CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – prepared by Management)

For the three months ended June 30, 2015

All amounts are in Australian dollars unless otherwise stated

ACN 103 011 436

Condensed Interim Consolidated Financial Statements – June 30, 2015

Contents

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.

Its registered office and principal place of business are detailed on page 7.

The financial report was authorized for issue by the directors on August 31, 2015. The directors have the power to amend and reissue the financial report.

MACARTHUR MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Australian Dollars)
(Unaudited)
AS AT

	June 30, 2015	March 31, 2015
	$	**$**
ASSETS		
Current		
Cash and cash equivalents	**1,883,971**	2,807,129
Receivables	**27,470**	39,647
Security deposits and prepayments	**160,487**	156,969
Total current assets	**2,071,928**	3,003,745
Non-Current		
Plant and equipment (Note 4)	**413,691**	468,517
Exploration and evaluation assets (Note 5)	**61,194,567**	60,800,223
Total non-current assets	**61,608,258**	61,268,740
Total assets	**63,680,186**	64,272,485
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	**276,719**	396,795
Employee benefits	**56,361**	80,608
Finance lease obligation (Note 6)	**10,892**	11,801
Total current liabilities	**343,972**	489,204
Non-Current		
Employee benefits	**1,010**	939
Total non-current liabilities	**1,010**	939
Total liabilities	**344,982**	490,143
Shareholders' equity		
Contributed equity (Note 7)	**89,043,070**	89,043,070
Reserves	**3,777,016**	3,768,970
Deficit	**(29,484,882)**	(29,029,698)
Total shareholders' equity	**63,335,204**	63,782,342
Total liabilities and shareholders' equity	**63,680,186**	64,272,485

Nature and continuance of operations (Note 1)
Commitments (Note 15)
Contingent liabilities (Note 16)
Subsequent events (Note 17)

On behalf of the Board of Directors:

" Earl Evans" Director ***"Cameron McCall"*** Director

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

MACARTHUR MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Australian Dollars)
(Unaudited)

	Three months ended June 30, 2015 $	Three months ended June 30, 2014 $
EXPENSES		
Depreciation (Note 4)	**(40,422)**	(63,758)
Investor relations	**(11,634)**	(8,250)
Office and general	**(73,456)**	(90,267)
Personnel fees	**(291,300)**	(397,688)
Professional fees	**(30,713)**	(250,702)
Rent	**(30,417)**	(33,270)
Share-based compensation (Note 8)	**(8,046)**	(2,969)
Share registry, filing and listing fees	**(42,036)**	(25,958)
Travel and accommodation	**(30,057)**	(31,488)
Total Administrative Expenses	**(558,081)**	(904,350)
REVENUE		
Interest Income	**14,439**	31,614
Other Income (Cost Order)	**29,680**	-
Gain on sale of asset	**58,778**	-
Net loss and comprehensive loss for the period	**(455,184)**	(872,736)
Basic and diluted loss per ordinary share	**$ (0.01)**	$ (0.02)
Basic and diluted weighted average number of ordinary shares outstanding	**56,020,630**	44,820,630

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

MACARTHUR MINERALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS'EQUITY
(Expressed in Australian Dollars)
(Unaudited)

	Number of Shares	Contributed Equity	Subscriptions received in advance	Deficit	Reserves	Total Equity
	#	$	$	$	$	$
Balance at April 1, 2014	44,820,630	86,686,256	-	(27,811,161)	3,896,987	62,772,082
Net loss for the period	-	-	-	(872,736)	-	(872,736)
Private placement	-	-	2,240,000	-	-	2,240,000
Share-based payment transactions	-	-	-	-	2,969	2,969
Balance at June 30, 2014	44,820,630	86,686,256	2,240,000	(28,683,897)	3,899,956	64,142,315
Balance at April 1, 2014	44,820,630	86,686,256	-	(27,811,161)	3,896,987	62,772,082
Net loss for the year	-	-	-	(1,218,537)	-	(1,218,537)
Share-based payment transactions	-	-	-	-	15,840	15,840
Re-allocation of share reserves	-	143,857	-	-	(143,857)	-
Private placement	11,200,000	2,240,000	-	-	-	2,240,000
Share issuance costs	-	(27,043)	-	-	-	(27,043)
Balance at March 31, 2015	56,020,630	89,043,070	-	(29,029,698)	3,768,970	63,782,342
Balance at April 1, 2015	**56,020,630**	**89,043,070**	**-**	**(29,029,698)**	**3,768,970**	**63,782,342**
Net loss for the period	**-**	**-**	**-**	**(455,184)**	**-**	**(455,184)**
Share-based payment transactions	**-**	**-**	**-**	**-**	**8,046**	**8,046**
Balance at June 30, 2015	**56,020,630**	**89,043,070**	**-**	**(29,484,882)**	**3,777,016**	**63,335,204**

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, 2015	Three months ended June 30, 2014
	$	**$**
OPERATING ACTIVITIES		
Net loss for the period	**(455,184)**	(872,736)
Items not involving cash:		
Depreciation	**40,422**	63,758
Share-based compensation	**8,046**	2,969
Loss (Gain) on disposal of equipment	**(58,778)**	-
Changes in non-cash working capital balances:		
Accounts payable and accrued liabilities	**(75,155)**	14,250
Security deposits and prepayments	**(3,518)**	20,183
Receivables	**12,177**	21,152
Net Cash used in Operating Activities	**(531,990)**	(750,424)
INVESTING ACTIVITIES		
Disposals/(Purchases) of plant and equipment	**73,182**	(635)
Government recoveries	**2,126**	3,522
Deferred exploration expenditures	**(465,567)**	(625,148)
Net Cash used in Investing Activities	**(390,259)**	(622,261)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	**-**	2,240,000
Repayment of finance lease	**(909)**	(906)
Net Cash provided by (used in) Financing Activities	**(910)**	2,239,094
Change in cash and cash equivalents during period	**(923,158)**	866,409
Cash and cash equivalents, beginning of period	**2,807,129**	3,628,858
Cash and cash equivalents, end of period	**1,883,971**	4,495,267

Supplemental disclosures with respect to cash flows (Note 11)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Macarthur Minerals Limited ("the Company") is an Australian public company listed in Canada on the Toronto Stock Exchange Venture Exchange ("TSX-V") (symbol: MMS) and the OTC Market Place, OTCQX International ("OTCQX") (symbol: MMSDF) that is currently focused on the exploration and evaluation of iron ore projects in Western Australia. The Company was previously listed on the Toronto Stock Exchange ("TSX") until June 24, 2015.

The Macarthur iron ore projects are owned by the Company's wholly owned subsidiary Macarthur Iron Ore Pty Ltd ("Macarthur Iron Ore" or "MIO"), and MIO has a dormant subsidiary, Macarthur Midway Pty Ltd.

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

The Company maintains its corporate head office and principal place of business at Level 20, 10 Eagle Street, Brisbane, Queensland 4000, Australia.

These condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") 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.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board. These condensed interim financial statements follow the same accounting policies and methods of computation as the Company's audited consolidated financial statements for the year ended March 31, 2015.

The condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2015.

These condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on August 31, 2015.

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies, refer to Note 3.

In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these condensed interim consolidated financial statements are in accordance with IFRS and have not been audited. The preparation of interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements.

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, 2015, and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

(Expressed in Australian Dollars)

4. PLANT AND EQUIPMENT

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Total $
Year ended March 31, 2015				
Opening net book value	425,949	147,818	109,917	**683,684**
Additions	635	-	2,190	**2,825**
Disposals	-	-	(681)	**(681)**
Depreciation charge	(61,027)	(88,334)	(67,950)	**(217,311)**
Closing net book amount	365,557	59,484	43,476	**468,517**
At March 31, 2015				
Cost or fair value	654,217	408,351	392,745	**1,455,313**
Accumulated depreciation	(288,660)	(348,867)	(349,269)	**(986,796)**
Net book amount	365,557	59,484	43,476	**468,517**
Period ended June 30, 2015				
Opening net book value	365,557	59,484	43,476	**468,517**
Additions	-	-	-	**-**
Disposals	-	(14,404)	-	**(14,404)**
Depreciation charge	(14,308)	(16,255)	(9,859)	**(40,422)**
Closing net book amount	351,249	28,825	33,617	**413,691**
At June 30, 2015				
Cost or fair value	654,217	266,422	392,745	**1,313,384**
Accumulated depreciation	(302,968)	(237,597)	(359,128)	**(899,693)**
Net book amount	351,249	28,825	33,617	**413,691**

Included in plant and equipment is $44,104 of motor vehicles purchased through a finance lease.

5. EXPLORATION AND EVALUATION ASSETS

The Company holds 100% of the outstanding and issued share capital of MIO. MIO's assets include a 100% interest in the Macarthur Iron Ore Projects located in Western Australia.

(Expressed in Australian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd)

Exploration and evaluation expenditure
Interim Expenditure

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

	Acquisition Costs	Deferred Exploration Costs	Total
	$	$	$
Balance as at March 31, 2014	**3,823,886**	**54,668,035**	**58,491,921**
Accommodation and camp maintenance	-	96,936	96,936
Drilling	-	23,100	23,100
E30/317 acquisition cost	10,165	-	10,165
Environmental Surveys	-	701	701
Other	-	167,813	167,813
Personnel and Contractors	-	1,127,866	1,127,866
Rent and rates	-	693,122	693,122
Research and reports	-	190,405	190,405
Sampling and testing	-	330	330
Site preparation and earthwork	-	19,787	19,787
Tenement management and outlays	-	58,109	58,109
Travel	-	70,771	70,771
Vehicle hire	-	43,404	43,404
Government Recoveries	-	(194,207)	(194,207)
	10,165	**2,298,137**	**2,308,302**
Balance as at March 31, 2015	**3,834,051**	**56,966,172**	**60,800,223**

	Acquisition Costs	Deferred Exploration Costs	Total
	$	$	$
Incurred during the period			
Accommodation and camp maintenance	-	24,492	24,492
Other	-	24,581	24,581
Personnel and Contractors	-	185,956	185,956
Rent and rates	-	123,607	123,607
Research and reports	-	3,101	3,101
Tenement management and outlays	-	14,839	14,839
Travel	-	4,756	4,756
Vehicle hire	-	15,138	15,138
Government Recoveries	-	(2,126)	(2,126)
	-	**394,344**	**394,344**
Balance as at June 30, 2015	**3,834,051**	**57,360,516**	**61,194,567**

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

(Expressed in Australian Dollars)

5. 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 by the Western Australian Government and pay local shire rents and rates. 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:

		June 30, 2015		March 31, 2015
Not later than one year	$	2,292,063	$	2,231,873
Later than one year but not later than five years	$	9,402,682	$	9,369,688
	$	**11,694,745**	$	11,601,561

For the financial year ending March 31, 2016, the Company may and intends to 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 may and will 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 capitalized to exploration and evaluation assets for those tenements. The Company will also be seeking to reduce expenditure, rates and rents requirements by selective relinquishment of some exploration tenements that are not considered essential. In addition, the Company is applying for future exemptions on a number of mining tenements which will allow the Company exemption on future expenditure up to 5 years in advance.

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:

		June 30, 2015		March 31, 2015
Not later than one year	$	539,022	$	522,715
Later than one year but not later than five years	$	9,402,682	$	9,369,688
	$	**9,941,704**	$	9,892,403

(Expressed in Australian Dollars)

6. FINANCE LEASE COMMITMENTS

The Company has a finance lease for one vehicle with a completion date of February 2016 (extended from February 2013). The vehicle is recorded at cost and classified as a depreciable asset. Title of the vehicle will transfer to the Company upon residual payment of $8,463, at the completion of the lease term.

Future payment obligations are as follows:

	June 30, 2015	March 31, 2015
Gross finance lease liabilities		
- minimum lease payments:		
No later than one year	**$ 11,559**	$ 12,719
	11,559	12,719
Less: interest	**(667)**	(918)
Present value of finance lease liabilities	**10,892**	11,801
Less: current portion	**(10,892)**	(11,801)
	$ -	$ -

7. CONTRIBUTED EQUITY

Ordinary Shares

The Company has authorized ordinary shares with no par value. All issued shares are fully paid and are equally ranked with voting rights.

	June 30, 2015	March 31, 2015
Issued and fully paid ordinary shares:	**$ 89,043,070**	$ 89,043,070
Number of shares on issue:	**56,020,630**	56,020,630

Share Compensation Plans

The Company, in accordance with its Share Compensation Plans and the policies of the TSX-V, is authorized to grant options, award equity restricted share units (“Equity RSUs”), or bonus shares or issue common shares from treasury pursuant to the Company’s share purchase scheme to directors, employees and consultants to acquire in aggregate up to 10% of issued and outstanding ordinary shares. Further, there exists a limit of 5% of issued and outstanding ordinary shares that can be issued under the Company’s Employee Share Compensation Plan in accordance with the Australian *Corporations Act 2001* and policy of the Australian Securities and Investments Commission, subject to certain exemptions.

(Expressed in Australian Dollars)

7. CONTRIBUTED EQUITY (cont'd)

Share Compensation Plans (cont'd)

Both of the Company's Share Employee and Consultant Compensation Plans have been approved until September 15, 2015 by the shareholders and took effect from November 29, 2012, replacing the Company's previous Stock Option Plan. The Company's Share Employee and Consultant Compensation Plans, are being presented for approval at the Company's Annual General Meeting on August 31, 2015.

To date, the Company has only issued options under the Share Compensation Plans. The exercise price of the options is fixed by the Board at no lesser than the fair market value of the shares on the grant date, subject to all applicable regulatory requirements. Options under the Share Compensation 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 options issued is measured and expensed as share-based compensation at 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, (see Note 8). For further detail on the accounting treatment of share options refer to Note 3 accounting policies.

Upon exercise of options, the consideration paid by the option holder, together with the amounts previously recognized in reserves, is recorded as an increase to contributed equity.

Share Options

During the three month period ended June 30, 2015

On May 14, 2015, pursuant to the Company's Consultant Share Compensation Plan, an aggregate of 560,000 incentive stock options were granted to Non-Executive Directors of the Company with an exercise price of CAD$0.046 per share for a period of 3 years and have no vesting conditions.

Share option transactions issued under the Company's Share Compensation Plan and the number of share options outstanding are summarized as follows:

	Three months ended June 30, 2015		Year ended March 31, 2015	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	**2,175,000**	**$0.28 (CAD$0.27)**	4,175,000	$0.26 (CAD$0.27)
Granted	**560,000**	**$0.05 (CAD$0.05)**	1,400,000	$0.26 (CAD$0.25)
Forfeited	**-**	**-**	(3,400,000)	$0.26 (CAD$0.25)
Expired	**(562,500)**	**$0.29 (CAD$0.28)**	-	-
Outstanding, end of period	**2,172,500**	**$0.22 (CAD$0.21)**	2,175,000	$0.28 (CAD$0.27)
Options exercisable, end of period	**2,172,500**	**$0.22 (CAD$0.21)**	2,175,000	$0.28 (CAD$0.27)

(Expressed in Australian Dollars)

7. CONTRIBUTED EQUITY (cont'd)

Share Options (cont'd)

Share options outstanding at June 30, 2015 have the following exercise prices and expiry dates:

Number of Options	Exercise Price	Expiry Date[1]
500,000	$0.26 (CAD $0.25)	December 18, 2016
600,000	$0.31 (CAD $0.30)	January 29, 2017
75,000	$0.31 (CAD $0.30)	June 9, 2017
437,500	$0.26 (CAD $0.25)	December 1, 2017
560,000	$0.05 (CAD$0.046)	May 13, 2018

[1] 225,000 Share options lapsed in July 2015, pursuant to the Share Compensation Plans, due to persons who have vacated employment of the Company.

The range of exercise prices for options outstanding at June 30, 2015 is CAD$0.05 to CAD$0.30.

The weighted average remaining contractual life for the share options as at June 30, 2015 is 2.07 years.

8. 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 statement of loss and comprehensive 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. The weighted average fair value of options granted during the June 30, 2015 period ended was $0.01 (June 30, 2014 - $0.04), resulting in a $8,046 share-based compensation charge to the statement of loss and comprehensive loss (June 30, 2014 - $2,969). Refer to Note 7 for details of options granted during the period.

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

	Three months ended June 30, 2015	Three months ended June 30, 2014
	Weighted average	*Weighted average*
Share price	**CAD $0.045**	CAD $0.16
Exercise price	**CAD $0.046**	CAD $0.30
Risk-free interest rate	**0.68%**	1.07%
Expected life of options	**3 years**	3 years
Annualized volatility	**208.13%**	154.21%
Dividend rate	**0%**	0%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over a commensurate period of time which approximates the expectations that would be reflected in a current market.

(Expressed in Australian Dollars)

9. RELATED PARTY TRANSACTIONS

Related party disclosure

The consolidated interim consolidated financial statements include the financial statements of Macarthur Minerals Limited and the subsidiaries listed in the following table. Balances and transactions between the Company and its wholly-owned subsidiaries have been eliminated on consolidation. Macarthur Minerals Limited is the ultimate parent for all entities.

Name	Country of Incorporation	% Equity Interest	
		June 30, 2015	June 30, 2014
Macarthur Iron Ore Pty Ltd	Australia	100	100
Macarthur Midway Pty Ltd	Australia	100	100

There were no transactions between the Company and related parties in the wholly-owned Group during the year other than intercompany loans and remuneration for key management personnel details of which are contained in this note.

The terms and conditions of those transactions were no more favorable than those that it is reasonable to expect that the entity would have adopted if dealing on an arm's length basis.

Key Management Personnel

The following persons were key management personnel of the Company during the period ending June 30, 2015.

Executive Directors

A S Phillips (resigned as President and Chief Executive Officer ("CEO") and appointed as Executive Director April 28, 2015) (resigned as Chair May 14, 2015)
A J ("Joe") Phillips, CEO (appointed as CEO and Executive Director April 28, 2015, previously Chief Operating Officer)
D Taplin, CFO, General Counsel and Company Secretary (appointed Executive Director April 28, 2015)

Non-Executive Directors

E Evans (appointed April 28, 2015) (appointed as Chair May 14, 2015)
C McCall (appointed April 28, 2015)
J Toigo (resigned April 28, 2015)
J Starink (resigned April 28, 2015)
J Wall (resigned April 28, 2015)
R Patricio (resigned April 28, 2015)

(Expressed in Australian Dollars)

9. RELATED PARTY TRANSACTIONS (cont'd)

Details of Remuneration

Details of the remuneration of each key management personnel of the Company are set out in the following tables.

Period ending June 30, 2015	**Short Term Employee Benefits**				**Post-Employment Benefits**		**Share Based Payments**	
Executive Directors	Cash Salary & Fees	Accrued Salaries	Cash Bonus	Non-monetary benefits	Super-annuation	Retirement Benefits	Options	Total
	$	$	$	$	$	$	$	$
A S Phillips	50,000	39,582	-	-	-	-	-	89,582
A J Phillips	50,000	16,876	-	-	-	-	-	66,876
D Taplin	50,000	13,750	-	-	-	-	-	63,750
Non-Executive Directors:								
J Starink	2,167		-	-	-	-	-	2,167
E Evans	15,000		-	-	-	-	4,023	19,023
C McCall	15,000		-	-	-	-	4,023	19,023
Total	**182,167**	**70,208**	**-**	**-**	**-**	**-**	**8,046**	**260,421**

On April 28, 2015, A S Phillips', A J Phillips' and D Taplin's consulting agreements with the Company were amended such that from April 1, 2015 to September 30, 2015, consulting fees will be temporarily reduced by $10,416.33 per month for A S Phillips, $5,625.33 per month for A J Phillips and $4,583.33 per month for D Taplin. The difference has been accrued until June 30, 2015 and will continue to be accrued until September 30, 2015. Following September 30, 2015, consulting fees will return to the previously agreed monthly consulting fees, unless the temporary reduction is extended by mutual agreement. As at June 30, 2015 the following consulting fee amounts have been accrued but not paid: A S Phillips $39,582, A J Phillips $16,876 and D Taplin $13,750.

Remuneration accrued and payable to key management personnel as at June 30, 2015 was $150,208.

Remuneration of each key management personnel of the Company for the period ended June 30, 2014 was as follows.

Period ending June 30, 2014	**Short Term Employee Benefits**			**Post-Employment Benefits**		**Share Based Payments**	
Directors	Cash Salary & Fees	Cash Bonus	Non-monetary benefits	Super-annuation	Retirement Benefits	Options	Total
	$	$	$	$	$	$	$
A S Phillips	81,249	-	-	-	-	-	81,249
J Starink	15,000	-	-	-	-	-	15,000
J Toigo	15,000	-	-	-	-	-	15,000
J Wall	15,000	-	-	-	-	-	15,000
R Patricio	15,000	-	-	-	-	-	15,000
Other Company Executives:							
A J Phillips	66,876	-	-	-	-	-	66,876
D Taplin	63,750		-	-	-	-	63,750
Total	271,875	-	-	-	-	-	271,875

Remuneration accrued and payable to key management personnel as at June 30, 2014 was $115,625.

(Expressed in Australian Dollars)

9. RELATED PARTY TRANSACTIONS (cont'd)

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.

10. TAX CONSOLIDATION

The Company and its subsidiaries have formed a tax consolidated group for Australian taxation purposes. All entities are therefore taxed as a single entity.

11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	Three months ended June 30, 2015	Three months ended June 30, 2014
Cash paid during the period for interest	**$2,412**	$ 2,415

During the period ended June 30, 2015, the Company entered into the following non-cash transactions:

a) Recorded $27,602 in deferred exploration expenditures through accounts payable.

During the period ended June 30, 2014, the Company entered into the following non-cash transactions:

a) Recorded $63,895 in deferred exploration expenditures through accounts payable.

12. 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.

(Expressed in Australian Dollars)

13. FINANCIAL INSTRUMENTS

Credit Risk

Exposure to credit risk

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

		June 30, 2015		March 31, 2015
Financial assets				
Cash and cash equivalents	**$**	**1,883,971**	$	2,807,129
Security Deposits		**109,606**		109,606
Receivables		**27,470**		39,647
	$	**2,021,047**	$	2,956,382

The Company's receivables comprises of interest receivable and goods and services taxation payments recoverable from the Australian Government.

The Company's maximum exposure to credit risk for receivables at the reporting date by geographic region was:

		June 30, 2015		March 31, 2015
Australia	**$**	**27,470**	$	39,647
Canada		**-**		-
Total	**$**	**27,470**	$	39,647

The financial liabilities the Company has at the reporting date are accounts payable and accrued liabilities, and finance lease obligations. The Company has sufficient cash to cover these liabilities as they come due.

13. FINANCIAL INSTRUMENTS (cont'd)

Currency Risk

Exposure to currency risk

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

	AUD	CAD	AUD	CAD
	June 30, 2015		March 31, 2015	
Cash and cash equivalents	**1,801,627**	**82,344**	2,725,066	82,063
Receivables	**27,470**	**-**	39,647	-
Security deposits	**109,606**	**-**	109,606	-
	1,938,703	**82,344**	2,874,319	82,063
Accounts payable and accrued liabilities	**233,486**	**43,233**	347,501	49,294
Employee Benefits	**57,371**	**-**	81,547	-
Lease liability	**10,892**	**-**	11,801	-
	301,749	**43,233**	440,849	49,294
Net exposure	**1,636,954**	**39,111**	2,433,470	32,769

The following significant exchange rates applied during the period:

	Average rate		**Reporting date spot rate**	
AUD	**June 30, 2015**	March 31, 2015	**June 30, 2015**	March 31, 2015
Canadian dollar (CAD)	**0.9562**	0.9928	**0.9609**	0.9669

Sensitivity analysis

As at June 30, 2015, the Company's expenditures are in Australian dollars and Canadian dollars. As at June 30, 2015, the Company had cash of $82,344 (March 31, 2015 – $82,063) in a Canadian bank account and accounts payable and accrued liabilities of $43,233 (March 31, 2015 – $49,294) for Canadian suppliers. For each 10% change in the Australian dollar vs. Canadian dollar a $3,758 gain/loss would arise (March 31, 2015 - $3,168) on this balance of cash and accounts payable.

(Expressed in Australian Dollars)

13. FINANCIAL INSTRUMENTS (cont'd)

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:

	June 30, 2015	March 31, 2015
Variable rate instruments		
Financial assets	**$ 1,910,684**	$ 2,834,359

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 this period.

	Profit or loss		**Equity**	
	100bp increase	100bp decrease	100bp increase	100bp decrease
June 30, 2015				
Variable rate instruments	**$ 19,107**	**$ (19,107)**	**$ 19,107**	**$ (19,107)**
March 31, 2015				
Variable rate instruments	$ 28,344	$ (28,344)	$ 28,344	$ (28,344)

14. 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 unissued capital of shareholders' equity.

The properties in which the Company currently has an interest in 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 exploration and evaluation activities with the Macarthur Iron Ore Projects, 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.

There were no changes in the Company's approach to capital management during the period ended June 30, 2015. The Company is not subject to externally imposed capital requirements.

(Expressed in Australian Dollars)

15. COMMITMENTS

Operating lease agreements

At June 30, 2015 the Company had the following commitments:

	Finance Vehicle leases $	Operating Building leases $	Total $
Within one year	10,892	104,752	115,644
Later than one year but no later than five years	-	-	-
Total minimum lease payments	**10,892**	**104,752**	**115,644**

The Company has a finance lease for one vehicle with a completion date of February 2016. The vehicle is recorded at cost and classified as a depreciable asset. Title of the vehicle will transfer to the Company upon residual payment of $8,463, at the completion of the lease term.

Exploration expenditures

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 5 to the condensed interim consolidated financial statements for the period ended June 30, 2015.

Option Agreement E30/317

The Company entered into an option agreement on June 16, 2011 to acquire exploration tenement E30/317, with an area of 29 km^2. If the Company at its discretion chooses to exercise the option, a fee of $10,000,000 is payable to acquire the tenement. The option exercise period has been extended until December 16, 2015. The Company is required to keep the tenement in good standing during the option exercise period.

The Company has paid the initial acquisition cost of $100,000 and a further option fee of $200,000 on the first anniversary. As at the reporting date the Company has fully met the $500,000 expenditure requirement and has nil outstanding under the option agreement.

The Company also paid $10,165 for stamp duty payable on the option agreement entered into on June 16, 2011.

Apart from the above, the Company has no other material commitments at the reporting period date.

16. CONTINGENT LIABILITIES

Supreme Court Proceedings

In July 2012, LPD Holdings (Aust) Pty Ltd ("LPD") and Mayson Associates Limited ("Mayson") brought proceedings against the Company and some of its directors and officers. These proceedings were dismissed in November 2012 and the Company was awarded costs on an indemnity basis. LPD and Mayson appealed the indemnity costs order in the Queensland Court of Appeal and on October 11, 2013 the appeal was dismissed with costs of the appeal being awarded to the Company.

LPD brought new proceedings against the Company and some of its directors in November 2012. On November 26, 2013 those proceedings were stayed by consent pending payment of the indemnity costs order and the appeal costs order by LPD and Mayson.

The Company has recovered costs of $24,505 from LPD over the period from April 2015 to June 2015 and the matter is still stayed. The total recovered from these proceedings to date is $476,020.

The Company will continue to vigorously defend the proceedings.

The Company is currently incurring minimal legal costs in relation to the Proceedings. Legal costs of these proceedings (if recommenced) up to and including the filing of the Company's defence are estimated to be between $100,000 and $150,000 (inclusive of Counsel's fees and excluding GST), depending on the steps the Company decides to take. If the proceedings continue to a full trial of the substantial issues, then the legal costs of the proceedings after the filing of the Company's defence are estimated to be at least between $400,000 to $600,000 (inclusive of Counsels' fees and excluding GST). The Company's future liability in relation to LPD's claim is unquantifiable.

In July 2012, the respondent directors and officers (who together engaged separate legal representation) made a claim against the Company's Directors' and Officers' Liability Insurance policy in respect of any liability in these proceedings, including legal costs. The insurer has confirmed coverage of defence costs under the policy and has paid (and continues to pay) the costs incurred by the respondent directors and officers in defending the July 2012 proceedings, the appeal and the proceedings. Other incidental costs that fall outside the policy have been incurred by the respondent directors and officers and the Company has indemnified them for those other incidental costs to date (subject to certain restrictions, including restrictions contained in the Corporations Act 2001 (Cth)).

17. SUBSEQUENT EVENTS

Private Placement

On July 13, 2015 and further on July 15, 2015 the Company announced a non-brokered private placement (the "Offering") of up to 25,000,000 units (each, a "Unit") at a price of CAD$0.02 per Unit for aggregate gross proceeds of up to CAD$500,000. Each Unit is comprised of one common share in the capital of the Company (each, a "Common Share") and one whole warrant to acquire a Common Share (each, a "Warrant") at an exercise price of CAD$0.05 per Common Share for a period of twelve months from the date of issuance.

The Company closed the first tranche on July 28, 2015 for a total of 12,017,998 Units for aggregate gross proceeds of CAD$240,360. The Company closed the second tranche on August 14, 2015 for a total of 13,585,171 Units for aggregate gross proceeds of CAD$271,703.42.

The total placement was oversubscribed with both tranches subscriptions totalling 25,603,169 Units for gross proceeds of CAD$512,063.39. Finder's fees of CAD$5,909.52 are payable in cash for tranche 2.

17. SUBSEQUENT EVENTS (Cont'd)

Following closing of the Offering, the Company has 81,623,799 common shares issued and outstanding.

The net proceeds from the Offering will be used for working capital purposes, in particular rents and rates for Macarthur's iron ore projects, salaries for project staff and other project related costs.

The Company obtained approval from the TSX Venture Exchange to waive the CAD$0.05 minimum pricing requirement in accordance with TSX Venture Exchange bulletin dated April 7, 2014 "*Discretionary Waivers of $0.05 Minimum Pricing Requirement*".