MACARTHUR MINERALS LIMITED

Australian Company Number 103 011 436

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

(Unaudited – Prepared by Management)

NOTICE CONCERNING AUDITOR REVIEW

The Company did not engage an independent auditor to perform a review of the interim financial statements for the three and nine month periods ended December 31, 2010. Accordingly, the interim financial statements for the three and nine month periods ended December 31, 2010 have been prepared by management and have not been reviewed by an independent auditor.

Vancouver BC
February 28, 2011

MACARTHUR MINERALS LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS
(Expressed in Australian dollars)
(UNAUDITED)
AS AT DECEMBER 31, 2010

	DECEMBER 31, 2010 $	MARCH 31, 2010 $
ASSETS		
Current		
Cash and cash equivalents	2,516,330	1,618,693
Receivables	256,471	125,454
Prepayments and deposits	320,247	398,227
Total current assets	3,093,048	2,142,374
Non-Current		
Plant and equipment (Note 3)	315,656	266,472
Mineral properties (Note 4)	23,407,112	16,721,854
Total non-current assets	23,722,768	16,988,326
Total assets	**26,815,816**	**19,130,700**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	1,216,989	1,196,275
Due to related parties	-	12,225
Capital lease obligations	34,861	33,168
Total current liabilities	1,251,850	1,241,668
Non-Current		
Capital lease obligations	97,840	124,180
Total non-current liabilities	97,840	124,180
Shareholders' equity		
Capital stock (Note 5)	39,385,975	29,621,484
Contributed surplus (Note 5)	3,578,467	2,407,949
Deficit	(17,498,316)	(14,264,581)
Total shareholdersô equity	25,466,126	17,764,852
Total liabilities and shareholders' equity	**26,815,816**	**19,130,700**

Nature and continuance of operations (Note 1)

APPROVED BY THE DIRECTORS:

On Behalf of the Board

"Alan Phillips"
Alan Phillips, Director

"John Toigo"
John Toigo, Director

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

MACARTHUR MINERALS LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME (LOSS) AND DEFICIT
THREE AND NINE MONTHS ENDED DECEMBER 31, 2010 AND 2009
(Expressed in Australian dollars)
(UNAUDITED)

	Three months ended December 31 2010	**Three months ended December 31 2009**	**Nine months ended December 31 2010 $**	**Nine months ended December 31 2009 $**
Expenses				
Consulting fees	(139,507)	-	225,309	-
Depreciation	28,561	5,815	60,013	14,060
Filing and transfer agent fees	11,583	1,447	68,791	27,840
Finders fees	-	-	530,032	-
Investor relations	56,121	4,513	63,435	40,406
Office and general	79,470	29,048	153,287	54,031
Professional fees	258,028	166,810	608,469	421,113
Rent	70,284	42,878	(91,634)	106,976
Salaries and management fees	389,837	35,386	544,586	248,132
Stock based compensation	-	719,353	1,499,921	1,052,153
Travel and accommodation	20,379	16,322	31,521	41,672
Total expenses	**(774,756)**	**(1,021,572)**	**(3,693,730)**	**(2,006,383)**
Loss before other items				
Other items:				
Dilution gain/(loss)	-	(863,627)	-	(1,316,441)
Interest income	48,101	22,266	235,967	63,423
Recoveries	40,769	-	40,769	-
Rent received	-	-	-	40,310
Foreign exchange gain	8,021	-	183,259	-
Net loss before taxes	**(677,865)**	**(1,862,933)**	**(3,233,735)**	**(3,219,091)**
Future income tax recovery	-	83,921	-	263,315
Net loss for the period	**(677,865)**	**(1,779,012)**	**(3,233,735)**	**(2,955,776)**
Less:				
Net loss after tax attributable to minority interests	-	-	-	(10,973)
Net loss after tax attributable to the company	(677,865)	(1,779,012)	(3,233,735)	(2,944,803)
Deficit, beginning of period	(16,820,451)	(11,499,083)	(14,264,581)	(10,322,319)
Deficit, end of period	(17,498,316)	(13,278,095)	(17,498,316)	(13,278,095)
Basic loss per common share	($0.02)	($0.08)	($0.11)	($0.14)
Diluted loss per common share	($0.02)	($0.08)	($0.09)	($0.14)
Basic weighted average number of common shares outstanding	29,990,630	21,568,044	29,481,430	20,073,525
Diluted weighted average number of common shares outstanding	35,279,780	21,568,044	34,568,012	20,073,525

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

MACARTHUR MINERALS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE AND NINE MONTHS ENDED DECEMBER 30, 2010 AND 2009
(Expressed in Australian dollars)
(UNAUDITED)

	Three months ended December 31 2010	Three months ended December 31 2009	Nine months ended December 31 2010 $	Nine months ended December 31 2009 $
OPERATING ACTIVITIES				
Net profit/loss for the period	(677,865)	(1,779,012)	(3,233,735)	(2,944,803)
Items not involving cash:				
Amortization	28,561	5,815	60,013	14,060
Stock based compensation	-	719,353	1,499,921	1,052,153
Finders fees	70,321	-	70,321	-
Future income tax recovery	-	(83,921)	-	(55,016)
Dilution gain/loss	-	863,627	-	1,316,441
Changes in non-cash working capital items related to operations				
Receivables	55,502	(47,010)	(131,017)	(799)
Prepayments and deposits	170,588	(1,322)	77,980	(1,343)
Accounts payable and accrued liabilities	(557,476)	(366,891)	8,489	(49,138)
Net Cash used in Operating Activities	**(910,369)**	**(689,361)**	**(1,648,028)**	**(668,445)**
INVESTING ACTIVITIES				
Plant and equipment	(43,140)	(5,540)	(133,844)	(18,231)
Mineral exploration expenditures	(2,155,797)	(364,120)	(6,685,258)	(2,762,368)
Net Cash used in Investing Activities	**(2,198,937)**	**(369,660)**	**(6,819,102)**	**(2,780,599)**
FINANCING ACTIVITIES				
Application for common shares	-	-	9,364,767	-
Proceeds to/from related parties	-	-	-	(57,566)
Net Cash provided by Financing Activities	**-**	**-**	**9,364,767**	**(57,566)**
Effects of foreign exchange on cash flows	(175,238)	(158,403)	-	312,432
Increase/Decrease in cash during period	(3,284,544)	(1,217,424)	897,637	(3,194,178)
Cash, beginning of period	5,800,874	3,922,460	1,618,693	5,889,214
Cash, end of period	2,516,330	2,705,036	2,516,330	2,705,036
Cash paid during the period for interest	-	-	-	-
Cash paid during the period for income tax	-	-	-	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Macarthur Minerals Limited (the ñCompanyò) is in the business of exploration and development of resource properties.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	December 31, 2010	March 31, 2010
Deficit	$(17,498,316)	$ (14,264,581)
Working capital	1,841,198	900,706

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for audited financial statements. In the opinion of management, all adjustments (consisting of normal and recurring accruals) considered necessary for fair presentation have been included. Operating results for the three-month and nine-month period ended December 31, 2010 are not necessarily indicative of the results that may be expected for the year ended March 31, 2011.

The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Companyôs annual consolidated financial statements for the year ended March 31, 2010. For further information, refer to the consolidated financial statements and footnotes thereto included for the year ended March 31, 2010.

Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

During fiscal 2010, the Company changed its reporting currency from Canadian dollar to the Australian dollar as most if its significant transactions are incurred in Australian dollars.

Future accounting changes

Business combinations (Section 1582)

In January 2009, the CICA issued Section 1582 ñBusiness Combinationsò to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards. The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The Company does not expect the adoption of this section to have a significant effect on its financial statements.

(Expressed in Australian dollars)

SIGNIFICANT ACCOUNTING POLICIES (Cont'd…)

Consolidated Financial Statements (Section 1601) and Non-Controlling Interests (Section 1602)

The CICA concurrently issued Section 1601 ñConsolidated Financial Statementsò and Section 1602 ñNon Controlling Interestsò which replace Section 1600 ñConsolidated Financial Statements.ò Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 ñBusiness Combinations.ò The Company does not expect the adoption of this section to have a significant effect on its financial statements.

International Financial Reporting Standards ("IFRS")

In addition to the above new accounting pronouncements the Canadian Accounting Standards Board (ñAcSB) in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards (ñIFRSò) over a five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-accountable enterprises to use IFRS, replacing Canadaøs own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. For the Company, the transition date will be effective April 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year end March 31, 2011.

The Company has completed its IFRS transition assessment and the majority of its impact assessment phase, which is disclosed in further detail in the Companyøs Management Discussion & Analysis . The next project phase consists of developing new IFRS-compliant accounting policies, implementation of these policies, calculating the Companyøs opening balance sheet under IFRS as at April 1, 2010, related testing and additional training as required. The Company expects to have developed new IFRS-compliant accounting policies and calculated its opening balance sheet under IFRS by the end of its fiscal year ending March 31, 2011.

3. PLANT AND EQUIPMENT

	December 31, 2010	March 31, 2010
Plant and Equipment		
Plant and equipment	319,008	249,923
Accumulated depreciation	(80,962)	(31,413)
	238,046	218,510
Office equipment	118,030	77,916
Accumulated depreciation	(40,420)	(29,954)
	77,610	47,962
	$ 315,656	$ 266,472

(Expressed in Australian dollars)

4. MINERAL PROPERTIES

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

		Acquisition Costs		Deferred Exploration Costs		Total
Balance as at March 31, 2009	**$**	**2,260,896**	**$**	**9,291,855**	**$**	**11,552,751**
Incurred during the year						
Acquisition of 30% of IAPL		1,262,990		-		1,262,990
Drilling		-		1,456,247		1,456,247
Fuel		-		44,441		44,441
Geology contractors		-		580,043		580,043
Sampling and testing		-		596,066		596,066
Rent and rates		-		159,930		159,930
Research and reports		-		312,852		312,852
Site preparation and earthwork		-		58,646		58,646
Tenement management and outlays		-		65,507		65,507
Accommodation and camp maintenance		-		273,580		273,580
Vehicle hire		-		315,952		315,952
Other		-		42,849		42,849
Balance as at March 31, 2010	**$**	**3,523,886**	**$**	**13,197,968**	**$**	**16,721,854**
Incurred during the period						
Stamp duty on 30% of IAPL	$	277,122	$	-	$	277,122
Drilling		-		2,097,590		2,097,590
Fuel		-		32,592		32,592
Geology contractors		-		550,996		550,996
Sampling and testing		-		742,384		742,384
Rent and rates		-		132,084		132,084
Research and reports		-		1,525,509		1,525,509
Site preparation and earthwork		-		108,233		108,233
Tenement management and outlays		-		186,623		186,623
Accommodation and camp maintenance		-		511,663		511,663
Vehicle and equipment		-		179,869		179,869
Other		-		340,593		340,593
Balance as at December 31, 2010	**$**	**3,801,008**	**$**	**19,606,104**	**$**	**23,407,112**

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

(Expressed in Australian dollars)

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock $	Contributed Surplus $
Authorized			
Unlimited common voting shares, without par value			
Balance as at March 31, 2010	**23,955,630**	**29,621,484**	**2,407,949**
Private placement	6,000,000	9,393,399	-
Conversion of options	35,000	64,066	(22,377)
Stock based compensation	-	-	1,499,921
Finderӳ 7% share purchase warrants	-	307,026	(307,026)
Balance as at December 31 , 2010	**29,990,630**	**39,385,975**	**3,578,467**

Private Placement

As announced by the Company on April 21, 2010, the private placement financing previously announced on 22 March 2010 was fully subscribed and closed on final acceptance of the TSX Venture Exchange, as announced in their bulletin published on April 22, 2010.

The non-brokered private placement of up to 6,000,000 common shares at the price of CAD $1.50 per share raised total gross proceeds of CAD $9,000,000.

As announced in the TSX-Vӳ bulletins published on 22 and 23 April, 2010, the Company paid total commissions of CAD $508,725 and 339,150 share purchase warrants in respect of the private placement to qualified parties comprised of up to a 7% cash fee and up to a 7% share purchase warrant. Each such warrant will entitle the holder to acquire one common share at a price of CAD $1.80 for a period of three years from closing of the private placement.

All net proceeds from the private placement have been received by the Company.

(Expressed in Australian dollars)

CAPITAL STOCK AND CONTRIBUTED SURPLUS (Cont'd…)

The Company, in accordance with the policies of the TSX Venture Exchange, is authorized to grant options to directors, employees and consultants, to acquire up to 10% of issued and outstanding common stock. The exercise price of each option equals the market price of the Companyҫs stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Options granted to employees, directors and officers vest fully four months after the grant date. Options issued to consultants must vest in stages over 12 months with one quarter of the options vesting in any three month period.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Nine Months Ended December 31, 2010		Year Ended March 31, 2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	1,645,000	$ 1.42 (CAD$1.45)	1,575,000	$ 1.42 (CAD$1.45)
Granted	1,340,000	1.96 (CAD$2.00)	1,545,000	1.05 (CAD$1.07)
Exercised	(35,000)	1.08 (CAD$1.10)	(200,000)	1.08 (CAD$1.10)
Expired/cancelled	-	- -	(1,275,000)	1.39 (CAD$1.42)
Outstanding, end of period	2,950,000	$ 1.44 (CAD$1.47)	1,645,000	$ 1.42 (CAD$1.45)
Options exercisable, end of period	2,950,000	$ 1.44 (CAD$1.47)	1,645,000	$ 1.42 (CAD$1.45)

Stock options outstanding at December 31, 2010 are as follows:

Number of Options	Exercise Price		Expiry Date
	$		
220,000	1.57	(CAD$1.60)	December 22, 2011
100,000	0.98	(CAD$1.00)	October 19, 2012
100,000	1.18	(CAD$1.20)	November 26, 2012
990,000	1.08	(CAD$1.10)	December 2, 2012
200,000	0.98	(CAD$1.00)	July 31, 2014
1,340,000	1.96	(CAD$2.00)	May 3, 2013

(Expressed in Australian dollars)

CAPITAL STOCK AND CONTRIBUTED SURPLUS (Cont'd…)

STOCK-BASED COMPENSATION

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted.

1,340,000 options were issued in May 2010 at a fair value of $1.12 per option, a total value of $1,499,921.

520,000 options were issued in August 2009 at a fair value of $0.64 per option, a total value of $332,800.

1,025,000 options were issued in December 2009 at a fair value of $0.70 per option, a total value of $719,353.

The above amounts are expensed upon issue as stock-based compensation in the statement of operations with a corresponding amount recorded as contributed surplus in shareholdersô equity and reduced by the options exercised during the period. The weighted average fair value of options granted during the period was $1.12 (2010: $0.68).

The following assumptions were used for the Black-Scholes valuation of stock options granted during the year:

	Nine Months Ended December 31, 2010	Year Ended March 31, 2010
Risk-free interest rate	1.68%	2.00%
Expected life of options	3 years	3.67 years
Annualized volatility	111.97%	116.51%
Dividend rate	0.00%	0.00%

(Expressed in Australian dollars)

CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Warrants
Warrant transactions and the number of warrants outstanding are summarized as follows:

	Nine Months Ended December 31, 2010		Year Ended March 31, 2010	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	2,000,000	$ 1.96 (CAD$2.00)	2,000,000	$ 1.96 (CAD$2.00)
Granted	339,150	1.77 (CAD$1.80)	-	
Exercised	-		-	
Expired	-		-	
Outstanding, end of period	2,339,150	$ 1.94 (CAD$1.97)	2,000,000	$ 1.96 (CAD$2.00)
Warrants exercisable, end of period	2,339,150	$ 1.94 (CAD$1.97)	2,000,000	$ 1.96 (CAD$2.00)

Warrants outstanding at December 31, 2010 are as follows:

Number of Warrants	Exercise Price		Expiry Date
	$		
1,500,000	1.96	(CAD$2.00)	January 3, 2013 (extended from January 3, 2010)
500,000	1.96	(CAD$2.00)	January 15, 2013 (extended from January 15, 2010)
339,150	1.77	(CAD$1.80)	April 29, 2013

6. RELATED PARTY TRANSACTIONS

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

- Alan Spence Phillips ï Chairman, President/CEO
- Simon Hickey ï Director
- John Toigo ï Director
- Peter Ziegler ï Alternate Director
- Strategic Capital Services Pty Ltd (ñStrategicò) is a related party of the Company, as it is an entity associated with Alan Spence Phillips and Alan Joseph Phillips, the latter who is currently a director of Strategic, and is a related party of Alan Spence Phillips.
- Unlimited Business Strategies Pty Ltd is a related party of the Company, as Alan Joseph Phillips is a director and a related party of Alan Spence Phillips.

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

a) Paid or accrued $57,487 in directors fees (2009: $88,306) during the period, which included $9,487 in travel expenses and related reimbursements.

b) Paid $161,858 to Strategic Capital Services Pty Ltd of which $60,000 was for consulting fees, $27,000 for rent, $74,858 for travel and related reimbursements.

c) Paid $72,562 to Unlimited Business Strategies Pty Ltd., which consisted of $60,000 for consulting services, plus reimbursed travel and related expenses of $12,562.

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(Expressed in Australian dollars)

7. FINANCIAL INSTRUMENTS

Credit risk

Exposure to credit risk

The carrying amount of the Groupôs financial assets represents the maximum credit exposure. This amount is as follows:

	Carrying amount
	$
Financial assets	
Cash and cash equivalents	**2,516,330**
Trade and other receivables	**256,471**
	2,772,801

The Company receivables comprised accrued interest on term deposits and taxation payments recoverable from the Australian government.

None of the Companyôs receivables is overdue or impaired.

Exposure to liquidity risk

The Company has no financial liabilities at the balance date, other than payables and capital lease obligations. The Company has sufficient cash resources to cover these liabilities as they become due.

Exposure to currency risk

The Companyôs exposure to foreign currency risk at balance date was as follows:

	AUD	CAD
Cash and cash equivalents	2,449,819	67,853
Receivables	256,471	-
	2,706,290	67,853
Trade and other payables	1,216,989	-
	1,216,989	-
Net exposure	1,489,301	67,853

Interest rate risk

Profile

At the reporting date the interest rate profile of the Companyôs and the Groupôs interest-bearing financial instruments was:

	Consolidated Carrying amount
Variable rate instruments	
Financial assets	$ 2,516,330

Fair values

The carrying value of all financial instruments at balance date is equal to fair value. The Company has classified its cash and cash equivalents as level 1 financial instrument on the fair value hierarchy.

FINANCIAL INSTRUMENTS (Cont'd…)

Sensitivity analysis

As at December 31, 2010, the Company's expenditures are in Australian dollars and Canadian dollars. As at December 31, 2010, the Company has cash of $67,853 Canadian dollars. For each 10% change in the Australian dollar vs. Canadian dollar a $6,785 gain/loss would arise.

Interest rate risk

Profile

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

	Consolidated Carrying amount	
	December 31 2010	March 31 2010
Variable rate instruments		
Financial assets	**$ 2,516,330**	$ 1,618,693

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates 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 March 31,2010.

	Profit or loss		Equity	
	100bp increase	**100bp decrease**	**100bp increase**	**100bp decrease**
December 31, 2010				
Variable rate instruments	**25,163**	**(25,163)**	**24,220**	**(24,220)**
March 31, 2010				
Variable rate instruments	16,187	(16,187)	15,996	(15,996)

FINANCIAL INSTRUMENTS (Cont'd…)

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 does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Companyøs management to sustain future development of the business. In the management of capital, the Company includes cash and cash equivalent balances and components of shareholdersô equity.

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

In addition to its exploration and evaluation activities with the Lake Giles project, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels 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.

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 Companyøs approach to capital management during the period ended December 31, 2010. The Company is not subject to externally imposed capital requirements.

8. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the nine months ended December 31, 2010, the Company entered into the following non-cash transactions:

- Issued 1,340,000 options as stock based compensation expense for the year was $1,499,921.
- Reallocated $22,377 from contributed surplus to capital stock upon exercise of 35,000 options.
- Reallocated $307,026 from contributed surplus to capital stock upon issue of share purchase warrants.
- Recorded $847,208 in mineral property expenditures through accounts payable.

FINANCIAL INSTRUMENTS (Cont'd…)

9. SUBSEQUENT EVENTS

Capital Raising

On February 24, 2011, the Company announced that it closed its previously announced bought deal private placement offering (the ñOfferingò) of units (ñUnitsò) of the Company. Each Unit consists of one common share and one-half of one common share purchase warrant (the ñWarrantsò). Each whole warrant is exercisable for one common share at a price of $4.50 per share for a period of 24 months from the date hereof. In the event that the closing sale price of the Companyôs common shares on the TSX Venture Exchange is greater than $6.00 per share for a period of 20 consecutive trading days at any time after closing of the Offering, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date on which such notice is given by the Company. The syndicate of underwriters was led by TD Securities Inc. and included Macquarie Capital Markets Canada Ltd. and Stifel Nicolaus Canada Inc. (collectively, the ñUnderwritersò).

A total of 13,900,000 Units were issued at a price of $3.60 per Unit for aggregate gross proceeds to Macarthur Minerals of $50,040,000, which includes the exercise by the Underwriters of an over-allotment option to purchase an additional 1,400,000 Units. Pursuant to the terms of an underwriting agreement dated effective February 24, 2011 between the Company and the Underwriters, the Underwriters received a cash commission equal to 6% of the gross proceeds raised and non-transferable options to acquire Units exercisable at a price of $3.60 per Unit in the amount equal to 6% of the number of Units issued for a period of 24 months from the date hereof. The securities issued with respect to the Offering will be subject to a four month hold period in accordance with applicable Canadian securities laws.

The net proceeds from the Offering will be used to fund development of the Companyôs Lake Giles project in Western Australian and for general corporate purposes.