total current assets</b>		<b>1,129,584</b>	<b>2,217,204</b>
<b>Non-Current</b>			
Plant and equipment		48,843	51,104
Right of use asset		123,790	140,671
Investment in Infinity Mining Ltd	14	2,923,896	4,048,112
Exploration and evaluation assets	4	74,521,901	74,230,421
<b>Total non-current assets</b>		<b>77,618,430</b>	<b>78,470,308</b>
<b>Total assets</b>		<b>78,748,014</b>	<b>80,687,512</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		240,508	331,269
Provisions		23,778	110,285
Lease liabilities		58,932	76,725
<b>Total current liabilities</b>		<b>323,218</b>	<b>518,279</b>
<b>Non-Current</b>			
Provisions		19,436	20,217
Lease liabilities		73,632	72,672
<b>Total non-current liabilities</b>		<b>93,068</b>	<b>92,889</b>
<b>Total liabilities</b>		<b>416,286</b>	<b>611,168</b>
<b>Net assets</b>		<b>78,331,728</b>	<b>80,076,344</b>
<b>SHAREHOLDERS' EQUITY</b>			
Contributed equity		128,241,540	128,197,540
Reserves	5	10,649,343	10,586,408
Accumulated Losses		(60,559,155)	(58,707,604)
<b>Total shareholders' equity</b>		<b>78,331,728</b>	<b>80,076,344</b>

Nature and continuance of operations (Note 1)

Subsequent events (Note 16)

Contingent liabilities (Note 15)

On behalf of the Board of Directors:

"Cameron McCall" Director"Andrew Suckling" Director

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

**MACARTHUR MINERALS LIMITED****CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER  
COMPREHENSIVE INCOME/(LOSS) FOR THE THREE MONTHS ENDED JUNE 30, 2023**

(Expressed in Australian Dollars)

(Unaudited)

	<b>Three months ended June 30, 2023</b>	Three months ended June 30, 2022
	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>		
Depreciation – plant and equipment	<b>(2,260)</b>	(4,406)
Depreciation – Right of use asset	<b>(16,881)</b>	(14,148)
Exploration expense	-	-
Investor relations	<b>(91,550)</b>	(70,934)
Loss from share of associate (Note 14)	<b>(115,151)</b>	(91,843)
Impairment of investment in associate (Note 14)	<b>(1,089,305)</b>	(133,781)
Office and general	<b>(77,547)</b>	(54,575)
Personnel fees	<b>(208,089)</b>	(947,090)
Professional fees	<b>(174,700)</b>	(290,665)
Share-based compensation	<b>(62,935)</b>	(1,480,726)
Share registry, filing and listing fees	<b>(28,907)</b>	(54,538)
Travel and accommodation	<b>(13,353)</b>	(52,779)
Borrowing costs	<b>(4,245)</b>	(8,805)
	<b>(1,884,923)</b>	(3,204,290)
<b>REVENUE</b>		
Interest Income	<b>8,919</b>	33
Other Income	<b>5,593</b>	53,336
Net rental income/(expense) from associated entity	<b>8,879</b>	-
Gain on foreign exchange	<b>9,982</b>	38,532
Gain/(Loss) on change in fair value of warrant liability (Note 5)	-	519,131
	<b>33,373</b>	611,032
<b>Profit/(loss) before income tax from continuing operations</b>	<b>(1,851,550)</b>	(2,593,258)
Income tax expense	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>(1,851,550)</b>	(2,593,258)
Basic and diluted profit/(loss) per ordinary share	<b>(0.0112)</b>	(0.0160)
Basic and diluted weighted average number of ordinary shares outstanding	<b>165,677,664</b>	161,578,763

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

**MACARTHUR MINERALS LIMITED****CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Note	Number of Shares #	Contributed Equity \$	Accumulated losses \$	Reserves \$	Total Equity \$
<b>Balance at April 1, 2022</b>		146,253,488	121,772,352	(53,822,789)	7,693,697	75,643,260
Net profit/(loss) for the period		-	-	(2,593,258)	-	(2,593,258)
Other comprehensive loss for the period		-	-	-	-	-
Share-based payment transactions		-	-	-	2,533,591	2,533,591
Bonus shares		4,400,000	1,430,000	-	-	1,430,000
Private Placement		15,000,000	7,500,000	-	-	7,500,000
Cost of Share Capital		-	(2,997,998)	-	-	(2,997,998)
<b>Balance at June 30, 2022</b>		165,653,488	127,704,354	(56,416,047)	10,227,288	81,515,595
<b>Balance at April 1, 2023</b>		<b>165,653,488</b>	<b>128,197,540</b>	<b>(58,707,605)</b>	<b>10,586,408</b>	<b>80,076,343</b>
Net loss for the period		-	-	(1,851,550)	-	(1,851,550)
Share-based payment transactions		-	-	-	62,935	62,935
Share issue in exchange for Consultancy fees		<b>200,000</b>	<b>44,000</b>	-	-	<b>44,000</b>
<b>Balance at June 30, 2023</b>		<b>165,853,488</b>	<b>128,241,540</b>	<b>(60,559,155)</b>	<b>10,649,343</b>	<b>78,331,728</b>

(Expressed in Australian Dollars) (Unaudited)

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

**MACARTHUR MINERALS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Australian Dollars)  
(Unaudited)

	Three months ended June 30, 2023	Three months ended June 30, 2022
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net profit/(loss) for the period	(1,851,550)	(2,593,258)
<i>Items not involving cash:</i>		
Depreciation	2,260	4,406
Depreciation – Right of use asset	16,881	14,148
FX loss	(9,982)	(38,532)
Change in fair value of warrant liability	-	(519,131)
Share-based compensation	62,935	1,480,726
Loss from share of associate	115,151	91,843
Impairment of investment in associate	1,089,305	133,781
Shares issued in exchange for consultancy fees	44,000	-
<i>Changes in non-cash working capital balances:</i>		
Accounts payable and accrued liabilities	(168,067)	(162,792)
Receivables	13,771	90,121
<b>Net Cash used in Operating Activities</b>	<b>(685,296)</b>	<b>(1,498,688)</b>
<b>INVESTING ACTIVITIES</b>		
Plant & Equipment purchases	-	(47,927)
Deferred exploration expenditures	(291,480)	(678,973)
Purchase of Shares – Infinity Mining Ltd	(80,240)	-
<b>Net Cash used in Investing Activities</b>	<b>(371,720)</b>	<b>(726,900)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from private placement	-	7,500,000
Share issue and placement costs	-	(515,133)
Principal payment of lease liability	(16,833)	(7,533)
Loans	-	(1,000,000)
<b>Net Cash provided by (used in) Financing Activities</b>	<b>(16,833)</b>	<b>5,977,334</b>
Change in cash and cash equivalents during period	(1,073,849)	3,751,746
Cash and cash equivalents, beginning of period	1,944,332	1,625,572
<b>Cash and cash equivalents, end of period</b>	<b>870,483</b>	<b>5,377,318</b>

**Supplemental disclosures with respect to cash flows** (Note 9)

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

## **MACARTHUR MINERALS LIMITED**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Australian Dollars)

(Unaudited)

FOR THE THREE MONTHS ENDED JUNE 30, 2023

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

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

As at June 30, 2023, the Company has the following subsidiaries (collectively referred to as the “Group”):

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

There was no change in the nature of the Company’s principal activities during the period.

The Company corporate head office and principal place of business is Suite 1G, Building 1, Kings Row Office Park, 40 McDougall Street, Milton QLD 4064, Australia.

#### **2. BASIS OF PRESENTATION**

These general-purpose interim consolidated financial statements for the three-month reporting period ended June 30, 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Macarthur Minerals Limited and its controlled entities (referred to as the “Consolidated Group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the three-month period within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended March 31, 2023, together with any public announcements made during the following three-month period.

These condensed interim consolidated financial statements were authorised by the Board of Directors of the Company on August 14, 2023.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies, including new accounting standards and interpretations, followed by the Company are set out in Note 2 to the audited financial statements for the year ended March 31, 2023, and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

**MACARTHUR MINERALS LIMITED**  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Australian Dollars)  
(Unaudited)  
FOR THE THREE MONTHS ENDED JUNE 30, 2023

**4. EXPLORATION AND EVALUATION ASSETS**

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 June 30, 2023, the Company held 100% of the outstanding and issued share capital of Macarthur Australia. Macarthur Australia's wholly owned subsidiary MIO holds assets which include the Iron Ore Projects. Macarthur Minerals also holds 100% of Macarthur Lithium Nevada Limited ("MLiNV"), which holds a Lithium Exploration Project in Nevada.

The carrying value of the exploration and evaluation assets relates to the Iron Ore and lithium Projects. The Iron Ore projects' book value reflects the historical costs of exploration and evaluation expenditure capitalised in accordance with the Company's accounting policy and Australian Accounting Standards and IFRS.

Exploration expenditure of \$291,480 was capitalised during the period ended June 30, 2023, as per table below.

**Exploration and evaluation expenditure**

***Interim Expenditure***

The following is a summary of acquisition and exploration costs incurred:

	Acquisition Costs	Exploration Costs	Total
	\$	\$	\$
<b>Balance as at April 1, 2022</b>	<b>4,010,636</b>	<b>69,021,118</b>	<b>73,031,754</b>
<b>Incurred during the year</b>			
Accommodation and camp maintenance	-	52,198	52,198
Environmental surveys	-	-	-
Other	-	192,535	192,535
Personnel and Contractors	-	303,765	303,765
Rent and rates	-	269,337	269,337
Research and reports	-	655,316	655,316
Sampling and testing	-	5,541	5,541
Tenement acquisitions	-	-	-
Tenement management and outlays	-	20,829	20,829
Travel	-	1,567	1,567
Vehicle hire	-	34,137	34,137
E30/317 Impairment	-	(336,558)	(336,558)
	-	<b>1,198,667</b>	<b>1,198,667</b>
<b>Balance as at March 31, 2023</b>	<b>4,010,636</b>	<b>70,219,785</b>	<b>74,230,421</b>
<b>Incurred during the period</b>			
Accommodation and camp maintenance	-	8,396	8,396
Other	-	58,302	58,302
Personnel and Contractors	-	80,486	80,486
Rent and rates	-	80,985	80,985
Research and reports	-	42,682	42,682
Sampling and testing	-	433	433
Tenement management and outlays	-	5,842	5,842
Travel	-	2,797	2,797
Vehicle hire	-	11,557	11,557
	-	<b>291,480</b>	<b>291,480</b>
<b>Balance as at June 30, 2023</b>	<b>4,010,636</b>	<b>70,511,265</b>	<b>74,521,901</b>

All capitalised exploration costs represent costs incurred during the exploration and evaluation phase.



**4. EXPLORATION AND EVALUATION ASSETS (Cont'd)**

***Commitments***

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

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

	<b>June 30, 2023</b>	March 31, 2023
	\$	\$
Not later than one year	<b>1,082,811</b>	1,066,183
Later than one year but not later than five years	<b>3,936,800</b>	3,928,059
	<b>5,019,611</b>	4,994,242

For the 12-month period ending June 30, 2024, the Company may apply for exemptions against expenditure in relation to those tenements which did not have sufficient expenditure recorded against them in the prior 12 months of their term. Exemption has and may be sought on the basis that aggregate expenditure on those tenements in prior years far exceeded the minimum required. In the event that exemption for these tenements is not granted (which the Company believes is highly unlikely), the Company may have to impair/expense the value of the amount capitalised to exploration and evaluation assets for those tenements.

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

	<b>June 30, 2023</b>	March 31, 2023
	\$	\$
Not later than one year	<b>1,082,811</b>	1,066,183
Later than one year but not later than five years	<b>3,936,800</b>	3,928,059
	<b>5,019,611</b>	4,994,242

**MACARTHUR MINERALS LIMITED**  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Australian Dollars)  
(Unaudited)  
FOR THE THREE MONTHS ENDED JUNE 30, 2023

**5. CONTRIBUTED EQUITY**

**Ordinary Shares**

*Ordinary shares*

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

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

	<b>June 30, 2023</b>	<b>March 31, 2023</b>
	<b>\$</b>	<b>\$</b>
<i>Ordinary shares</i> Issued and fully paid	<b>128,241,540</b>	128,197,540
	<b>Number</b>	<b>Number</b>
<i>Number of shares on issue</i>	<b>165,853,488</b>	165,653,488

	<b>June 30, 2023</b>	March 31, 2023
At the beginning of the reporting period	<b>165,653,488</b>	146,253,488
Shares Issued during the period:		
April 8, 2022 (AUD\$0.50 per share)	-	15,000,000
Bonus shares	-	4,400,000
Issue of shares in exchange for consultancy fees	<b>200,000</b>	-
At the end of the reporting period	<b>165,853,488</b>	165,653,488

**Reserves**

	<b>Share Based Payments Reserve</b>	<b>Financial Asset Revaluation Reserve</b>	<b>Share Capital Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
As at April 1, 2022	6,718,607	788,333	186,757	7,693,697
Fair value loss on financial assets	-	-	-	-
Cost of share-based payments	2,892,711	-	-	2,892,711
As at March 31, 2023	<b>9,611,318</b>	<b>788,333</b>	<b>186,757</b>	<b>10,586,408</b>
Cost of share-based payments	<b>62,935</b>	-	-	<b>62,935</b>
As at June 30, 2023	<b>9,674,253</b>	<b>788,333</b>	<b>186,757</b>	<b>10,649,343</b>

## **5. CONTRIBUTED EQUITY (Cont'd)**

### *Share-based payment reserve*

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

### *Financial Asset Revaluation Reserve*

The financial asset revaluation reserve records revaluations of financial assets.

### *Share Capital Reserve*

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

## **Share Compensation Plans**

The Company, in accordance with the Company's Omnibus, Employee and Consultant Share Compensation Plans ("Plans") and the policies of the TSX-V and ASX, is authorised to grant incentive stock options ("Options"), award equity restricted share units ("RSU's"), or bonus shares or issue ordinary shares from treasury pursuant to the Company's share purchase scheme to directors, employees and consultants to acquire in aggregate up to 20% of issued and outstanding ordinary shares as at August 3, 2022, being 165,653,488 Common Shares. The Plans were approved on August 31, 2022 by the shareholders and replace the Company's previous Plans.

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

The fair value of all issued Options is measured and expensed as share-based compensation at the grant date if they are fully vested upon granting, otherwise the fair value is expensed over the vesting period. A corresponding increase is recorded to reserves.

## **Share Options**

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

The fair value of all issued Options is measured and expensed as share-based compensation at the grant date if they are fully vested upon granting, otherwise the fair value is expensed over the vesting period. A corresponding increase is recorded to reserves.

**MACARTHUR MINERALS LIMITED**  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Australian Dollars)  
(Unaudited)  
FOR THE THREE MONTHS ENDED JUNE 30, 2023

**5. CONTRIBUTED EQUITY (Cont'd)**

**Share Options – Employees and Consultants**

Share option transactions issued to employees and consultants and the number of share options outstanding are summarized as follows:

	Three months ended June 30, 2023		Year ended March 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	9,000,000	\$0.28 (CAD\$0.25)	2,500,000	\$0.28 (CAD\$0.26)
Granted	-	-	9,000,000	\$0.26 (CAD\$0.23)
Expired	-	-	(2,500,000)	\$0.46 (CAD\$0.42)
Forfeited	(100,000)	\$0.45 (CAD\$0.40)	-	-
Exercised	-	-	-	-
Outstanding, end of period	8,900,000	\$0.28 (CAD\$0.25)	9,000,000	\$0.28 (CAD\$0.25)
Options exercisable, end of period	8,900,000	\$0.28 (CAD\$0.25)	9,000,000	\$0.28 (CAD\$0.25)

Share options for employees and consultants outstanding at June 30, 2023 have the following exercise prices and expiry dates:

Number of Options	Exercise Price	Expiry Date
500,000	AUD\$0.65	25 May 2024
550,000	AUD\$0.45	26 Oct 2024
500,000	AUD\$0.40	26 Oct 2025
150,000	AUD\$0.50	26 Oct 2024
7,200,000	AUD\$0.20	20 Mar 2026

The range of exercise prices for options outstanding at June 30, 2023 is AUD\$0.20 to AUD\$0.65.

The weighted average remaining contractual life for the share options as at June 30, 2023 is 2.49 years.

**MACARTHUR MINERALS LIMITED**  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Australian Dollars)  
(Unaudited)  
FOR THE THREE MONTHS ENDED JUNE 30, 2023

**5. CONTRIBUTED EQUITY (Cont'd)**

**Share Options – Private Placement**

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

	Three months ended June 30, 2023		Year ended March 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	<b>17,000,000</b>	<b>AUD\$0.65</b>	12,862,618	AUD\$0.88
Granted	-	-	17,000,000	AUD\$0.65
Expired	-	-	(12,862,618)	AUD \$0.88
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding, end of period	<b>17,000,000</b>	<b>AUD\$0.65</b>	17,000,000	AUD\$0.65
Options exercisable, end of period	<b>17,000,000</b>	<b>AUD\$0.65</b>	17,000,000	AUD\$0.65

**Share Options – Private Placement**

Share options under private placement outstanding at June 30, 2023 have the following exercise prices and expiry dates:

Number of Options	Exercise Price	Expiry Date
17,000,000	AUD\$0.65	8 April 2024

**MACARTHUR MINERALS LIMITED**  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in Australian Dollars)  
(Unaudited)  
FOR THE THREE MONTHS ENDED JUNE 30, 2023

**5. CONTRIBUTED EQUITY (cont'd)**

**Restricted Share Units**

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

	Three months ended June 30, 2023		Year ended March 31, 2023	
	Number of RSUs	Weighted Average Exercise Price	Number of RSUs	Weighted Average Exercise Price
Outstanding, beginning of period	6,945,000	\$0.90 (CAD\$0.82)	7,082,500	\$0.87 (CAD\$0.82)
Granted	-	-	-	-
Vested	-	-	-	-
Forfeited	(95,000)	\$0.79 (CAD\$0.70)	(137,500)	\$0.77 (CAD\$0.70)
Expired	-	-	-	-
Outstanding, end of period	6,850,000	\$0.93 (CAD\$0.82)	6,945,000	\$0.90 (CAD\$0.82)

RSUs outstanding at June 30, 2023 have the following vesting prices and expiry dates:

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

The weighted average remaining contractual life for the RSUs as at June 30, 2023 is 0.79 years.

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**5. CONTRIBUTED EQUITY (cont'd)**

**Warrants**

No warrants were granted during the period ended June 30, 2023.

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

	Three months ended June 30, 2023		Year ended March 31, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	-	-	4,101,275	\$0.43 (CAD\$0.40)
Granted	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	(4,101,275)	\$0.40 (CAD\$0.44)
Exercised	-	-	-	-
Outstanding, end of period	-	-	-	-
Warrants exercisable, end of period	-	-	-	-

**Warrant Liability**

During the period ended June 30, 2023, no warrants were granted. As of June 30, 2023, the Company had Nil (March 31, 2023 – nil) warrants outstanding, which are classified and accounted for as a financial liability.

**Equity Finance Facility**

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

The additional key terms of the Equity Finance Facility are described in the Company’s News Release dated October 13, 2020.

## 6. SHARE-BASED COMPENSATION

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

The fair value calculated for options issued is expensed over their vesting period as share-based compensation in the Condensed Interim Statement of Profit and Loss and Comprehensive Income/(Loss) and a corresponding amount is recorded to reserves. Upon exercise the fair value of the options is re-classified from reserves to contributed equity. Refer to Note 6 for details of options.

## 7. RELATED PARTY TRANSACTIONS

### *Interests in subsidiaries*

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

Name	Country of Incorporation	% Equity Interest	
		June 30, 2023	June 30, 2022
Esperance Iron Ore Export Company Pty Ltd	Australia	100	100
Macarthur Iron Ore Pty Ltd	Australia	100	100
Macarthur Bulk Handling Pty Ltd	Australia	100	100
Macarthur Tulshyan Pty Ltd	Australia	100	100
Macarthur Marble Bar Lithium Pty Ltd	Australia	100	100
Macarthur Australia Limited	Australia	100	100
Macarthur Lithium Nevada Limited	U.S.A	100	100

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

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

### *Interests in Associates*

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		June 30, 2023	June 30, 2022
		%	%
Infinity Mining Limited (IML)	Australia	21.64	20.74



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**7. RELATED PARTY TRANSACTIONS (Cont'd)**

*Transactions with associate*

The following transactions occurred with associate:

	<b>June 30 2023 \$</b>	<b>Consolidated June 30 2022 \$</b>
Receipts for goods and services:		
Costs recoveries for services to associate	74,922	161,654-

*Receivable from associate*

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

Balance owed from associate at period end	49,693	-
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**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 IAS 24. Where transactions are entered into with those entities the terms and conditions are no more favourable 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.

**8. TAX CONSOLIDATION**

Macarthur Minerals and its wholly owned Australian subsidiaries are members of an Australian Income Tax Consolidated Group.

**9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**

	<b>Three months ended June 30, 2023</b>	<b>Three months ended June 30, 2022</b>
Cash paid during the period for interest	<u>4,245</u>	<u>8,805</u>

**10. SEGMENTED INFORMATION**

The Company's one reportable operating segment is the acquisition, exploration and development of mineral properties in Australia. All of the Company's exploration and evaluation assets and plant and equipment are located in Australia.

**11. FINANCIAL INSTRUMENTS**

**Credit Risk**

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

**MACARTHUR MINERALS LIMITED****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**11. FINANCIAL INSTRUMENTS (Cont'd)***Exposure to credit risk*

The carrying amount of the Company's financial assets represents the maximum credit exposure. This amount consists of Cash and cash equivalents of \$870,483 (March 31, 2023: \$1,944,332), Other receivables of \$104,618 (March 31, 2023: \$99,627) and Security Deposits of \$35,397 (March 31, 2023: \$35,397).

The Company's receivables exclude current outstanding taxation payments recoverable from the Australian Government. These statutory amounts are excluded under Accounting Standards in the above analysis. The Company's maximum exposure to credit risk at the reporting date by geographic region was:

	<b>June 30, 2023</b>	<b>June 30, 2022</b>
	<b>\$</b>	<b>\$</b>
Australia	<b>597,365</b>	4,722,243
North America	<b>413,133</b>	669,655
	<b>1,010,498</b>	5,391,898

**Currency Risk**

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

*Exposure to currency risk*

The Company's exposure to foreign currency risk at the reporting date was as follows:

	<b>CAD</b>	<b>USD</b>	<b>CAD</b>	<b>USD</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>June 30, 2023</b>		<b>March 31, 2023</b>	
Cash and cash equivalents	<b>413,116</b>	<b>17</b>	434,566	17
Receivables	-	-	-	-
Security Deposits	-	-	-	-
	<b>413,116</b>	<b>17</b>	434,566	17
Trade and other payables	<b>706</b>	<b>26,913</b>	22,848	-
Employee Benefits	-	-	-	-
Warrant liability	-	-	-	-
Loan - Other	-	-	-	-
Lease liability	-	-	-	-
	<b>706</b>	<b>26,913</b>	22,848	-
Net exposure	<b>412,410</b>	<b>(26,896)</b>	411,718	17

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**11. FINANCIAL INSTRUMENTS (Cont'd)**

*Sensitivity analysis*

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

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

	<b>June 30, 2023</b>		<b>March 31, 2023</b>	
	<b>Profit</b>	<b>Equity</b>	<b>Profit</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
+/-2% in interest rates	<b>+/- \$18,118</b>	<b>+/- 18,118</b>	+\$39,595	+\$35,595
+/-5% in \$AUD/\$CAD	<b>+/- \$20,621</b>	<b>+/- \$20,621</b>	+/- \$20,586	+/- \$20,586
+/-5% in \$AUD/\$US	<b>+/- \$1,345</b>	<b>+/- \$1,345</b>	+/- \$1	+/- \$1

***Interest rate risk***

The Company's cash equivalents are highly liquid and earn interest at market rates. Due to the short-term nature of these financial instruments, fluctuations in market interest rates do not have a significant impact on the fair values of these financial instruments. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	<b>June 30, 2023</b>	<b>March 31, 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Interest-bearing financial instruments</b>		
Financial assets	<b>905,880</b>	1,979,729
Financial assets are comprised of:		
Cash and cash equivalents	<b>870,483</b>	1,944,332
Security deposits	<b>35,397</b>	35,397
	<b>905,880</b>	1,979,729

*Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates on the above interest-bearing financial instruments at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

	<b>Profit or loss</b>		<b>Equity</b>	
	<b>100bp increase</b>	<b>100bp decrease</b>	<b>100bp increase</b>	<b>100bp decrease</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>June 30, 2023</b>				
Interest-bearing financial instruments	<b>9,059</b>	<b>(9,059)</b>	<b>9,059</b>	<b>(9,059)</b>
<b>March 31, 2023</b>				
Interest-bearing financial instruments	19,797	(19,797)	19,797	(19,797)

## **12. CAPITAL MANAGEMENT**

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

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

In addition to its lithium and iron ore exploration and evaluation activities, the Company will continue to assess new properties and seek to acquire an interest in additional properties if there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended June 30, 2023. The Company is not subject to externally imposed capital requirements.

## **13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

During the period ended June 30, 2023, the Group acquired 553,380 (\$80,240) shares in Infinity Mining Limited (IML). The Group has a 21.64% interest in Infinity Mining Limited (IML) as at June 30, 2023. The Group's interest in IML is accounted for using the equity method in the consolidated financial statements.

## **14. CONTINGENT LIABILITIES**

### **a) Security Bonds**

The Company has a contingent liability of \$35,397 for bank guarantees issued for office leasing arrangements in Brisbane and corporate credit cards.

## **15. SUBSEQUENT EVENTS**

200,000 shares were issued to Karlsson Group Ltd ("Karlsson") on August 2, 2023 in Australia, payable as second installment pursuant to the business development and marketing agreement executed on June 15, 2023.