MACARTHUR
Minerals Limited

ACN 103 011 436

Management's Discussion and Analysis

(Form 51-102F1)

For the Year ended March 31, 2015

Information as of June 24, 2015 unless otherwise stated

Note to Reader

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Macarthur Minerals Limited ("Macarthur" or the "Company") for the year ended March 31, 2015 has been prepared by management, in accordance with the requirements of National Instrument 51-102, as of June 24, 2015 (unless otherwise stated).

This MD&A should be read in conjunction with the Company's Audited Annual Financial Statements for the year ended March 31, 2015, together with the notes thereto, as well as the Company's previous quarterly financial and MD&A reports throughout the year and the Annual Information Form. The Audited Annual Financial Statements for the year ended March 31, 2015 are prepared in accordance with International Financial Reporting Standards ("IFRS").

Forward-Looking Information

This MD&A includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements in this MD&A, other than statements of historical facts, are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to activities, events or developments that the Company believes, expects or anticipates will or may occur in the future. 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. Factors that could cause actual results to differ materially from those in forward-looking statements include but are not limited to: unforeseen technology changes that results in a reduction in iron demand or substitution by other metals or materials; the discovery of new large low cost deposits of iron; the general level of global economic activity; future changes in strategy regarding mining, road and rail inputs with respect to the Project; failure to complete the FS; failure of the FS to reflect currently anticipated increases annual production and decreases in expected costs at the Project; the results of infill drilling being insufficient to reclassify current inferred mineral resources on the Project as indicated mineral resources; and failure to obtain mining approvals under the Mining Act.

Inherent in forward-looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk and Uncertainties".

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. 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 and investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Discussion on Operations

Background

Macarthur Minerals Limited is an Australian public company listed in Canada on the Toronto Stock Exchange ("TSX") (symbol: MMS) and the OTC Market Place, OTCQX International ("OTCQX") (symbol: MMSDF) that is currently focused on the exploration and evaluation of iron ore resources in Western Australia. The Company will be delisted from the TSX and will list on the TSX Venture Exchange ("TSX-V") on or before July 3, 2015.

Macarthur's iron ore projects are owned by its wholly owned subsidiary Macarthur Iron Ore Pty Ltd ("Macarthur Iron Ore" or "MIO") and MIO's subsidiary Macarthur Midway Pty Ltd (collectively the "Group").

The Macarthur Iron Ore Projects consist of two distinct mineral projects:

1. The Ularring Hematite Project: encompassing hematite iron ore ("hematite"), to be marketed as potential direct shipping and/or beneficiated iron ore; and
2. The Moonshine Magnetite Project: encompassing magnetite iron ore ("magnetite"), to be marketed as a beneficiated magnetite concentrate;

(together the "Macarthur Iron Ore Projects").

The Macarthur Iron Ore Projects are located on exploration, mining and miscellaneous tenements covering approximately 645 km^2 (as at June 24, 2015) located 175 km northwest of Kalgoorlie in Western Australia. Within the tenements, at least 75 km strike extent of outcropping banded iron formation ("BIF") occurs as low ridges, surrounded by intensely weathered and mostly unexposed granites, basalts and ultramafic rocks.

Outcropping BIF occurs as both siliceous magnetite rich types and altered hematite iron enriched varieties. Exploration by the Company has identified a number of relatively small near-surface hematite prospects as a source of beneficiated iron ore and larger (and generally deeper) magnetite rich BIF, as a source of beneficiated concentrate.

The Company is also undertaking investigation regarding nickel and gold prospectivity on some tenements but it has not been delineated as a separate project.

There was no change in the nature of the Group's principal activities during the year.

ULARRING HEMATITE PROJECT ("Project")

Mineral Resource

The Project's Mineral Resource, as set out in Table 1 and 2, was first announced on June 14, 2012 (NI 43-101 Technical Report filed June 29, 2012, titled "NI 43-101 Technical Report, Macarthur Minerals Limited, Hematite Mineral Resource, Ularring Hematite Project, Western Australia").

Table1 - Ularring Hematite Project Mineral Resource at June 2012

Category	Tonnes Mt	Fe %	P %	SiO_2 %	Al_2O_3 %	LOI %	S %
Indicated	54.46	47.2	0.059	16.9	6.5	7.9	0.16
Inferred	25.99	45.4	0.063	20.6	6.0	7.2	0.09

***Note**: The mineral resource was estimated within constraining wireframe solids encapsulating BIF strata. The resource is quoted from blocks above 40 Fe % cut-off grade, except Moonshine where resource is quoted from blocks above 50 % Fe. Differences may occur due to rounding. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Refer to the 2012 PFS for more information.*

Discussion on Operations (Cont'd)

Table 2 - June 2012 Ularring Hematite Project Mineral Resource by Deposit

Deposit	Reporting cut-off grade (Fe%)	Category	Tonnes Mt	Fe %	P %	SiO_2 %	Al_2O_3 %	LOI %	S %
Snark	40	Indicated	21.83	47.2	0.07	17.5	6.1	7.7	0.15
	40	Inferred	10.96	45.2	0.07	21.8	5.1	6.8	0.09
Drabble Downs	40	Indicated	11.07	47.2	0.06	16.6	6.4	8.3	0.26
	40	Inferred	0.36	43.6	0.05	24.0	4.8	7.8	0.09
Central	40	Indicated	15.09	47.0	0.05	16.2	7.2	8.1	0.12
	40	Inferred	10.19	45.3	0.05	20.3	6.3	7.5	0.08
Banjo	40	Indicated	6.47	47.8	0.06	16.7	6.6	7.4	0.14
	40	Inferred	3.88	45.4	0.06	18.7	7.6	7.9	0.09
Moonshine	50	Inferred	0.60	53.0	0.06	13.4	6.7	6.1	0.15

***Note:** The Mineral Resource was estimated within constraining wireframe solids encapsulating BIF strata. The resource is quoted from blocks above 40% Fe cut-off grade, except Moonshine where resource is quoted from blocks above 50 Fe %. Differences may occur due to rounding. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Refer to the 2012 PFS for more information.*

The Company previously reported a Probable Mineral Reserve of 42.95 Mt @ 47% Fe (NI 43-101 Technical Report filed October 1, 2012, titled "Technical Report, Macarthur Minerals Limited Pre-Feasibility Study Ularring Hematite Project Western Australia" ("2012 PFS")), as set out in in Table 3.

Table 3 - Ularring Mineral Reserve Estimate by Deposit, as at 31 July, 2012

Deposit	Category	Tonnes Mt	Fe %	P %	SiO_2 %	Al_2O_3 %	LOI %	S %
Snark/ Drabble Downs	Probable	26.24	47.0	0.06	15.4	6.4	8.1	0.20
Central	Probable	11.18	46.6	0.05	14.7	7.5	8.3	0.14
Banjo	Probable	5.53	47.5	0.06	15.7	6.4	7.4	0.15
TOTAL	**Probable**	**42.95**	**47.0**	**0.06**	**15.2**	**6.7**	**8.1**	**0.18**

***Note:** Mineral Reserves estimated at a cut-off grade of 41% Fe, consistent with metallurgical test work results. The Mineral Reserves constitute 70% of the total Indicated Mineral Resource. Refer to the 2012 PFS for more information.*
Given the passage of time since the Mineral Reserve estimate was made and the continued volatility in the commodities markets, a revised analysis would need to be conducted to confirm whether the Mineral Reserve is still the economically mineable part of the Indicated Mineral Resource as demonstrated by the 2012 PFS.

On January 23, 2014 the Company announced an update to the Project based upon revised cost estimates, resulting in reduced opex and capex estimates on work undertaken, including:
- reducing estimated operating costs by 13% from A$78/tonne ("t") to A$68/t shipped free on board ("FOB")
- reducing estimated capital expenditure by 14% from A$262 million ("m") to A$226 m
- increasing annual production tonnage from 2 million tonnes per annum ("Mtpa") to 4 Mtpa

No new economic assessment has been undertaken beyond the 2012 PFS economic analysis. New reserve estimations and a full economic reassessment will be undertaken as a part of the Feasibility Study ("FS").

Environmental Approvals

On October 24, 2013 the Company received approval to develop an iron ore mine for the Project and associated infrastructure at the project location under the *Environmental Protection Act 1986* ("EP Act") and the *Environmental and Biodiversity Conservation Act 1999* ("EPBC Act"). A number of ongoing compliance conditions are imposed with the approval. The Project is well placed to fulfil these conditions as the Company plans for project execution.

Exploration Activities

During the year the Company conducted various exploration activities including, metallurgical testwork, water exploration and pisolite exploration.

Discussion on Operations (Cont'd)

Moving Towards Development

Macarthur has been undertaking a process with the assistance of external advisors to secure a strategic investment partner to facilitate moving towards the development of the Project. There are a number of opportunities for an investor to make a foundation investment in the form of an equity investment into the Company, earn into the Project, the provision of primary debt, off-take, or mining and processing financing. Any initial working capital investment would enable Macarthur to complete a FS and contribute to the Project's working capital.

On November 26, 2014 the Company announced that it had entered into a Memorandum of Understanding ("MOU") with ATEC Rail Group Limited ("ARG") to review iron ore acquisition opportunities in the Yilgarn region of Western Australia.

ARG is an Australian based below rail infrastructure company specialising in delivering customised rail infrastructure solutions. ARG has successfully invested in developing open access bulk commodity freight infrastructure. Its focus is on developing, owning, financing and operating the freight infrastructure for bulk commodity clients. ARG's largest shareholder is the US based Energy & Minerals Group ("EMG"), which is a specialised private investment firm with regulatory assets under management of US$17.5 billion. EMG targets equity investments in the energy and minerals sectors with talented and experienced management teams to develop and own hard assets. ARG welcomed EMG as its major shareholder in 2010. ARG has offices in Brisbane, Sydney and Perth.

The MOU was entered into for the purpose of negotiating agreements for:

- forming a consortium to assess, and if agreed, make a bid for available assets in the Yilgarn region;
- carrying out of a transaction with a view to Macarthur acquiring ownership and operating iron ore mining assets and ARG acquiring ownership and operating and maintaining the infrastructure assets associated with transporting iron ore from the mine to port; and
- Macarthur and ARG to work together to develop new infrastructure assets in the Yilgarn region to connect iron ore projects within the region and in particular connecting the Project to those assets.

MOONSHINE MAGNETITE PROJECT

The Inferred Mineral Resource estimate for the Moonshine Magnetite Project was initially prepared by CSA Global Pty Ltd (NI43-101 Technical Report filed December 17, 2009, titled "NI43-101 Technical Report on Lake Giles Iron Ore Project: Western Australia") and was updated by Snowden Mining Industry Consultants (NI43-101 Technical Report filed March 25, 2011, titled "Macarthur Minerals Limited: Moonshine and Moonshine North Prospects, Lake Giles Iron Project, Western Australia, NI43-101 Technical Report – Preliminary Assessment").

Table 4 - Moonshine Magnetite Project Inferred Mineral Resource Estimate

Deposit	Category	Tonnes (Mt)	Fe %
Snark	Inferred	75	27.7
Clark Hill North	Inferred	130	25.8
Sandalwood	Inferred	335	31.1
Clark Hill South	Inferred	66	30.3
Moonshine	Inferred	710	30.6
Total	**Inferred**	**1,316**	**30.1**

***Note**: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*

The Company continues to seek a 'farm-in' partner for the development of the Moonshine Magnetite Project.

Discussion on Operations (Cont'd)

GOLD AND NICKEL EXPLORATION

Prior to acquisition of the Macarthur Iron Ore Projects by Macarthur, there were two periods of limited exploration activity for nickel over parts of the present tenement package.

The tenements were briefly explored for nickel during the late 1960s nickel boom and were then further explored by several companies for gold in the mid 1990s with only very limited shallow reconnaissance drilling undertaken by these explorers.

Historical data, new geological, geophysical and geochemical data obtained in the course of Macarthur's extensive geological investigation of the BIF between 2007 and 2013, shows that there is potential for nickel sulphide and gold mineralisation within the extensive ultramafic rock package hosting the BIFs.

The Company announced the results for nickel drilling conducted in 2013 at the Macarthur Iron Ore Projects (Press Release, Update on Macarthur Minerals' Iron Ore Projects, January 14, 2014). Macarthur drilled diamond hole LGDD_054, to test high grade magnetite. This hole was collared in ultramafic and contained unusual textures and veins of a black mineral thought to be after sulphide. Assaying of the core returned from 4.5 m to 28.0 m (23.5 m) 0.85% nickel ("Ni") and this included 1.03% Ni over an 11.5 m interval from 10.5 m to 22.0 m at an estimated true width of around 8 m. The intersection also shows very low calcium and high magnesium and chromium. The rock is highly weathered and is therefore not conclusive evidence for presence of nickel sulphides, but is encouraging.

The review and evaluation of geochemical and geophysical data has identified significant exploration targets for nickel. These targets include some fifteen areas considered prospective for discovery of sulphide style nickel within the belt of ultramafic rocks. The targets are associated with potentially significant anomalous highly magnetic ultramafic footwall 'bulges', which may represent a thickening and embayment of the komatiite flow into the footwall stratigraphy.

Much of the Macarthur's historical nickel exploration data together with recent observations suggests a favourable environment for the occurrence of nickel sulphide deposits.

Macarthur is seeking a partner to continue the gold and nickel exploration.

TENEMENTS

At March 31, 2015 the Company held and/or managed mineral tenure totalling 23 tenements consisting of 17 Mining Leases and six Exploration Licences covering a total area of approximately 325km2 including Exploration Licence E30/0317, with an area of 28.5 km2, which the Company manages and maintains an option to acquire, pursuant an option agreement dated June 16, 2011. In addition the Company also held nine Miscellaneous Licences, covering 224 km2, for the purpose of infrastructure such as haul roads, rail loading and water exploration. These licenses do not have associated expenditure commitments. The total tenement package covered 549 km2.

During the year ended March 31, 2015, two new Miscellaneous Licences were granted to the Company for a rail siding and haul road. In addition, non-prospective tenure including 13 Exploration Licenses and seven Prospecting Licenses were relinquished resulting in an overall reduction in mineral tenure and expenditure commitments.

At June 24, 2015 the Company holds tenure covering approximately 645 km2, due to net increases in tenement area resulting from acquisitions and relinquishments since 31 March, 2015.

Discussion on Operations (Cont'd)

LIVE MINERAL TENURE

As at June 24, 2015, the Company's 100% owned Macarthur Iron Ore Projects consists of:

Tenement Number	Area(1)		Grant Date	Expiry Date
E30/0240	12	SB	23-Oct-00	22-Oct-14
E30/0321	5	SB	08-Aug-07	07-Aug-17
E30/0322	16	SB	30-Mar-07	29-Mar-17
E30/0443	10	SB	02-Nov-12	01-Nov-17
E77/1299	6	SB	02-May-11	01-May-16
L16/0107	7,599	HA	28-Nov-13	27-Nov-34
L29/0125	125	HA	24-Apr-14	23-Apr-35
L29/0126	977	HA	29 May 14	28 May 35
L29/0129	789	HA	16-Jan-14	15-Jan-35
L30/0049	628	HA	24-Aug-11	23-Aug-32
L30/0050	844	HA	24-Aug-11	23-Aug-32
L30/0051	2,205	HA	28-Dec-11	27-Dec-32
L30/0054	8,957	HA	17-Dec-13	16-Dec-34
L30/0056	308	HA	24-Feb-14	23-Feb-35
L30/0058	9,877	HA	08-May-15	07-May-36
M30/0206	893	HA	02-Jul-07	01-Jul-28
M30/0207	892	HA	02-Jul-07	01-Jul-28
M30/0213	894	HA	13-Jun-11	12-Jun-32
M30/0214	894	HA	13-Jun-11	12-Jun-32
M30/0215	894	HA	13-Jun-11	12-Jun-32
M30/0216	893	HA	13-Jun-11	12-Jun-32
M30/0217	893	HA	13-Jun-11	12-Jun-32
M30/0218	893	HA	13-Jun-11	12-Jun-32
M30/0219	364	HA	02-Jul-07	01-Jul-28
M30/0227	595	HA	13-Jun-11	12-Jun-32
M30/0228	594	HA	02-Jul-07	01-Jul-28
M30/0229	889	HA	02-Jul-07	01-Jul-28
M30/0248	1,845	HA	22-Feb-12	21-Feb-33
M30/0249	2,780	HA	22-Feb-12	21-Feb-33
M30/0250	348	HA	05-Mar-13	04-Mar-34
M30/0251	2,287	HA	27-Nov-12	26-Nov-33
M30/0252	609	HA	27-May-13	26-May-34

(1) 1 sub-block (SB) = approx. 3km^2, 1 HA = 0.01km^2

As at June 24, 2015, the Company held under option:

Tenement Number	Area(1)		Grant Date	Expiry Date
E30/0317	10	SB	01-Sep-06	31-Aug-15

(1) 1 sub-block (SB) = approx. 3km^2, 1 HA = 0.01km^2

Discussion on Operations (Cont'd)

CURRENT AND FUTURE FOCUS

On April 28, 2015 the Company announced that since late 2014, Macarthur has been:

- evaluating its core tenement portfolio and actively seeking a joint venture partner to offset the holding costs of the Macarthur Iron Ore Projects;
- pursuing alternative development scenarios; and
- identifying counter cyclical investments that complement Macarthur's capabilities.

The delivery of a short term commercial outcome for the Project is constrained at prevailing iron ore prices. The Project still remains a valuable asset, because of its advanced status. For the immediate future, the Company's focus is on securing the core Project assets and waiting for improved market conditions, as well as looking for new project opportunities.

Since 2013, Macarthur has been reducing its geological, engineering and environmental teams as the Project completed its 2012 PFS and obtained environmental approvals. In 2015, another round of re-structuring has occurred that will retain a core technical and commercial team focused on new project evaluation.

The Company in the short term has reduced expenditures to predominately its tenement holding costs and maintaining key personnel.

As announced on May 14, 2015 the Company continues to seek new project opportunities.

Corporate Update

Corporate Activities during the year ended March 31, 2015

(i) Private Placement

On July 24, 2014, the Company closed a private placement for gross proceeds of AUD$2,240,000 for the issue of 11,200,000 shares of the Company at a price of AUD$0.20 per share representing a 46% premium to the closing price of the Company's TSX-listed shares on June 6, 2014.

(ii) Change of Australian Auditors

Hayes Knight was appointed the Company's Australian auditor following the resignation of Pilot Partners, and approval by shareholders at the Company's Annual General Meeting, held on August 28, 2014. Davidson and Company continues to act as the Company's Canadian auditor.

(iii) TSX Listing Review

On February 3, 2015 the Company received notice from the TSX that it was reviewing the common shares of the Company with respect to meeting the continued listing requirements of TSX. The review process was conducted as a result of the decline in the market value of the Company's common shares pursuant to Part VII of the TSX Company Manual. See section (ii) Corporate Activities since the year ended March 31, 2015 below for result of this review.

(iv) LPD Holdings (Aust) Pty Ltd v. Macarthur Minerals Limited and Ors.

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.

Corporate Update (cont'd)

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 of the dismissed proceedings and the appeal costs by LPD and Mayson.

The Company has recovered costs of $451,515 from LPD over the period from November 2014 to March 2015 and the matter is still stayed.

The Company will continue to vigorously defend the Proceedings.

(v) First Strategic Development Corporation Ltd (in liquidation)

The decision in the Queensland Supreme Court action by the Liquidator for First Strategic Development Corporation Limited (in Liquidation) ("FSDC"), against the directors of FSDC for insolvent trading was handed down in April 2014. The Court ordered that:

1. The first and third defendants, Sing Chuck Charles Chan and Wai Tak (Edward) Kwok, pay to FSDC, the sum of $1,349,131,
2. The second defendant, Wai Lap Victor Chan, pay to FSDC, the sum of $1,322,867,

("FSDC Judgement").

Legal costs were also awarded against the first, second and third defendant directors on an indemnity basis.

The defendants appealed against the FSDC Judgement. The Queensland Court of Appeal handed down its decision on March 6, 2015 dismissing the defendants' appeal and ordering the defendants to pay the costs of the appeal on a standard basis.

As at March 31, 2015, the Company has received from the Liquidator of FSDC the amount of $1,428,371 for part reimbursement of costs, in accordance with the court approved funding arrangements. Further costs subject to assessment are payable to the Liquidator, and to be reimbursed to the Company pursuant to the funding arrangements.

Corporate Activities since the year ended March 31, 2015

(i) Change in Board

On April 28, 2015 the Company announced that Non-Executive Directors, Messrs. Toigo, Starink, Patricio and Wall resigned from the Board, and two new non-executive directors, Mr Earl Evans and Mr Cameron McCall were appointed. Further that Mr Joe Phillips, the current COO, had taken over the role of CEO from Mr Alan Phillips. On the same date, Mr Joe Phillips and Mr David Taplin, the current CFO, General Counsel & Company Secretary, were appointed as Executive Directors. The former CEO, Mr Alan Phillips, remained as Executive Director but on May 14, 2015, Mr Earl Evans replaced Mr Alan Phillips as Chairman.

(ii) TSX De-listing

As Macarthur was unable to demonstrate that it met the requirements of Part VII of the TSX Company Manual on June 3, 2015, the TSX determined that Company's securities will be delisted from TSX on or before July 3, 2015.

The Company will list its common shares on the TSX Venture Exchange to ensure continued and seamless trading liquidity for shareholders on or before July 3, 2015.

Results of Operations and Financial Condition

(All amounts in Australian dollars)

Selected Financial Information

The following table sets forth selected financial information of the Company for, and as at the end of, each of the last three financial years up to and including March 31, 2015. This financial information is derived from the Audited Annual Financial Statements of the Company. The Company prepares financial information according to IFRS and all information is reported in Australian dollars.

Australian $	2015	2014	2013
Interest and other income	1,980,185	269,160	939,410
Net profit (loss) for the year	(1,218,537)	(3,806,341)	(4,062,124)
Net profit (loss) per share	(0.02)	(0.08)	(0.09)
Total Assets	64,272,485	63,287,845	67,688,947
Total Long-term financial liabilities	939	13,967	52,117

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 3 financial years, the Company has reported operating net losses. The most significant factor affecting operating losses during the last 3 financial years is continuing administrative expenses, which includes personnel fees, professional fees, office and general expenses and share-based compensation.

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.

Exploration and Evaluation Expenditures

Capitalized exploration and evaluation costs, for the Macarthur Iron Ore Projects are as follows:

Australian $	Year Ended March 31, 2015	Year Ended March 31, 2014
Capitalized expenses	2,308,302	3,169,605

For the year ended March 31, 2015, the Company expended $2,308,302 on exploration and evaluation activities compared with $3,169,605 for the year ended March 31, 2014. This decrease in expenditure of $861,303 reflects the Company's migration from primarily exploration to a focus on future development. The largest elements of exploration and evaluation costs during the 2015 financial year were personnel and contractors representing 49% and tenement rent and rates 30%. Personnel and contractor costs reduced by 34% during the year compared to the corresponding year representing a $585,878 saving.

Administrative Expenses

Administrative expenses are expenses not directly related to the Macarthur Iron Ore Projects and are expensed immediately.

Australian $	Year Ended March 31, 2015	Year Ended March 31, 2014
Administration Expenses	3,198,722	4,075,501

The largest elements of administrative expenses for the year ended March 31, 2015 were personnel fees of $1,494,254, professional fees of $733,212 and office and general expenses of $363,552. Professional fees include legal fees relating to the LPD and FSDC (in liquidation) legal actions.

Largest non-cash items included administrative expenses for the year ended March 31, 2015 were depreciation of $217,311 and share-based compensation of $15,840. Both decreased compared to the corresponding year ended March 31, 2014 of $261,795 and $151,646 respectively.

Compared to the corresponding year ended March 31, 2014, total administrative expenses decreased by 22% or $876,779. The decrease was mainly due to reduced professional fees of $475,061 and personnel costs of $126,231.

Results of Operations and Financial Condition (Cont'd)

Income

Income normally comprises interest income earned on the Company's liquid financial instruments.

Australian $	Year Ended March 31, 2015	Year Ended March 31, 2014
Interest Income	100,299	269,160
Other Income	1,879,886	-

For the year ended March 31, 2015 the Company earned interest income of $100,299. Compared to the corresponding year ended March 31, 2014 interest income decreased by $168,861 due to interest earned on a decreased cash balance.

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

For the year ended March 31, 2015 the Company earned other income of $1,879,886 for recovery of legal costs relating to the LPD and FSDC (in liquidation) legal actions.

Income Taxes

Future tax assets have not been recognized in the financial statements as the directors believe it has not yet become probable that they will be recovered and utilized.

The Australian Government has passed the Minerals Resources Rent Tax Repeal and Other Measures Act 2014, which repeals the Minerals Resources Rent Tax ("MRRT"). The Company has not paid, nor has any liability to pay MRRT.

Net Losses

The net loss for the year reflects the administrative costs of the Company, including share-based compensation expense relating to employee and consultant share options.

Australian $	Year Ended March 31, 2015	Year Ended March 31, 2014
Net loss	1,218,537	3,806,341

The net loss for the year ended March 31, 2015 was $1,218,537 compared with $3,806,341 for the corresponding year ended March 31, 2014. This decreased net loss of $2,587,804 was mainly attributable to cost recovery monies received, and a reduction in personnel costs and professional fees.

Change in Financial Position

Australian $	Year Ended March 31, 2015	Year Ended March 31, 2014
Cash and cash equivalents	2,807,129	3,628,858
Exploration and Evaluation assets	60,800,223	58,491,921
Plant and Equipment	468,517	683,684
Total Assets	64,272,485	63,287,845
Accounts Payable and Accrued Liabilities	396,795	404,427
Total Liabilities	490,143	515,763
Net Assets	63,782,342	62,772,082
Net Working Capital	2,514,541	3,610,444

At March 31, 2015 the Company had net assets of $63,782,342 compared to $62,772,082 at March 31, 2014. The increase is due to other income recovery of legal costs relating to the LPD and FSDC (in liquidation) legal actions.

Results of Operations and Financial Condition (Cont'd)

The Company's cash and cash equivalents balance was $2,807,129 at March 31, 2015 which was a decrease of $821,729 from the March 31, 2014 balance. Since March 31, 2015 the carrying value of exploration and evaluation assets has increased by $2,308,302 and accounts payable and accruals decreased by $7,632. Refer below for the year's cash flow movement.

Plant and equipment was $468,517 at March 31, 2015 reflecting the depreciated book value of various site and office equipment, including vehicles.

The Company's net working capital at March 31, 2015 was $2,514,541 compared with net working capital of $3,610,444 at March 31, 2014. The decrease in the net working capital mainly results from a decrease in cash balance resulting from exploration, evaluation and administrative expenditure.

Year to Date Cash Flows

Australian $	Year Ended March 31, 2015	Year Ended March 31, 2014
Operating Activities	(686,745)	(3,189,458)
Investing Activities	(2,344,306)	(3,773,397)
Financing Activities	2,209,322	(81,456)
Total cash movement	(821,729)	(7,044,311)

Cash outflow from operating activities during the year ended March 31, 2015 was $686,745 compared with $3,189,458 for the prior corresponding year. The decreased cash outflow was mainly due to cost order monies received and a reduced security deposit required by the Company.

Cash outflow from investing activities during the year was $2,344,306 compared with $3,773,397 in the prior year. The outflow in both comparative years related primarily to exploration and feasibility study activities. The reduction in cash outflow relates to the Company transitioning from exploration to feasibility and future development activities.

Cash inflow from financing activities during the year was $2,209,322 compared with cash outflow of $81,456 for the prior year. The inflow relates to gross funds received of $2,240,000 on June 9, 2014 for a private placement of 11,200,000 shares.

Results of Fourth Quarter

Exploration and Evaluation Expenses

Australian $	Quarter Ended March 31, 2015	Quarter Ended March 31, 2014
Exploration and Evaluation costs	627,696	235,204

Exploration and evaluation costs for the quarter ended March 31, 2015 were $627,696 compared to the previous March quarter of $235,204. The difference of $392,492 is attributable to the Company receiving $505,987 in February 2014 for a Research and Development ("R&D") claim granted by the Australian Government. Excluding the R&D claim, the decrease in exploration and evaluation costs relate directly to the reduced overhead costs, including ceasing the office lease in Perth.

Administrative Expenses

Australian $	Quarter Ended March 31, 2015	Quarter Ended March 31, 2014
Administration expenses	742,073	867,420

For the quarter ended March 31, 2015 the Company incurred administrative expenses of $742,073 compared to $867,420 for the quarter ended March 31, 2014.

The largest elements of administrative expenses for the quarter ended March 31, 2015 were personnel costs of $365,448 and professional fees of $169,135. Compared to the corresponding quarter ended March 31, 2014 total administrative expenses decreased by $125,347, mainly due to reduced office and general costs and reduced personnel fees.

Results of Fourth Quarter (cont'd)

Income

Income is mainly comprised of interest income. For the quarter ended March 31, 2015 the Company earned interest income of $15,907. Compared to the corresponding quarter ended March 31, 2014 interest income decreased by $26,124 due to interest earned on a decreased cash and cash equivalents balance.

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.

For the quarter ended March 31, 2015 the Company earned other income of $1,879,886 for recovery of legal costs relating to the LPD and FSDC (in liquidation) legal actions.

Net Losses

The net profit for the quarter ended March 31, 2015 was $1,048,294 compared with the net loss for the corresponding quarter ended March 31, 2014 of $825,389. The net profit for the quarter ended March 31, 2015 was mainly due cost order monies received of $1,774,460.

Summary of Quarterly Information

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with March 31, 2015. This financial information is derived from the Annual Audited Financial Statements of the Company.

	Jun 30, 2013 $	**Sept 30, 2013 $**	**Dec 31, 2013 $**	**Mar 31, 2014 $**	**June 30, 2014 $**	**Sept 30 2014 $**	**Dec 31 2014 $**	**Mar 31, 2015 $**
Interest Income	101,163	72,939	53,027	42,031	31,614	32,729	20,049	15,907
Net profit/(loss)	(972,117)	(1,067,585)	(941,250)	(825,389)	(872,736)	(823,803)	(570,292)	1,048,294[1]
Net profit/(loss) per share	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	0.02

[1] For the quarter ended March 31, 2015 a profit was recorded by the Company. The profit relates directly to cost order monies received for the LPD and FSDC (in liquidation) legal actions.

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

Apart from the last quarter, when legal costs were recovered, during the last 8 quarters, the Company has consistently reported net losses. The most significant factor affecting quarterly losses is continuing administrative expenses.

Income is predominantly derived from interest income. Other minor receivables include overnight camp accommodation and camp fuel reimbursement. The Company has received other income in the last quarter relating to cost recovery monies in relation to the LPD and FSDC (in liquidation) legal actions.

Liquidity and Capital Resources

At March 31, 2015, the Company has net working capital of $2,514,541

The Company's only external borrowings consist of a financial lease arrangement for motor vehicles, which at the reporting date totaled $11,801.

Over the next 4 quarters (12 months), the Company anticipates its cash expenditure requirements will remain stable as the Company continues exploration and evaluation activities. Upon project financing being raised, expenditure will significantly increase.

Related Party Transactions

Balances and transactions between the Company and its wholly owned subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this MD&A. There were no transactions between the Company and related parties in the wholly owned Group during the year ended March 31, 2015 other than remuneration for key management personnel for which details are disclosed below. The terms and conditions of those transactions were no more favorable than those that it is reasonable to expect that an 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 year ended March 31, 2015.

Chairman, President and Chief Executive Officer ("CEO")

A S Phillips

Non-Executive Directors

J Toigo (resigned April 28, 2015)

J Starink (resigned April 28, 2015)

J Wall (resigned April 28, 2015)

R Patricio (resigned April 28, 2015)

Other key management personnel

The following persons also had authority and responsibility for the planning, directing and controlling various activities of the Company during the financial year:

Other company executives

A J ("Joe") Phillips	Chief Operating Officer ("COO")
D Taplin	Chief Financial Officer, General Counsel and Company Secretary ("CFO")

Details of Remuneration

For details on the remuneration of each key management personnel of the Company refer to Note 21 of the Audited Annual Financial Statements for the year ended March 31, 2015.

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 International Accounting Standard ("IAS") 24. Where transactions are entered into with those entities the terms and conditions are no more favorable 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.

Commitments

Lease agreements

At the March 31, 2015 balance sheet date the Company had the following commitments:

	Vehicle leases $	Building leases $	Total $
Within one year	11,801	139,670	151,471
Later than one year but no later than five years	-	-	-
	11,801	139,670	151,471

Commitments (Cont'd)

The Company has a finance lease contract 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.

Exploration expenditures

Certain future exploration expenditures are required to be undertaken by the Company as a minimum retention for exploration permits. These expenditures are set out in Note 12 to the Audited Annual Financial Statements for the year ended March 31, 2015.

Option agreement

The Company entered into an option agreement on June 16, 2011 to acquire exploration tenement E30/317, with an area of 29 km^2 ("Option"). The Company has paid the initial acquisition cost of $100,000 and a further option fee of $200,000 on the first anniversary. The Company has fully met the $500,000 expenditure requirement and has nil outstanding under the option agreement.

The Option has been extended until December 16, 2015. The Company is required to keep the tenement in good standing and the option fee remains the same at $10,000,000.

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 balance sheet date.

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.

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 exploration and evaluation. The following risk factors should be considered:

GENERAL

The Company is an Australian mineral exploration and evaluation company listed on the TSX and engaged in the exploration and evaluation of mineral properties in Western Australia.

The recoverability of the Mineral Resources and Mineral Reserves are dependent upon the ability of the Company to obtain the necessary financing to continue exploration and evaluation 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.

Resource exploration and evaluation is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, infrastructure, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Risks and Uncertainties (Cont'd)

The Annual Audited Financial Statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the year ended March 31, 2015 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 and evaluation activities that are being conducted, which in turn may depend on the Company's recent exploration and evaluation experience and prospects, as well as the general market conditions relating to the availability of funding for exploration and evaluation stage resource companies. Consequently, the Company does not acquire properties or conduct exploration and evaluation 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.

The Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavor to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

RISKS RELATING TO THE BUSINESS OF THE COMPANY

Going Concern (Trends)

The Company's financial success is dependent upon the discovery of commercial Mineral Resources on the Macarthur Iron Ore Projects 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. 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.

Going Concern (Funding)

The Company's continuing operations are dependent upon its ability to raise either additional equity capital or other funding, project financing or generate cash flow from operations in the future, which could include the realization through sale of part or all of the exploration asset, none of which is assured. This depends upon the realization of economic, operating and trading assumptions about future events and actions, which may not necessarily occur, and the successful implementation of management plans to commercialize its mining projects through development or sale and to manage the consolidated entity's affairs to meet its commitments until this takes place. These conditions may cast significant doubt about the Company's ability to continue as a going concern.

Reliance on Key Personnel (Management and Directors)

The Company's development to date has largely depended, and in the future will continue to depend on the efforts of key management. Loss of any of these people could have a material adverse effect on the Company and its business, and therefore the trading price of its shares. In this sense the Company has been, and continues to be, particularly reliant on the following directors and officers:

- Earl Evans – Non-Executive Chairman
- Alan S Phillips – Executive Director
- David Taplin – Executive Director, CFO, General Counsel and Company Secretary
- Joe Phillips – Executive Director and CEO
- Cameron McCall – Non-Executive Director

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

Risks and Uncertainties (Cont'd)

Risk of the General Market and Economic Conditions

Changes in the general economic climate in which Macarthur operates may adversely affect its financial performance, its exploration and evaluation activities, and its ability to fund those activities. Factors that may contribute to that economic climate include changes in global and/or domestic economic conditions, the general level of economic activity, movements in interest rates and inflation, currency exchange rates and other economic factors.

The price of commodities, especially iron ore and level of activity within the mining industry will also be of particular relevance to Macarthur. Neither Macarthur nor the directors warrant the future performance of the Company or any return on an investment in Macarthur.

Competitive Conditions Risk

The resource industry can be intensively competitive, and a number of other hematite and magnetite deposits have already been developed in Western Australia. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests, access to infrastructure as well as for the recruitment and retention of qualified employees and contractors.

The Company may be unable to acquire additional attractive mining properties on terms it considers to be acceptable. The inability of the Company to acquire attractive mining properties would result in difficulties in it obtaining future financing and profitable operations.

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

Risk that the Company has a Limited Operating History

The Company has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places the Macarthur Iron Ore Projects into production.

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 March 31, 2015 the Company's deficit was $29,029,698.

Risk of Conflict 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.

Conflicts of interest affecting the directors and officers of Macarthur will be governed by Macarthur's "Code of Conduct", the Constitution of Macarthur, the provisions of the *Corporations Act 2001* (C'th) and other applicable laws and relevant stock exchange policies and requirements.

The directors are required by law, to act honestly and in good faith with a view to the best interests of the Company.

In the event that such a conflict of interest arises at a meeting of the directors, a director affected by the conflict must disclose the nature and extent of their interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises.

Insurance Risk

Macarthur's operations are subject to all of the risks and hazards typically associated with the exploration and evaluation of iron ore. Macarthur intends to maintain insurance that is within ranges of coverage that Macarthur believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that Macarthur will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Risks and Uncertainties (Cont'd)

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Macarthur. Insurance of all risks associated with exploration and evaluation is not always available and where available the costs may be prohibitive.

Risk of Terrorist Attack or Other Sustained Armed Conflicts

Terrorist activities, anti-terrorist efforts or other armed conflict involving Canada or Australia or their interests abroad may adversely affect the Canadian, Australian and global economies. If events of this nature occur and persist, the associated political instability and societal disruption could reduce overall demand for commodities including iron ore potentially putting downward pressure on prevailing commodity prices and adversely affect the Company's activities.

RISK FACTORS RELATING TO FINANCE

Liquidity Risk (Solvency Risk)

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a rigorous planning and budgeting process to help determine the funds required to meet its operating and growth objectives. The Company prepares cash forecasts and maintains cash balances to meet short and long term cash requirements.

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 and evaluation. 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 may need to raise funds by the issuance of shares or dispose of interests in its mineral properties (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and evaluation 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 its required financing.

Macarthur's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to Macarthur on reasonable terms or at all. Failure to obtain appropriate financing on a timely basis or reasonable terms may result in a loss of business opportunity and excessive funding costs. If Macarthur raises additional funds through the issue of equity securities, this may result in dilution to the existing shareholders and/or a change of control of Macarthur.

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. The Company has not made any commitments for significant capital expenditures. 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.

Commodity Price Risk

The Company's future 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 has 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. As the Company has not yet reached the mining stage, its exposure to price risk does not impact on the financial statements however price risk is a critical assumption for the Company's reported Scoping Studies and Preliminary Feasibility Study ("Project Studies").

Risks and Uncertainties (Cont'd)

Credit Risk

Credit risk is the potential loss through non-performance by counterparties of financial obligations. The Company's primary exposure to credit risk is on its cash and cash equivalents and taxes receivable. The Company limits its exposure to credit risk by maintaining its financial liquid assets with high-credit quality financial institutions. Receivables are primarily interest receivable and goods and services tax due from the Australian Taxation Office.

Risk Related to the 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.

Currency Risk

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

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents are highly liquid and earn interest at market rates in short term fixed term deposits and variable chequing accounts. Due to the short term nature of these financial instruments, fluctuations in market interest rates do not have a significant impact on the fair values of these financial instruments.

Risk of Unforeseen Expenses

While Macarthur is currently not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of Macarthur may be adversely affected.

RISK FACTORS RELATING TO THE SECURITIES OF THE COMPANY

Risk of Share Price and Market Volatility

The market price of shares can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Canadian and Australian resources sector, Canadian and Australian listed entities and exploration companies in particular. During the year ended March 31, 2015, the per share price of the Company's shares fluctuated from a low of CAD$0.01 to a high of CAD$0.245.

There are a number of factors (both national and international) that may affect the share market price and neither Macarthur nor its directors have control over those factors. There can be no assurance that continual fluctuations in price will not occur.

Risks and Uncertainties (Cont'd)

Factors that could affect the trading price that are unrelated to Macarthur's performance include domestic and global commodity prices and economic outlook, fiscal and monetary policies, currency movements, and market perceptions of the attractiveness of particular industries. The Shares carry no guarantee in respect of profitability, dividends, return on capital, price or degree of liquidity with which they trade on the TSX and OTCQX.

Shares Reserved for Issuance: Dilution Risk

Capital raisings to meet funding and property commitments will result in dilution to the Company's shareholders. It is likely any additional capital required by the Company, as described above, will be raised through the issuance of additional equity securities which will result in dilution to the Company's existing shareholders. Further, the Company, from time to time, is required to issue Shares to earn its interests in properties. Such property share issuances will also result in dilution to the Company's existing shareholders.

As at March 31, 2015, there were 2,175,000 stock options outstanding.

Share Liquidity Risk

Shareholders of the Company may be unable to sell significant quantities of the Company's shares into the public trading markets without a significant reduction in the price of their shares, if any at all. The majority of the Company's shares are held with institutional holders, which means that there is a usually low trading volume. The Company's market maker has the role of ensuring there is a buyer/seller if liquidity is too low. The Company need to take action to continue to meet the listing requirements of the TSX or achieve listing on any other public listing exchange

Dividends

The Company currently does not pay dividends. Payment of dividends on the Company's shares is within the discretion of the Company's board and will depend upon the Company's future earnings, its capital requirements, financial condition, and other relevant factors. The Company does not currently intend to declare any dividends for the foreseeable future.

RISK FACTORS RELATING TO THE COMPANY'S PROPERTY INTERESTS

Title Risk

Macarthur cannot guarantee that one or more of its titles within the Macarthur Iron Ore Projects will not be challenged. Title insurance is generally not available for mineral properties and Macarthur may not be able to ensure that it has obtained a secure claim to individual mineral properties or exploration rights and as a result the Company's ability to develop the Macarthur Iron Ore Projects may be constrained. The Macarthur Iron Ore Projects may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Macarthur may not have conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in Macarthur being unable to operate on all or part of the Macarthur Iron Ore Projects as permitted or being unable to enforce its rights with respect to all or part of the Macarthur Iron Ore Projects.

In addition, Macarthur's interests in the Macarthur Iron Ore Projects are subject to various conditions, obligations and regulations imposed by the Western Australian Government Department of Mines and Petroleum. If the necessary approvals are refused, Macarthur will suffer a loss of the opportunity to undertake further exploration, or evaluation, of the tenement. Macarthur currently knows of no reason to believe that current applications will not be approved, granted or renewed.

Lack of funding to satisfy contractual expenditure obligations under any option, joint venture or farm in agreements ("Tenement Acquisition Agreements") to which the Company is a party, may result in termination of the Company's property interests in such agreements. The Company may also be unable to meet its share of costs incurred under any Tenement Acquisition Agreements and the Company may have the tenement interests subject to such agreements reduced as a result or even face termination of such agreements. In order to secure ownership of these properties, additional financing will be required. Failure of the Company to make the requisite payments in the prescribed time periods will result in the Company losing its entire interest in the subject property and the Company will no longer be able to conduct certain aspects of its business as described in this MD&A.

Risks and Uncertainties (Cont'd)

The Company may not have sufficient funds to: make the minimum expenditures to maintain its properties in good standing under Canadian and Australian law; and make the minimum expenditures to earn its interest in tenements. In such event, in respect of any of the properties, the Company may seek to enter into a joint venture or sell the subject property or elect to terminate its option.

Macarthur requires land access in order to perform exploration and evaluation activities, which can be affected by land ownership and require related compensation arrangements with landowners or occupiers. Where possible the Company will work with tenement and landowners to obtain required rights of access but unless such rights are obtained, or if there is a dispute, the Company's operations may be adversely affected or delayed.

Macarthur's project areas may contain sites of cultural significance, which would need to be avoided when carrying out field programs and potential project development.

Environmental Factors and Protection Requirements

The Company is currently engaged in exploration and evaluation activities with limited environmental impact and actively engages with government departments to ensure open communication and accurate assessment of environmental approvals. 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. Limited environmental incidents may be covered under existing insurance policies. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

Risk related to Infrastructure and Development

There are numerous activities that need to be completed in order to successfully commence production of iron ore from the Macarthur Iron Ore Projects, including, without limitation, negotiating final terms of export capacity at the Port of Esperance, negotiating rail and road haulage contracts, optimizing the mine plan, locating an adequate supply of fresh and saline water (for road and dust suppression), acquisition of the right to establish a rail siding, negotiating contracts for the supply of power, for the sale of iron ore and for shipping, updating, renewing and obtaining, as required, all necessary permits including, without limitation, mining and environmental permits, local government road haulage approvals and handling any other infrastructure issues.

There is no certainty that the Company will be able to successfully negotiate these contracts, put these matters in place and secure these necessary resources. Most of these activities require significant lead times and the Company will be required to manage and advance these activities concurrently in order to commence production. It is not unusual in developing a resources project to experience unexpected problems and delays in infrastructure delivery and project development. A failure or delay in the completion of any one of these activities may delay production, possibly indefinitely, and will have a material adverse effect on the Company's business, prospects, financial performance and future results of operations.

Estimates of Mineral Reserves and Resources

The Company's projects cover mineralization and natural material of intrinsic economic interest which have been identified and estimated through exploration and sampling. Mineral Resource estimates are defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. A Mineral Resource estimate is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. The phrase "reasonable prospects for economic extraction" implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. These assumptions are presented explicitly in both public and technical reports.

Risks and Uncertainties (Cont'd)

Given the passage of time since the Mineral Reserve estimate was made and the continued volatility in the commodities markets, a revised analysis would need to be conducted to confirm whether the Mineral Reserve is still the economically mineable part of the Indicated Mineral Resource as demonstrated by the 2012 PFS.

Mineral Reserves are those parts of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Qualified Person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factors. Although the reporting of a "Mineral Reserve" indicates that there are reasonable expectations of all governmental approvals being received, it does not signify that extraction facilities are in place or operative or that all governmental approvals have been received.

Risk of Reliance on and Relevance of Project Studies

The Company's Project Studies are evaluations of potential development of a project at a given time taking many factors into account. No assurance can be given that the process, methodology or plan of development included in a Project Study will be progressed and included in further studies. Project Studies are based on existing resource estimates and market conditions and consequently, market fluctuations, varied logistics or production costs or recovery rates may render the results of existing Project Studies uneconomic and may ultimately result in a future study being very different.

The Company's ability to rely on results from Project Studies would be affected due to the time based nature of the studies which may adversely affect the Company as it may need to repeat certain aspects of the Project Studies with new results and current market conditions.

Risk of Restrictive Access to the Macarthur Iron Ore Projects

The Macarthur Iron Ore Projects are located in areas which can be difficult to access at times. During this period, costs associated with the Company carrying on its business may significantly increase and exceed the amount allocated in the Company's budget, and in certain circumstances may prevent the Company from being able to conduct its drilling or significant operations on the relevant lands.

In addition, natural events, such as cyclones, floods, and fire, which are beyond the control of Macarthur, could prevent access to its tenements or offices or otherwise affect the Company's ability to undertake planned exploration or evaluation or development (and potentially production) and, as a result, could have a material adverse effect on Macarthur.

Risk of Accuracy of Exploration Maps and Diagrams

Macarthur has commissioned and produced numerous diagrams and maps to help identify and describe the tenements and the targets sought by Macarthur on those tenements. Maps and diagrams should only be considered an indication of the current intention in relation to targets and potential areas for exploration and drilling, which may change.

RISK FACTORS RELATING TO MINING GENERALLY

Mineral Exploration and Evaluation Risk

The Macarthur Iron Ore Projects are in the exploration and evaluation stage. Evaluation of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and evaluation 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 evaluation activities will result in the discovery and development 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.

Risks and Uncertainties (Cont'd)

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, evaluation, 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, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are some of the risks involved in the operation of mines and the conduct of exploration programs.

The mining industry is subject to occupational health and safety laws and regulations which change from time to time and may result in increased compliance costs or the potential for liability and even personal liability for management and directors. It is Macarthur's intention to mitigate this risk by operating to the highest occupational health and safety standards.

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.

Risk of Availability of Labour

Macarthur will require skilled labour workers and engineers in order to operate its activities. Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

The Company may experience a skills shortage. Due to the high demand for skilled and unskilled labour, there is a growing expectation of higher wages. Macarthur strives to employ the best people however, this can come at a high price or may delay operations should it not be able to attain and retain those people.

RISK FACTORS RELATING TO GOVERNMENT

Risk of Increased Government Policy and Imposition of Tax

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and government policies in Australia, may have an adverse effect on the operations and financial performance of Macarthur and, ultimately, the market price of its securities.

In addition to the normal level of income tax imposed on all industries, Macarthur may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

In September 2014, the Australian Government has passed the Minerals Resources Rent Tax ("MRRT") Repeal and Other Measures Act 2014, which repeals the MRRT.

The Australian Government implemented a carbon pricing mechanism under the Clean Energy Legislation Package which commenced on July 1, 2012. Legislation was enacted, repealing the carbon pricing mechanism on July 17, 2014.

Risk of Greater Governmental Regulation

Exploration, evaluation, development and operations on the Company's properties are affected to varying degrees by government regulations relating to such matters as: (i) environmental protection, health, safety and labor; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) access to and use 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.

Risks and Uncertainties (Cont'd)

Failure to obtain licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration or future development work, which may result in it losing its interest in the subject property.

As the Company's projects advance to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labor 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.

RISK FACTORS RELATING TO THE COMPANY'S LEGAL OBLIGATIONS

Contractual risk

Macarthur is a party to various contracts. Whilst Macarthur will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which Macarthur is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, Macarthur will be successful in enforcing compliance and recovering any loss in full.

Litigation Risk

All industries, including the mining industry, are subject to legal claims that are with and without merit.

The Company is currently involved in legal proceedings. It's unlikely that the final outcome of these proceedings will have a material and adverse effect on the Company's financial condition or results of operations; however, defence and settlement costs can be substantial, even for claims that are without merit.

Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding will be resolved in a manner that will not have a material and adverse effect on the Company's future cash flow, results of operations or financial condition.

The Company maintains Directors and Officers Liability insurance. The Company has provided an indemnity for each director to the maximum extent permitted by law, against any liability for legal costs incurred in respect of liability incurred by them, as or by virtue of their holding office as and acting in the capacity of, an officer of the Company, except where the liability arises out of conduct involving lack of good faith or in breach of the law.

Jurisdiction Risk

All of the Company's assets are presently located in Australia however the Company may contract with international parties from time to time. It may be difficult or impossible to enforce judgments obtained in overseas courts predicated upon the civil liability provisions of the securities laws of those countries.

Accounting Policies

Accounting policies, including new accounting standards and interpretations, followed by the Company are set out in Note 2 to the Audited Annual Financial Statements for the year ended March 31, 2015.

Critical Accounting Estimates

The preparation of the financial report in conformity with IFRS requires that management make judgements, estimates and assumptions that affect the reported amounts in the financial report and disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and best available current information, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The estimates and judgements that affect the application of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

Critical Accounting Estimates (cont'd)

i) At the end of each reporting period, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount is estimated in order to determine the extent of impairment, if any. The Company assessed the carrying value of its exploration asset given the current global iron ore economic conditions and given the results of its exploration activities to date. The Company's exploration asset is a long term project with specific competitive features. Whilst the current economic environment of the low spot price of iron ore and uncertain project funding is challenging, on the basis of it being a long term project no impairment factors apply at reporting date.

ii) The Company measures the costs of equity-settled transactions with directors, officers, employees and consultants by reference to the fair values of the equity instrument. The fair value of equity-settled transactions is determined using the Black-Scholes options-pricing model as measured on the grant date. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate for market based vesting conditions. During the reporting period the amount of $15,840 has been shown as share-based compensation expenditure in the statement of loss and comprehensive loss.

iii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

iv) The Company's management has made an assessment of the Company's ability to continue as a going concern and the consolidated financial statements continue to be prepared on a going concern basis. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Refer to Note 2(b) in the Audited Annual Financial Statements for the year ended March 31, 2015.

Financial Instruments

The Company's principal financial instruments are comprised of cash, short term deposits and payables which approximate their fair market value due to the short-term nature of these instruments. The main risks arising from the Company's financial instruments are credit risk, interest rate risk and foreign currency risk. Refer to the Risks and Uncertainties section above and Note 3 to the Audited Annual Financial Statements for the year ended March 31, 2015.

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings is recorded, processed, summarized and reported within the time periods specified in the Canadian Securities Administrators' rules and forms. The Company's CEO and CFO have designed the Company's disclosure controls and procedures, or caused them to be designed under their supervision to provide reasonable assurance that material information relating to the Company was made known to them and reported as required.

The Company's CEO and CFO have overseen the evaluation of the effectiveness of the Company's disclosure controls and procedures as at March 31, 2015 and concluded that they are effective and provide reasonable assurance that material information relating to the Company was made known to them and reported as required.

Internal Controls Over Financial Reporting ("ICFR")

The CEO and CFO are responsible for the design of ICFR, or for causing them to be designed under their supervision for evaluating the effectiveness of such internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of external financial statements in accordance with IFRS. Regardless of how well an internal control system is designed and operated, it can provide only reasonable, not absolute, assurance that it will prevent or detect all misstatements resulting from error or fraud due to the inherent limitations of any internal control system.

Internal Controls Over Financial Reporting ("ICFR") (cont'd)

The CEO and CFO have overseen the evaluation of the design and effectiveness of the Company's ICFR based on the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that the Company's ICFR was effective as of March 31, 2015

There were no significant changes that occurred during the year ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

The Company has not in any way limited the design of the ICFR and there were no material weaknesses related to its design as at March 31, 2015.

The CEO and the CFO 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 and annual basis. The external auditor reviews on a quarterly basis and audits annually the Company's financial statements and disclosures.

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

Outstanding Share Data as of June 24, 2015:

Authorized and issued share capital:

Class	Par Value	Authorized Common shares (No par value)	Issued
Common	No par value	Unlimited	56,020,630

As at June 24, 2015 there were 2,172,500 stock options outstanding.

Other Information

Additional disclosures pertaining to the Company, including its most recent financial statements, management information circular, material change reports, press releases and other information, are available on the SEDAR website at www.sedar.com or on the Company's website at www.macarthurminerals.com. Readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Competent Person's Statement

Technical aspects of this MD&A were prepared and verified by Mr Ian S Cooper, B.Sc., A.R.S.M., F.G.S. FAusIMM, who is a Fellow of the Australasian Institute of Mining and Metallurgy (membership number 107348). Mr Cooper is the Consulting Geologist and is an employee of Macarthur and is a Qualified Person as defined by National Instrument 43-101. Mr Cooper is the consultant geologist to Macarthur's exploration program and has reviewed the technical information contained in this MD&A and has consented to the public filing of the MD&A.

By order of the Board

"*Earl Evans*"	"*Cameron McCall*"
Earl Evans	Cameron McCall
Non-Executive Chairman	Director