MACARTHUR MINERALS LIMITED

Unaudited Interim Consolidated Financial Statements
JUNE, 2010 and 2009

(Expressed in Australian dollars)

Notice of No Auditor Review of Interim Financial Statements

The accompanying Unaudited Interim Consolidated Financial Statements for the three months ended June 30, 2010 and 2009 have been prepared by management and have not been the subject of a review by the Company's independent auditor.

Vancouver BC
August 30, 2010

MACARTHUR MINERALS LIMITED
INTERIM CONSOLIDATED BALANCE SHEETS
(Expressed in Australian dollars)
(UNAUDITED)

	JUNE 30, 2010 $	MARCH 31, 2010 $
ASSETS		
Current		
Cash and cash equivalents	9,010,115	1,618,693
Receivables	222,996	125,454
Prepayments and deposits	445,848	398,227
Total current assets	9,678,959	2,142,374
Non-Current		
Plant and equipment (Note 3)	286,758	266,472
Mineral properties (Note 4)	18,325,681	16,721,854
Total non-current assets	18,612,439	16,988,326
Total assets	**28,291,398**	**19,130,700**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	1,725,754	1,196,275
Due to related parties	26,264	12,225
Capital lease obligations	32,990	33,168
Total current liabilities	1,785,008	1,241,668
Non-Current		
Capital lease obligations	116,581	124,180
Total non-current liabilities	116,581	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	(16,574,633)	(14,264,581)
Total shareholders' equity	26,389,809	17,764,852
Total liabilities and shareholders' equity	**28,291,398**	**19,130,700**

Going concern and nature 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 INCOME STATEMENTS
THREE MONTHS ENDED JUNE 30, 2010 AND 2009
(Expressed in Australian dollars)
(UNAUDITED)

	Three months ended June 30, 2010 $	**Three months ended June 30, 2009 $**
Expenses		
Consulting fees	170,602	43,503
Depreciation	15,400	3,490
Filing and transfer agent fees	49,509	4,248
Finders fees	530,032	-
Investor relations	10,906	20,705
Office and general	29,032	17,600
Professional fees	139,131	44,786
Rent	31,752	27,440
Salaries and management fees	74,692	127,218
Stock based compensation	1,499,921	-
Travel and accommodation	19,805	5,136
Total expenses	**2,570,782**	**294,126**
Loss before other items	**(2,570,782)**	**(294,126)**
Other items:		
Interest income	85,492	44,312
Foreign exchange gain	175,238	-
Net loss before taxes	**(2,310,052)**	**(249,814)**
Future income tax recovery	-	83,047
Net loss for the period	**(2,310,052)**	**(166,767)**
Less:		
Net loss after tax attributable to minority interests	-	(4,066)
Net profit/(loss) after tax for the period attributable to the company	(2,310,052)	(162,701)
Deficit, beginning of period	(14,264,581)	(10,078,786)
Deficit, end of period	(16,574,633)	(10,241,487)
Basic and income (loss) per common share	(8) cents	(0.08) cents
Diluted income (loss) per common share	(8) cents	(0.08) cents
Basic weighted average number of common shares outstanding	28,451,839	19,038,650
Diluted weighted average number of common shares outstanding	28,451,839	19,038,650

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

MACARTHUR MINERALS LIMITED
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(Expressed in Australian dollars)
(UNAUDITED)

	THREE MONTHS ENDED JUNE 30, 2010 $	THREE MONTHS ENDED JUNE 30, 2009 $
Balance – beginning of period	(14,264,581)	(10,078,786)
Net loss for period	(2,310,052)	(245,748)
Future income tax recovery	-	83,047
Balance – end of period	(16,574,633)	(10,241,487)

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

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

	Three months ended June 30, 2010 $	Three months ended June 30, 2009 $
OPERATING ACTIVITIES		
Net profit/loss for the period	(2,276,525)	(166,767)
Items not involving cash:		
Amortization	15,400	3,490
Options expense	1,499,921	-
Future income tax recovery		(83,044)
Changes in non-cash working capital items related to operations		
Receivables	(104,970)	(45,418)
Prepayments and deposits	-	(2,746)
Accounts payable and accrued liabilities	346,091	19,717
Net Cash used in Operating Activities	**(520,083)**	**(274,768)**
INVESTING ACTIVITIES		
Plant and equipment	(24,673)	(13,788)
Mineral exploration expenditures	(1,603,827)	(976,017)
Net Cash used in Investing Activities	**(1,628,500)**	**(989,805)**
FINANCING ACTIVITIES		
Application for common shares	9,364,767	-
Proceeds to/from related parties	-	1,042
Net Cash provided by Financing Activities	**9,364,767**	**1,042**
Effects of foreign exchange on cash flows	175,238	(122,010)
Increase/Decrease in cash during period	7,391,422	(1,141,521)
Cash, beginning of period	1,618,693	6,671,580
Cash, end of period	9,010,115	5,408,049
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 "Company") 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.

	June 30, 2010	March 31, 2010
Deficit	$(16,574,633)	$ (14,264,581)
Working capital	7,893,951	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 period ended June 30, 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 Company's 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 "Business Combinations" 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 "Consolidated Financial Statements" and Section 1602 "Non Controlling Interests" which replace Section 1600 "Consolidated Financial Statements." 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 "Business Combinations." 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 ("AcSB) 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 ("IFRS") 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 Canada's 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 begun assessing the adoption of IFRS for 2011, and is currently in the planning phase of implementation, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. PLANT AND EQUIPMENT

	June 30, 2010	March 31, 2010
Plant and Equipment		
Plant and equipment	259,172	249,923
Accumulated depreciation	43,866	(31,413)
	215,306	218,510
Office equipment	104,354	77,916
Accumulated depreciation	32,902	29,954
	71,452	47,962
	$ 286,758	$ 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			
Drilling	-	623,755	623,755
Fuel	-	5,285	5,285
Geology contractors	-	259,165	259,165
Sampling and testing	-	127,611	127,611
Rent and rates	-	8,373	8,373
Research and reports	-	352,271	352,271
Site preparation and earthwork	-	4,046	4,046
Tenement management and outlays	-	24,699	24,699
Accommodation and camp maintenance	-	55,894	55,894
Vehicle and equipment	-	88,576	88,576
Other	-	54,152	54,152
Balance as at June 30, 2010	**$ 3,523,886**	**$ 14,801,795**	**$ 18,325,681**

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
Finder's 7% share purchase warrants	-	307,026	(307,026)
Balance as at June 30, 2010	**29,990,630**	**39,385,975**	**3,578,487**

Private Placement

As announced by the Company on 21 April, 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 22 April, 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-V's 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.

Net proceeds from the placement will be applied towards advancement of the Company's Lake Giles project and general working capital.

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 Company's 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:

	Three Months Ended June 30, 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	$ 1.66 (CAD$1.45)	1,575,000	$ 1.66 (CAD$1.45)
Granted	1,340,000	2.08 (CAD$2.00)	1,545,000	1.16 (CAD$1.07)
Exercised	(35,000)	1.16 (CAD$1.10)	(200,000)	1.19 (CAD$1.10)
Expired/cancelled	-	- -	(1,275,000)	1.54 (CAD$1.42)
Outstanding, end of period	2,950,000	$ 1.57 (CAD$1.47)	1,645,000	$ 1.66 (CAD$1.45)
Options exercisable, end of period	2,950,000	$ 1.57 (CAD$1.47)	1,645,000	$ 1.66 (CAD$1.45)

Stock options outstanding at June 30, 2010 are as follows:

Number of Options	Exercise Price		Expiry Date
	$		
220,000	1.84	(CAD$1.60)	December 22, 2011
100,000	1.15	(CAD$1.00)	October 19, 2012
100,000	1.38	(CAD$1.20)	November 26, 2012
990,000	1.14	(CAD$1.10)	December 2, 2012
200,000	1.12	(CAD$1.00)	July 31, 2014
1,340,000	2.08	(CAD$2.00)	May 3, 2013

(Expressed in Australian dollars)

CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

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

	Three Months Ended June 30, 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	$ 2.27 (CAD$2.00)	2,500,000	$ 2.13 (CAD$2.00)
Granted	339,150	1.88 (CAD$1.80)	-	
Exercised	-		(500,000)	2.37 (CAD$2.00)
Expired	-		-	
Outstanding, end of period	2,339,150	$ 2.21 (CAD$1.97)	2,000,000	$ 2.27 (CAD$2.00)
Warrants exercisable, end of period	2,339,150	$ 2.21 (CAD$1.97)	2,000,000	$ 2.27 (CAD$2.00)

Warrants outstanding at June 30, 2010 are as follows:

Number of Warrants	Exercise Price $		Expiry Date
1,500,000	2.27	(CAD$2.00)	January 3, 2013 (extended from January 3, 2010)
500,000	2.27	(CAD$2.00)	January 15, 2013 (extended from January 15, 2010)
339,150	1.88	(CAD$1.80)	April 29, 2013

6. RELATED PARTY TRANSACTIONS

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

a) Paid or accrued $11,737 (2009: $NIL) for rent provided by Central Iron Ore Limited an entity of which Alan Spence Phillips (resigned November 10, 2009) was a director and shareholder.

b) Paid or accrued $111,064 (2009: $131,894) in directors and management fees during the period.

c) Paid $27,000 (2009: $NIL) to Strategic Capital, an entity with a director and officer in common for office services and rent.

d) $NIL (2009: $13,500) paid to Ruby Rich Pty Ltd., an entity with a common director, for geological services.

e) The Company granted an aggregate of 650,000 stock options to directors and Unlimited Business Strategies Pty Ltd which are exercisable for a 3 year period at CAD$2.00 per share and will be subject to a four month hold period commencing on the date of grant. The fair value of options granted is $727,574.

f) The company received $NIL (2009: $10,863) in rent from Cadan Resources Corporation for offices sub-let by the company in Vancouver.

g) Paid or accrued $65,000 (2009: $NIL) to Unlimited Business Strategies Pty Ltd., an entity of which Alan Spence Phillips is a related party for consulting services.

h) At June 30, 2010 there is $25,752 (March 31, 2010: $12,225) owing to non-executive directors for directors fees.

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 Group's financial assets represents the maximum credit exposure. This amount is as follows:

	Carrying amount
	$
Financial assets	
Cash and cash equivalents	**9,010,115**
Trade and other receivables	**222,996**
	9,233,111

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

None of the Company's receivables is overdue or impaired in 2010.

Exposure to liquidity risk
The Company has no financial liabilities at the balance date, other than payables and capital lease obligations.

Exposure to currency risk
The Company's exposure to foreign currency risk at balance date was as follows:

	AUD	CAD
Cash and cash equivalents	8,850,521	159,594
Receivables	222,996	-
	9,073,517	159,594
Trade and other payables	944,630	-
	944,630	-
Net exposure	8,128,887	159,594

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
Variable rate instruments	
Financial assets	$ 8,833,668

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 June 30, 2010, the Company's expenditures are in Australian dollars and Canadian dollars. As at June 30, 2010, the Company has cash of $144,820 Canadian dollars and accounts payable of $40,000 denominated in Canadian dollars. For each 10% change in the Australian dollar vs. Canadian dollar a $18,482 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	
	June 30 2010	March 31 2010
Variable rate instruments		
Financial assets	**$ 9,010,115**	**$ 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**
June 30, 2010				
Variable rate instruments	**90,101**	**(90,101)**	**89,200**	**(89,200)**
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 Company's management to sustain future development of the business.

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 Company's approach to capital management during the period ended June 30, 2010. The Company is not subject to externally imposed capital requirements.

8. SUPPLEMENTAL DISCLOSERS WITH RESPECT TO CASH FLOWS

During the quarter ended June 30, 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 $598,539 in mineral property expenditures through accounts payable.

During the quarter ended June 30, 2009 the company entered into the following transactions:

- Recorded $452,428 in mineral property expenditures through accounts payable.

9. SUBSEQUENT EVENTS

Nil