MACARTHUR MINERALS LIMITED
ACN 103 011 436

Management Discussion and Analysis
(Form 51-102F1)
For the Quarter ended September, 2010

Information as of November 29, 2010 unless otherwise stated

Note to Reader

The following management discussion and analysis of the financial condition and results of operations of Macarthur Minerals Limited ('Macarthur' or the 'Company') should be read in conjunction with the Company's annual audited financial statements for the year ended March 31, 2010, together with the notes thereto, as well as the Company's previous quarterly financial and MD&A reports throughout the year. The material herein, as of November 29, 2010 updates the information as of June 30, 2010 contained in the MD&A of that report. The annual audited financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts, which address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. 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. 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.

OVERALL PERFORMANCE

Macarthur is a mineral exploration company focusing on early-stage development for magnetite and hematite iron ore in the Yilgarn Region of Western Australia.

All exploration activities are focused on its Lake Giles project owned by its 100% owned subsidiary Internickel Australia Pty Ltd (IAPL).

Drilling Program 2010

Overall, the Company has completed 189 RC holes for a total advance of 16,300 metres. In addition to this, 4 hematite and 2 magnetite diamond holes totalling 755.5 metres were completed to support a metallurgical testing program.

The Company has now completed nine separate stages of drilling with Stage 8 magnetite drilling with 24 holes drilled for 2,070 metres focusing on the Moonshine magnetite corridor. Table 1 outlines the current magnetite inferred resource.

OVERALL PERFORMANCE (Cont'd)

Table 1

Deposit (Magnetite)	Million Tonnes	Fe %
Snark	75.0	27.7%
Clark Hill North	130.0	25.8%
Clark Hill South	66.5	30.3%
Sandalwood	335.0	31.1%
Moonshine	511.0	27.8%
Total	**1,117.0**	**28.75%**

No new resource statement is presently available and MMS awaits the results resource estimation work currently underway. The resource estimates will be based on the significant intersection the company has reported. Significant Hematite-Goethite results reported to date include:

24m @ 62.5%Fe from 6m depth
21m @ 57.4%Fe from 5m depth
14m @ 58.0%Fe from 5m depth
11m @ 58.2% Fe from 38m depth
21m @ 57.4%Fe from 5m depth
9m @ 61.6%Fe from 16m depth
28m @ 57.9%Fe from 13m depth
16m @ 57.4%Fe from 36m depth
8m @ 61.1%Fe from 44m depth

On November 25, 2010 the Company announced a 57% increase in the Hematite-Goethite Inferred Mineral Resource estimate for its Lake Giles DSO ("potential Direct Shipping Ore") projects located in Western Australia. The Inferred Resource estimate has increased to 18 million tonnes at 55.5% Fe (refer Table 1) based on the last resource statement of 11.5Mt at 55.2% Fe (Press Release Dated November 9, 2010).

The Mineral Resource estimate increase is due to the inclusion of Central and Banjo-Lost World projects where 4.8Mt at 55.2% Fe and 5.5Mt at 55.7% Fe have been estimated respectively. The resource increases have been based on the recently completed Stage 9 programme and mineral estimates have been modelled by independent mining consultancy group CSA Global Pty Ltd ("CSA") using the Company's geological interpretation.

Table 1 - Goethite/Hematite (DSO) - Inferred Mineral Resource Estimate

Deposit	Tonnes (Mt)	Fe%	P%	SiO2%	Al2O3%	LOI %
Banjo-Lost World	5.5	55.7	0.07	8.1	4.7	7.1
Moonshine	0.6	52.8	0.06	13.3	3.9	5.8
Central	4.8	55.2	0.06	8.2	4.5	8.0
Snark	7.1	55.9	0.07	7.8	4.2	7.6
Total	**18.0**	**55.5**				

Corporate Update

Annual General Meeting

As announced on August 24, 2010, the Company held its Annual General Meeting whereupon all resolutions detailed in the notice of meeting were passed.

Alternate Director

As announced on August 24, 2010, Mr Peter Ziegler was appointed an alternate director for Alan Spence Phillips.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(All amounts in Australian dollars)

Exploration Expenses

Expensed and capitalized exploration costs, for the Lake Giles Project are as follows:

Australian $	**Quarter Ended September 30, 2010**	**Quarter Ended September, 2009**	**6 months to September 30, 2010**	**6 months to September 30, 2009**
Expenses	-	-	-	-
Capitalized expenses	2,925,634	1,575,960	4,529,461	3,398,911

For the last quarter ended September 30, 2010, the Company expended $2,925,634 on exploration activities compared with $1,575,960 for the quarter ended September 30, 2009.

For the six months ended September 30, 2010, the Company expended $4,529,461 on exploration activities compared with $3,398,911 for the six months ended September 30, 2009.

Exploration costs for the six months and quarter ended September 30, 2010 increased compared to that of the corresponding six months and quarter ended June 30, 2010, reflecting the Company's expanded program of works.

Administrative Expenses

For the quarter ended September 30, 2010 the Company incurred administrative expenses of $348,192 compared to $647,786 for the quarter ended September 30, 2009.

The largest elements of administrative expenses for the quarter ended September 30, 2010 were professional fees of $211,310 and consulting fees $194,214. Compared to the corresponding quarter ended September 30, 2009 total administrative expenses decreased by $299,594. This decrease was largely due to no issue of stock-based compensation during the September 2010 quarter.

For the six months ended 30 September 2010, the Company expended $2,918,974, on administrative expenses, compared to $928,114 for the corresponding six months ended September 30, 2009. The higher administration costs for the six months mainly relate to the $1,499,921 issue of stock options in May 2010.

Income

Income normally comprises interest income. For the quarter ended September 30, 2010 the company earned interest income of $102,374. Compared to the corresponding quarter ended September 30, 2009 interest income increased by $76,402, due to increased interest earned on an increased cash balance.

For the six months ended September 30, 2010 the Company earned income of $187,866, compared to $43,563 for the six months ended September 30, 2009. The Company has not received any rental income in the last six months.

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

Income Taxes

Future tax assets have not been recognized in the financial statements as the directors believe it is more likely than not that these non-capital losses will not be recovered.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION (Cont'd)

Net Losses

The net loss for the quarter ended September 30, 2010 $245,818, compared with the net loss for the corresponding quarter ended September 30, 2009 of $973,242. The net loss for the quarter ended September 30, 2010 was mainly due to administrative expenses.

The net loss for the six months ended September 30, 2010 was $2,555,870, compared with the net loss for the corresponding six months ended September 30, 2009 of $1,132,195, which was impacted by a dilution loss of $479,133. The net loss for the six months ended September 30, 2010 was mainly due to the issue of stock based compensation of $1,499,921, finders' fees of $530,032, consulting fees of $364,816 and increased administrative expenses.

Change in Financial Position

At September 30, 2010 the Company had net assets of $26,144,011, compared to $17,764,852, at March 31, 2010. The value of mineral properties increased from $16,721,854 to $21,251,315 over the last 6 months resulting from increased capitalized exploration expenditure. The amount of current liabilities increased by $506,105 over the last 6 months ended September 30, 2010 owing mainly to increased exploration activities, together with increased trade creditors and $277,122 for Western Australian stamp duty accrual relating to the buy-back of the 30% interest in Internickel Australia Pty Ltd among other items. The Company had a cash balance of $5,800,874 at September 30, 2010 compared to a cash balance of $1,618,693 at March 31, 2010.

At September 30, 2010 the Company had net working capital of $4,676,543 compared with net working capital of $900,706 at March 31, 2010. The increase in the net working capital results mainly from the funds raised through the private placement earlier in the year.

MINERAL PROPERTIES

The Company's 100% owned of Lake Giles project granted tenures consists of:

Tenement Number	Area Sub-blocks (1 sub-block=approx. 3sq. km)	Grant Date	Expiry Date	Expenditure	Rent Date	Rent
E30/0230	18	28-Apr-00	(1)	$ 70,000	27-Apr-11	$ 8,717.94
E30/0240	39	23-Oct-00	22-Oct-12	$ 117,000	22-Oct-11	$ 18,888.87
E30/0242	2	06-Feb-01	(1)	$ 50,000	05-Feb-11	$ 968.66
E30/0269	3	18-Apr-05	17-Apr-12	$ 30,000	17-Apr-11	$ 767.25
E30/0318	26	24-Nov-08	23-Nov-13	$ 26,000	23-Nov-11	$ 3,148.86
E30/0321	12	08-Aug-07	07-Aug-12	$ 20,000	07-Aug-11	$ 2,261.16
E30/0322	47	30-Mar-07	29-Mar-12	$ 70,500	29-Mar-11	$ 8,856.21
E30/0323	8	30-Mar-07	29-Mar-12	$ 30,000	29-Mar-11	$ 1,507.44
E30/0324	15	30-Mar-07	29-Mar-12	$ 30,000	29-Mar-11	$ 2,826.45
E30/0384	1	16-Feb-10	15-Feb-15	$ 10,000	15-Feb-11	$ 291.72
E30/0385	2	16-Feb-10	15-Feb-15	$ 15,000	15-Feb-11	$ 242.22
E30/0386	2	16-Feb-10	15-Feb-15	$ 15,000	15-Feb-11	$ 242.22
E30/0387	7	16-Feb-10	15-Feb-15	$ 20,000	15-Feb-11	$ 847.77
E30/0392	23	16-Feb-10	15-Feb-15	$ 23,000	15-Feb-11	$ 2,785.53
E30/0398	3	07-May-10	06-May-15	$ 15,000	06-May-11	$ 363.33
E30/0399	1	07-May-10	06-May-15	$ 10,000	06-May-11	$ 291.72
E30/0400	2	07-May-10	06-May-15	$ 15,000	06-May-11	$ 242.22
E30/0404	8	23-Jun-10	22-Jun-15	$ 20,000	22-Jun-11	$ 968.88
E30/0407	17	07-Sep-10	06-Sept-15	$20,000	06-Sep-11	$2,058.87
E30/0408	12	07-Sep-10	06-Sept-15	$20,000	06-Sep-11	$1,453.32
M30/0206	893	02-Jul-07	01-Jul-28	$ 89,300	01-Jul-10	$ 14,243.35
M30/0207	892	02-Jul-07	01-Jul-28	$ 89,200	01-Jul-10	$ 14,227.40
M30/0208	892	02-Jul-07	01-Jul-28	$ 89,200	01-Jul-10	$ 14,227.40
M30/0219	893	02-Jul-07	01-Jul-28	$ 89,300	01-Jul-10	$ 14,243.35
M30/0228	595	02-Jul-07	01-Jul-28	$ 59,500	01-Jul-10	$ 9,490.25
M30/0229	892	02-Jul-07	01-Jul-28	$ 89,200	01-Jul-10	$ 14,227.40
M30/0243	1253	02-Jun-09	01-Jun-30	$ 125,300	01-Jun-11	$ 19,985.35
M30/0246	1363	23-Oct-09	22-Oct-30	$ 136,300	22-Oct-10	$ 21,739.85
P30/1061	200	21-Apr-08	20-Apr-12	$ 8,000	20-Apr-11	$ 462.00
P30/1062	22	21-Apr-08	20-Apr-12	$ 2,000	20-Apr-11	$ 50.82
P30/1083	115	27-Oct-09	26-Oct-13	$ 4,600	26-Oct-10	$ 265.65

Note: (1) converted to mining leases

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 development. The following risk factors should be considered:

General

The Company is an Australian mineral exploration company listed on the TSX Venture Exchange and engaged in the exploration and development of mineral properties located at Lake Giles in Western Australia.

It has not yet determined whether all of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. In order to continue developing its mineral properties, management is actively pursuing such additional sources of financing that may be required.

The Financial Statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the quarter ended September 30, 2010 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

The amount of the Company's administrative expenditures is related to the level of financing and exploration activities that are being conducted, which in turn may depend on the Company's recent exploration experience and prospects, as well as the general market conditions relating to the availability of funding for exploration-stage resource companies. Consequently, the Company does not acquire properties or conduct exploration 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.

Trends

The Company's financial success is dependent upon the discovery of commercial mineral resources on the Lake Giles prospect 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, until the resource estimate on its magnetite prospect and scoping study is concluded. 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.

Competitive Conditions

The resource industry is intensively competitive in all of its phases, and a number of other magnetite deposits have been developed in Western Australia. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors.

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

RISKS AND UNCERTAINTIES (Cont'd)

Environmental Factors and Protection Requirements
The Company currently conducts exploration and development activities in Western Australia. 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. The Company is currently engaged in exploration with minimal environmental impact.

Mineral Exploration and Development
The Company's Lake Giles Project is in the exploration stage, moving to early stage development. Development of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involves 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 development activities will result in the discovery 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, 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, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. 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.

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.

RISKS AND UNCERTAINTIES (Cont'd)

Commodity Prices

The Company's 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 have 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.

Currency Risk

The Company's revenues and expenses will be incurred in Australian dollars, though its financings are 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.

Title

There is no guarantee that title to properties in which the Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. No native title claims were lodged by the due date, which has enabled the Company to apply for mining leases.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation 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. If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour 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.

Management and Directors

The Company is dependent on a relatively small number of directors and officers:

- Alan Phillips – Chairman, President/CEO (Peter Ziegler, as alternate)
- David Taplin – CFO and Company Secretary
- Joe Phillips – Chief Operating Officer
- Simon Hickey – Director
- John Toigo – Director
- Andrew Spinks – Consultant and Qualified Person as defined in National Instrument 43-101.

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

RISKS AND UNCERTAINTIES (Cont'd)

Conflicts of Interest
Certain officers and directors of the Company are 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. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Limited Operating History
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, 2010 the Company's deficit was $16,820,451.

Price Fluctuations: Share Price Volatility
In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, during the quarter ended September 30, 2010, the per share price of the Company's shares fluctuated from a low of CAD $1.40 to a high of CAD $2.00. There can be no assurance that continued fluctuations in price will not occur.

Shares Reserved for Issuance: Dilution
As at September 30, 2010, there were 2,950,000 stock options and 2,339,150 warrants outstanding.

Market Conditions

Global Economy
Economic recovery continued to strengthen during the first half of 2010. Global activity expanded at an annual rate of about 5¼ percent—about ½ percent higher than anticipated in the July World Economic Outlook (WEO) Update. A surge in inventory and, lately, fixed investment accounted for a dramatic rise in manufacturing and global trade. Low consumer confidence and reduced household incomes and wealth are holding consumption down in many advanced economies. Growth in these economies reached only about 3½ percent during the first half of 2010, a low rate considering that they are emerging from the deepest recession since World War II. Their recoveries will remain fragile for as long as improving business investment does not translate into higher employment growth. However, household spending is doing well in many emerging market economies, which expanded by close to 8 percent and where investment is propelling job creation. At the same time, financial stability suffered a major setback, prices in many stock exchanges fell, led initially by financial stocks and by European markets. Heavy selling of the sovereign debt of vulnerable euro area economies rattled the banking system, triggering a systemic crisis. This added to existing worries about the sustainability of the recovery and caused a broader decline in stocks. Risk premiums on corporate bonds widened, and corporate bond issues slowed to a trickle in May. Issuance in emerging markets also dropped sharply. Since the beginning of the summer, however, financial conditions have improved again.

(Source: IMF World Economic Outlook, October, 2010, www.imf.org)

RELATED PARTY TRANSACTIONS

The following persons and entities are related parties during the quarter.

- Simon Hickey – Director
- Alan Spence Phillips – Chairman, President/CEO
- John Toigo – Director
- Peter Ziegler – Alternate Director
- Strategic Capital Services Pty Ltd, an entity associated with Alan Spence Phillips and of which he was previously a director and Joe Phillips is currently a director, who is a related party of Alan Spence Phillips.
- Phillips Exploration Pty Ltd, an entity associated with Alan Spence Phillips and of which he was previously a director Unlimited Business Strategies Pty Ltd, an entity associated with Alan Joseph Phillips, who is a related party of Alan Spence Phillips.

The Company entered into the following transactions with related parties during the quarter:

a) Paid or accrued $60,440 (2009: $112,708) in directors fees during the period, which included $26,540 in travel expenses.

b) Paid $201,823 (2009: $0) to Strategic Capital Services Pty Ltd of which $89,842 was for consulting fees, $27,000 for rent, $84,981 for travel and related reimbursements.

c) Paid $88,029 (2009: $0) to Unlimited Business Strategies Pty Ltd., an entity associated with Alan Joseph Phillips, who is a related party of Alan Spence Phillips, which consisted of $80,000 for consulting services, plus reimbursed travel and related expenses of $8,029.

These transactions were in the normal course of operations and, in management's opinion, were undertaken with the same terms and conditions as transactions with unrelated parties.

SUMMARY OF QUARTERLY INFORMATION

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with September 30, 2010. This Financial information is derived from the Financial Statements of the Company. Financial information is prepared according to GAAP and is reported in Australian $.

	Dec 31 2008	Mar 31 2009	Jun 30 2009	Sept 30 2009	Dec 31 2009	Mar 31 2010	June 30 2010	Sep 30 2010
Interest and rent Income	$101,612	$104,868	$42,256	$43,003	$23,410	$3,639	$85,492	102,374
Net profit/(loss)	$68,988	$(2,440,553)	$(159,034)	$(973,242)	$(1,847,213)	$(923,659)	$(2,310,052)	$(245,818)
Net profit/(loss) per share	$0.01	$(0.09)	$(0.01)	$(0.05)	$(0.09)	$(0.05)	$(0.08)	$(0.01)

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

During the last 8 quarters, the Company has consistently reported net losses apart from the quarter ended December 31, 2008. The most significant factor affecting quarterly losses during the last 8 quarters is continuing administrative expenses.

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

SUMMARY OF QUARTERLY INFORMATION (Cont'd)

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

LIQUIDITY AND CAPITAL RESOURCES

The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to acquire, explore and develop mineral properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its mineral properties (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral properties and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising their required financing.

Apart from the initiatives discussed above, the Company is not aware of any trends, commitments or events that may affect its liquidity in the foreseeable future. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of raising additional funds through private placements and its planned exploration programs.

At September 30, 2010, the Company has net working capital of $4,676,543.

Over the next 2 quarters (6-months), the Company's quarterly cash expenditure requirements will increase as the company moves through its study program to support the development of up to 2 million tonne per annum DSO export program.

COMMITMENTS

Certain future exploration expenditures are required to be undertaken by the Company as a minimum retention for exploration permits. These expenditures were set out in Note 19 to the Annual Financial Statements for March 31, 2010.

Apart from the above, the Company has no other material commitments at this time.

OFF-BALANCE SHEET ARRANGEMENTS

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

ACCOUNTING POLICIES

Accounting policies are listed in Note 1 to the Financial Statements for the year end March 31, 2010.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's size and the number of staff impact the Company's internal controls. Due to the limited number of staff, it is not possible to achieve complete segregation of duties. Similarly, the Company must engage accounting assistance with respect to complex, non-routine accounting issues, Canadian GAAP matters, tax compliance and reporting for its international operations.

Notwithstanding these weaknesses, the Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements and that information is timely and accurately disclosed consistent with Canadian securities laws and regulations.

INTERNAL CONTROLS OVER FINANCIAL REPORTING (Cont'd)

Although the identified weaknesses may be considered to increase the risk that a material misstatement in the Company's financial statements would not be prevented or detected, neither has resulted in a material misstatement in the financial statements.

The CEO and the CFO and Company Secretary oversee all material transactions and related accounting records. The audit committee of the Company, with management, reviews the financial statements of the Company, on a quarterly basis.

While management and the board of directors of the Company work to mitigate the risk of a material misstatement in the Company's financing 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.

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point of time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matter of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, sundry receivables, and accounts payable and accrued liabilities and amounts due to related parties approximate their fair market value because of the short-term nature of these instruments.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In February 2008 the Canadian Accounting Standards Board ("AcSB") confirmed the date for publicly-listed companies to use IFRS replacing Canadian GAAP for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Therefore the Company will be required to adopt IFRS for its fiscal year commencing April 1, 2011, and the transition plan will require in 2011 the restatement for comparative purposes onto the IFRS basis of amounts and disclosures reported by the Company for its prior fiscal years, those ended March 31, 2011 and 2010. The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is currently in the process of analyzing the key areas where changes to current accounting policies may be required.

While an analysis will be required for all current accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures;
- Property, plant and equipment (measurement and valuation);
- Stock-based compensation;
- Functional currencies;
- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including the implication of changes to accounting policies and processes; financial statement note disclosures; information technology; internal controls; contractual arrangements; and employee training.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (Cont'd)

The following table summarizes the expected timing of activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	In progress now
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Completed
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Completed
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives.	By November 30, 2010
Resolution of the accounting policy change implications on information technology, internal controls and contractual agreements.	By November 30, 2010
Management and employee education and training.	Throughout the transition process
Quantification of the Financial Statements impact of changes in accounting policies.	By November 30, 2010

OUTSTANDING SHARE DATA AS OF NOVEMBER 30, 2010:

Authorized and issued share capital:

Class	**Par Value**	**Authorized Common shares (No par value)**	**Issued**
Common	No par value	Unlimited	29,990,630

As at November 29, 2010 there were 2,950,000 stock options and 2,339,150 warrants outstanding.

OTHER INFORMATION

The Company's website address is www.macarthurminerals.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

COMPETENT PERSON'S STATEMNENT

Technical aspects of this MD&A were prepared and verified by Mr Andrew Spinks, B.App.Sc, Grad.Dip (Mining), and a member of the AusIMM. He is the qualified person as required by National Instrument 43-101, and is the technical person responsible for this MD&A. The qualified person has verified the data disclosed in this MD&A.

BY ORDER OF THE BOARD

"Alan Phillips"

Alan Phillips
Chairman President and CEO

"John Toigo"

John Toigo
Director