MACARTHUR Minerals Limited

ACN 103 011 436

Management's Discussion and Analysis

(Form 51-102F1)

For the Quarter ended December 31, 2015

Information as of February 26, 2016 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 nine month period ended December 31, 2015 has been prepared by management, in accordance with the requirements of National Instrument 51-102, as of February 26, 2016 (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 previous year and the Annual Information Form. The Condensed Interim Consolidated Financial Statements for the nine month period ended December 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 fluctuations in exchange rates and certain commodity prices, uncertainties related to mineral title in the projects, unforeseen technology changes that results in a reduction in minerals demand or substitution by other minerals or materials, the discovery of new large low cost deposits of minerals and the general level of global economic activity. Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. The forward-looking statements contained in this MD&A and are made as of the date of this press release and except as may otherwise be required pursuant to applicable laws, the Company does not assume any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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 at 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 ("the Company") is an Australian public company listed in Canada on the Toronto Stock Exchange Venture Exchange ("TSX-V") (symbol: MMS) that is currently focused on the evaluation of minerals projects in Australia. The Company was previously listed on the Toronto Stock Exchange ("TSX") until June 24, 2015 and the OTC Market Place, OTCQX International ("OTCQX") (symbol: MMSDF) until December 31, 2015.

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

MACARTHUR LITHIUM PROJECTS

As announced on February 15 and February 17, 2016, the Company has made applications for four exploration licenses covering a total area of 383 square kilometres ("km^2") comprised of the following projects:

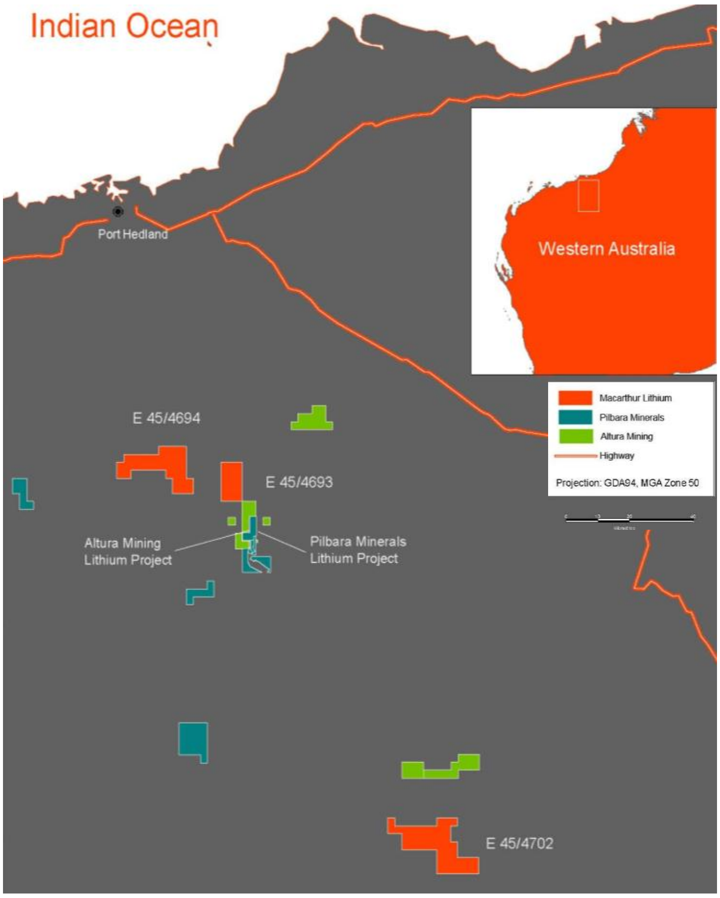
- Pilgangoora Projects, in the Pilbara region of Western Australia
- Edah Hill Project, in the Mid-West of Western Australia.

<u>Pilgangoora Projects</u>

As announced on February 15, 2016, the Company has made applications for three exploration licences (E45/4693, E45/4694 and E45/4702 – see Figure 1) covering an area of 269km^2 across three project areas in the world-class Pilgangoora district, in the Pilbara region of Western Australia that are considered prospective for lithium.

Peer activity in the vicinity of the applications includes Australian Securities Exchange listed companies, Pilbara Minerals Limited and Altura Mining Limited, which have lithium projects in the region. The region is emerging as a world-class lithium district.

Figure 1 *- shows Macarthur's exploration licence applications location relative to Pilbara Minerals' and Altura Mining's lithium projects in the Pilgangoora district of Western Australia.*

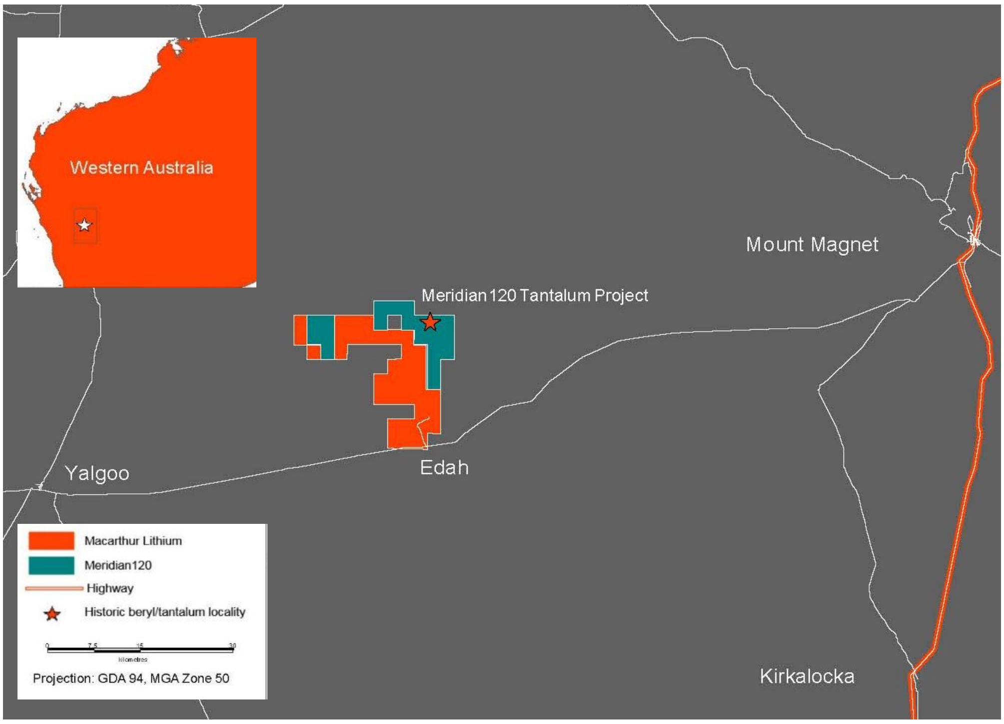


Discussion on Operations (Cont'd)

Edah Hill Project

The Company has made application for an exploration licence (E59/2174 - see Figure 2) covering an area of 114km^2 at Edah Hill in the Mid-West of Western Australia. The Edah Hill project lies 50 km east-northeast of Yalgoo in the Murchison province of Western Australia and approximately 250 km from Geraldton Port.

***Figure 2 –** shows Macarthur's Edah Hill exploration licence application in the Edah district of Western Australia.*



Lithium Market

The global lithium market is growing rapidly due to developments in the technology and energy sectors, especially in the use of lithium-ion batteries for portable electronic devices, hybrid electric motor vehicles and storage battery industries.

Industry experts comment that overall lithium demand may more than double from present levels through to 2025, while incumbent producers of lithium are limited in their ability to bring on additional supply to satisfy growing demand. Industry experts further comment that lithium has been one of the few commodities to enjoy recent price appreciation, and that they expect this pattern to continue over the next 10 years.[1] The price of 99%-pure lithium carbonate imported to China more than doubled in the last 2 months to the end of December 2015, to US$13,000 a tonne.[2]

Global Industrial Mineral (including lithium) Exploration and Mining Experts Appointed

Complementary to the Company's in-house mining and exploration expertise, the Company has appointed Dr Andrew Scogings and Mr Graham Jeffress from CSA Global Pty Ltd ("CSA Global"), who are Western Australia based consultants with substantial experience in the field of industrial minerals exploration, including lithium and graphite.

CSA Global will be initially undertaking technical evaluation of exploration targets for the Company's lithium projects as well as supporting their development over the coming months. The Company will continue to assess and identify further opportunities for potential lithium projects.

[1] John Hykawy and Tom Chudnovsky, 'Industry Report//Lithium', *Stormcrow Capital Ltd*, May 29, 2015.
http://static1.squarespace.com/static/535e7e2de4b088f0b623c597/t/55689238e4b09f7c8dacebf1/1432916536166/Stormcrow-Lithium+Industry+Report-May2015-Final.pdf

[2] 'An increasingly precious metal', *The Economist Newspaper Limited (online)*, Jan 16, 2016.
http://www.economist.com/news/business/21688386-amid-surge-demand-rechargeable-batteries-companies-are-scrambling-supplies

Discussion on Operations (Cont'd)

Historical Exploration

Pilgangoora district
The broader Pilgangoora district has been the subject of extensive historical exploration for a range of minerals and is known to host many granitic pegmatites such as those discovered for the Pilbara Minerals Limited and Altura Mining Limited lithium projects. The largest concentrations of lithium-containing minerals, such as spodumene, are found in pegmatites. Due to its greater abundance, spodumene is considered the most important lithium-bearing mineral in pegmatites.

The licence areas under application have most recently been explored by Australian Securities Exchange listed Fortescue Metals Group Limited for iron, base metals and gold. Previous soil sampling in the application areas has identified pathfinder elements, such as lithium, rubidium, and caesium, typically associated with lithium-bearing pegmatites.

Edah district
The Edah district lies in the Archean granite-greenstone terrane of the Murchison Province of the Yilgarn Craton. The Edah Hill project is within an extensive area of granitic rocks between the Yalgoo Greenstone Belt (20 kilometres to the west), the Dalgaranga Greenstone Belt (20 kilometres to the north) and the Mount Magnet Greenstone Belt (50 kilometres to the east). The surrounding Murchison region contains occurrences of pegmatites with tantalum, beryl and traces of other rare metals (tin, tungsten, lithium). The most notable deposit is the high-grade Dalgaranga tantalite mine about 50 kilometres to the north.

Previous mapping of the application area and surrounding tenure reports numerous pegmatite dykes.

Follow-up exploration work on the Pilgangoora Projects and the Edah Hill Project will focus on identifying, mapping and sampling the pegmatites to confirm the presence of lithium-bearing minerals.

MACARTHUR IRON ORE PROJECTS

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"). For information on the Macarthur Iron Ore Projects, see "Macarthur Iron Ore Projects" below.

The Company's 100% subsidiary Macarthur Iron Ore Pty Ltd ("Macarthur Iron Ore" or "MIO") and MIO's subsidiary Macarthur Midway Pty Ltd owns the Macarthur Iron Ore Projects.

The Macarthur Iron Ore Projects are located on exploration, mining and miscellaneous tenements covering approximately 351 km^2 (as at February 16, 2016) 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 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 has also undertaken investigation regarding nickel and gold prospectivity on some tenements but it has not been delineated as a separate project.

Development of the Ularring Hematite Project remains severely constrained due to the prevailing oversupplied global iron ore market and prevailing iron ore prices.

As a result the Company's focus has been on maintaining the core Macarthur Iron Ore Project assets and waiting for improved market conditions, as well as looking for new project opportunities.

Discussion on Operations (Cont'd)

The large capital expenditure requirement for both the Ularring Hematite Project (A$263 million[3]) and the Moonshine Magnetite Project (A$2.2 billion[4]) means that funding at prevailing iron ore prices is unavailable[5].

As announced on October 13, 2015, the Company entered into a Share Sale Agreement with FIG Australia Pty Limited (previously named GIM Australia Pty Ltd) ("FIG") to dispose of all the shares of its wholly owned subsidiary, MIO for A$6 million ("MIO Sale Transaction"). Financial close of the MIO Transaction was due on January 31, 2016. FIG was unable to complete the purchase of MIO by financial close as the MIO Sale Transaction was part of a larger consolidation of the area.

Ularring Hematite Project

Mineral Resource

The Ularring Hematite Project's Mineral Resource, set out in Tables 1 and 2, was previously announced on August 16, 2012 (NI 43-101 Technical Report filed October 1, 2012, titled "NI 43-101 Technical Report, Macarthur Minerals Limited, Pre-Feasibility Study, Ularring Hematite Project, Western Australia").

Table 1 - Ularring Hematite Project Mineral Resource at August 2012

Category	Tonnes Mt	Fe %	P %	SiO_2 %	Al_2O_3 %	LOI %	S %
Indicated	54.46	47.2	0.06	16.9	6.5	7.9	0.16
Inferred	25.99	45.4	0.06	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.*

Table 2 - August 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 – Lost World	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")). Given the passage of time since the Mineral Reserve estimate was made and the continued volatility in the commodities markets the Mineral Reserve is no longer current and 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.

No new economic assessment has been undertaken beyond the 2012 PFS economic analysis. New reserve estimations and a full economic reassessment need to be undertaken.

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[3] NI43-101 Technical Report filed October 1, 2012, titled "Technical Report, Macarthur Minerals Limited Pre-Feasibility Study Ularring Hematite Project Western Australia".

[4] NI43-101 Technical Report filed December 17, 2009, titled "NI43-101 Technical Report on Lake Giles Iron Ore Project: Western Australia" and 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".

[5] Given the passage of time since the capital expenditure estimates were made and the continued volatility in the commodities markets, a revised analysis would need to be conducted to confirm whether the capital expenditure requirements for the Projects are still current.

Discussion on Operations (Cont'd)

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 Ularring Hematite Project is well placed to fulfil these conditions that it has developed.

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 3 - 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.*

TENEMENTS

Macarthur Iron Ore Projects

At December 31, 2015 the Company held and/or managed mineral tenure totalling 16 tenements consisting of 15 Mining Leases and one Exploration Licences covering a total area of approximately 168 km^2. In addition the Company also held five Miscellaneous Licences, covering 189 km^2, 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 357 km^2.

During the quarter end December 31, 2015, three Exploration Licenses and two Mining Leases considered to be non-prospective ground were relinquished resulting in an overall reduction in mineral tenure and expenditure commitments. The option held by the Company over exploration licence E30/0317 expired during the quarter and therefore this tenement is no longer in the control of the Company.

At February 16, 2016 the Company held tenure covering approximately 351 km^2.

Macarthur Lithium Projects

Since the quarter end December 31, 2015, the Company has applied for four Exploration Licenses covering a total area of 383 km^2.

Discussion on Operations (Cont'd)

LIVE MINERAL TENURE

As at February 16, 2016, the Company's 100% owned **Macarthur Iron Ore Projects** consists of:

Tenement Number	Area[(1)]	Grant Date	Expiry Date
L16/0107	7,599 HA	28-Nov-13	27-Nov-34
L29/0126	977 HA	29 May 14	28 May 35
L30/0050	199 HA	24-Aug-11	23-Aug-32
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
M30/0227	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 February 16, 2016, the Company's 100% owned **Macarthur Lithium Projects** consists of:

Tenement Number	Area[(1)]	Grant Date	Expiry Date
E45/4693	44 HA	Pending	-
E45/4694	99 HA	Pending	-
E45/4702	126 HA	Pending	-
E59/2174	40 HA	Pending	-

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

Discussion on Operations (Cont'd)

ACQUISITION OF DEBT FACILITIES SECURED OVER WESTERN DESERT RESOURCES LIMITED'S ROPER BAR IRON ORE PROJECT

On October 16, 2015 Macarthur, through newly incorporated wholly owned subsidiary, Macarthur Minerals NT Pty Ltd, entered into a joint venture agreement with the Tulshyan Group, through its associated entity, New Finley Assets Limited, to establish the Macarthur Tulshyan Joint Venture (the "JV"). The JV was to be a contributing joint venture such that the Tulshyan Group and Macarthur have a 51% and 49% participating interest, respectively, in the JV.

On October 27, 2015 the JV entered into a Framework Agreement with Macquarie Bank Limited, to purchase the Syndicated Project Facility which is a debt facility whereby WDR Iron Ore Pty Ltd ("WDRIO") (receivers and managers appointed) (in liquidation) as borrower and Western Desert Resources Limited's (receivers and managers appointed) (in liquidation) ("WDR") as guarantor borrowed funds which were secured over the assets of the Roper Bar Iron Ore Project (the "Roper Bar Project") (the "WDR Transaction").

Financial close of the WDR Transaction was due on November 30, 2015. However, on December 4, 2015 the Company announced that due to the prevailing iron ore price and the pessimistic outlook for the iron ore market, the transaction was not proceeding. The Receivers of WDR and WDRIO have since retired on January 28, 2016.

The JV contributed care and maintenance costs with respect to the Roper Bar Project whilst the WDR Transaction was in progress. Refer to the Condensed Interim Consolidated Financial Statements for September 30, 2015, for more information.

Corporate Update

(i) Legal Proceedings

LPD Holdings (Aust) Pty Ltd ("LPD") and Mayson Associates Limited ("Mayson") v. Macarthur and Ors. ("Initial Proceedings") and LPD v. Macarthur and Ors. ("New Proceedings")

The Initial 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, a shareholder of the Company, and Mayson are entities associated with Mr Edward Kwok, a Director of FSDC.

LPD brought New Proceedings against the Company and some of its directors in November 2012 substantially on the same grounds, following dismissal of the Initial Proceedings. On November 26, 2013 the New Proceedings were stayed by consent pending payment of the indemnity costs of the dismissed Initial Proceedings and the appeal costs by LPD and Mayson.

To date, the Company has recovered costs of $476,020 from LPD and Mayson. The New Proceedings are stayed, pending payment of costs of the directors and officers of the Initial Proceedings, which are awaiting final assessment.

Like the dismissed Initial Proceedings, the Company considers the New Proceedings are without merit and will continue to vigorously defend those proceedings.

First Strategic Development Corporation Ltd (in liquidation) ("FSDC") v. Sing Chuck Charles Chan, Wai Lap Victor Chan & Wai Tak (Edward) Kwok ("FSDC Directors")

Judgement and costs, on an indemnity basis, were awarded against the FSDC Directors for insolvent trading in favour of the Liquidator of FSDC in April 2014. Judgement was awarded in the amount of $1,454,696 (including statutory interest). The FSDC Directors appealed to the Queensland Court of Appeal, where upon the appeal was dismissed and the judgement was upheld. Costs were awarded to the Liquidator of FSDC on an indemnity basis for the trial and on a standard basis for the appeal in the amount of $821,419. The Liquidator of FSDC has been awarded a total of $2,276,115 for damages, interest and costs.

Corporate Update (Cont'd)

The Liquidator of FSDC had received by December 31, 2015, a total of $1,879,090 from the FSDC Directors for judgement, interest and costs. The Company, as funding creditor, was reimbursed a total of $1,801,770 by December 31, 2015 for its costs, pursuant to the Court approved funding agreements with the Liquidator of FSDC, including $385,263 in the quarter ended December 31, 2015.

Post December 31, 2015 the Liquidator of FSDC issued and served a bankruptcy notice in Australia against Mr Edward Kwok and commenced the process for registration of the judgement in Hong Kong against Mr Charles Chan, Mr Victor Chan and Mr Edward Kwok to recoup the balance of costs outstanding in the amount of $397,026.

Post December 31, 2015, the lawyers for the Liquidator of FSDC received funds to their trust account of $397,026 in payment of those costs. The Liquidator of FSDC has now recovered from the FSDC Directors the total judgement including, interest and costs in the amount of $2,276,115.

Post December 31, 2015, Macarthur was paid a further $95,620, in accordance with its entitlements under the Court approved funding agreements. The Company, as funding creditor, has now been reimbursed a total of $1,897,390 for its costs, pursuant to the Court approved funding agreements with the Liquidator of FSDC. The Company has no further funding obligations and has recovered its funding costs in full.

According to the Report to Creditors dated February 5, 2016, the Liquidator of FSDC expects to have sufficient funds to call a dividend to unsecured creditors of FSDC, of which Macarthur is one.

Chan, Chan and Kwok v. Macarthur Minerals Limited and Ors.

On January 20, 2016 the Company was served with another Claim in the Supreme Court of Queensland commenced by Mr Charles Chan, Mr Victor Chan (who are associated with a shareholder of the Company) and Mr Edward Kwok ("Claim"), the FSDC Directors.

The FSDC Directors are seeking damages against the Company and two of its officers relating to the debts the Supreme Court of Queensland found the FSDC Directors had incurred while trading insolvent which became the basis of the award for damages and indemnity costs against them. In addition they claim their own legal costs of unsuccessfully defending those proceedings and their unsuccessful appeal. The total Claim is for $2,757,510, which is largely comprised of the amount of damages, interest and indemnity costs awarded against them in the FSDC proceedings, including their own legal costs. The FSDC Directors base the Claim on alleged misleading statements made by Company representatives.

The Company considers the Claim is without merit and will vigorously defend the Claim. Legal advisors have been appointed by the Company in respect of the Claim.

Legal Proceedings Summary

LPD, Mayson, Mr Edward Kwok, and Mr Charles Chan and his son Mr Victor Chan, who are business associates of Mr Kwok (collectively the "Hong Kong Shareholders"), have in aggregate been parties to 9 separate legal proceedings in the Supreme Court of Queensland, the Queensland Court of Appeal and the Federal Court of Australia. To date, none of these proceedings have been successful for the Hong Kong Shareholders recovering any damages against the Company and its directors. However, the Liquidator of FSDC has recovered against the Hong Kong shareholders damages, interests and costs for a total of $2,276,115.

To date the Company has recovered costs associated with the various proceedings, including its costs of funding the Liquidator of FSDC, of approximately $2,373,410 from the Hong Kong Shareholders.

(ii) Board Changes

On December 3, 2015, Mr Joe Phillips, CEO and Executive Director, and Mr Earl Evans, Non-Executive Chairman, resigned as directors of the Company.

The Board is now comprised of Mr Cameron McCall as Non-Executive Chairman, Mr David Taplin as Managing Director and Mr Alan Phillips as Executive Director.

Corporate Update (Cont'd)

(iii) Stock Options and Investor Relations

On September 25, 2015, pursuant to the Company's Share Compensation Plan, an aggregate of 450,000 incentive stock options were granted to a strategic consultant of the Company as part of his consulting fees with an exercise price of CAD$0.05 per share which expired on December 25, 2015. On December 25, 2015 an aggregate of 450,000 incentive stock options were granted to a strategic consultant of the Company as part of his consulting fees with an exercise price of CAD$0.05 per share for a period of 3 months. Exercise of these options are subject to achievement of certain criteria.

On November 6, 2015 the Company advised that it has appointed the Buick Group Corp ("Buick Group") as an investor relations consultant. The Buick Group was appointed for an initial term until December 31, 2015. For provision of its services, the Buick Group was paid a monthly fee of $5,000 and was granted of 500,000 Options exercisable at $0.05 per Option for a period, the earlier of termination of the agreement or 12 months from the date of grant, subject to the terms and conditions of the Plans. These Options were issued to the Buick Group following cancellation of 500,000 options issued to an Executive Director on September 2, 2015.

(iv) Non-brokered Private Placement

On February 4, 2016, the Company announced a non-brokered private placement (the "Offering") of up to 15,000,000 units (each, a "Unit") at a price of CAD$0.02 per Unit ("Unit Price") for aggregate gross proceeds of up to CAD$300,000. The Unit Price is equal to the closing price of the Company's TSX Venture Exchange listed shares on February 3, 2016.

Each Unit will be 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 has 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".

The closing of the Offering will occur as soon as possible after and subject to receipt of all necessary regulatory approvals including that of the TSX Venture Exchange. 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. No part of the proceeds will be used to pay management fees or to pay related parties. The securities issued pursuant to the Offering will be subject to a statutory 4 month plus one day hold period from the date of issuance.

The Company anticipates that insiders will subscribe for Units in the Offering. The issuance of Units to insiders pursuant to the Offering is considered to be a related party transaction subject to TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101. According to MI 61-101, such a related party transaction requires a formal valuation and minority shareholder approval, unless exempted. An exemption from the formal valuation requirement is available to the Company, as the Company is not listed on any specified market (as that term is used in MI 61-101). An exemption from the minority shareholder approval requirement is available to the Company as neither the fair market value of the Units issued to, nor the fair market value of the aggregate consideration to be paid by, the Related Parties in connection with the Offering, will exceed 25% of the market capitalization of the Company as of the date hereof.

Results of Operations and Financial Condition

(All amounts in Australian dollars)

The following financial information should be read in conjunction with the Condensed Interim Consolidated Financial Statements for the six month period ending December 31, 2015 which are prepared in accordance with IFRS.

Exploration and Evaluation Expenses

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

Australian $	Quarter ended December 31, 2015	Quarter ended December 31, 2014	9 months to December 31, 2015	9 months to December 31, 2014
Capitalized expenses	173,521	363,808	(54,626,702)	1,680,606

For the quarter ended December 31, 2015, the Company expended $173,521 on exploration and evaluation activities, compared with costs of $363,808 for the corresponding Quarter ended December 31, 2014, and represents a decrease in expenditure of $190,287 mainly resulting from reduced personnel and rent and rates costs. The largest elements of exploration and evaluation costs during the quarter were personnel and contractors representing 49%, and rent and rates of 39%. Personnel and contractor costs reduced by 61% during the quarter compared to the corresponding quarter representing a $106,380 saving.

As part of the MIO Sale Transaction, the Company obtained an independent Fairness Opinion and Valuation Report from Hanrick Curran Audit Pty Ltd, which valued the Macarthur Iron Ore Projects at A$5,918,580.

Pursuant to IFRS 6, the Company assessed its Exploration and Evaluation assets for impairment, in the period ended September 30, 2015. Subsequently, an impairment of $55,507,884 was recognised in the accounts as at September 30, 2015 to reflect the consideration amount of the Agreement.

Excluding the impaired amount, for the nine months ended December 31, 2015 the Company expended $881,183 on exploration and evaluation activities, compared with $1,680,606 for the corresponding nine months ended December 31, 2014. Excluding the impaired amount, the largest elements of exploration and evaluation costs during the nine months ended December 31, 2015 were personnel and contractors representing 49% and rent and rates of 39%. Personnel and contractor costs reduced by 51% during the period compared to the corresponding period representing a $410,853 saving.

Administrative Expenses

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

Australian $	Quarter ended December 31, 2015	Quarter ended December 31, 2014	9 months to December 31, 2015	9 months to December 31, 2014
Administration Expenses	978,904	695,767	57,886,173	2,456,649

For the Quarter ended December 31, 2015, the Company expended $978,904 on administrative expenses compared with $695,767 for the corresponding quarter ended December 2014. Total Administrative expenses increased by 41% compared to the corresponding quarter. The largest elements of administrative expenses for the quarter were professional fees of $484,975, which included $361,740 for the Company's contribution towards the care and maintenance costs of the Roper Bar Project (see "*Discussion on Operations*" above for more information) and personnel fees of $270,574.

During the period ended September 30, 2015, as previously referred to, the Company had an impairment expense of $55,507,884 in accordance to IFRS 6.

Results of Operations and Financial Condition (Cont'd)

Excluding the impaired amount and the contribution towards care and maintenance costs, for the nine months ended December 31, 2015, the Company expended $1,778,289 on administrative expenses, compared with $2,456,649 for the corresponding nine months ended December 2014. Excluding the impaired amount and the contribution towards care and maintenance costs, administrative expenses for the comparative periods have decreased by $678,360 due to reduced outgoings in professional fees of $331,975 and personnel fees of $258,616.

Income

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

Australian $	Quarter ended December 31, 2015	Quarter ended December 31, 2014	9 months to December 31, 2015	9 months to December 31, 2014
Interest Income	(1,881)	20,049	19,623	84,392

For the Quarter ended December 31, 2015 the Company incurred income expense of $1,881 compared with income of $20,049 for the corresponding Quarter ended December 31, 2014. Interest income decreased by $21,930 due to interest earned on a decreased cash balance and interest expense on early maturity of term deposits.

For the nine months ended December 31, 2015 the Company earned interest income of $19,623 compared with $84,392 for the corresponding nine months ended December 31, 2014. Interest income decreased by $64,769 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.

During the quarter ended December 31, 2015, the Company received $385,263 for further legal costs recoveries (see "*Corporate Update*" above for more information). During the corresponding quarter ended December 31, 2014, the Company received $105,426 for legal costs recoveries.

During the nine months ended December 31, 2015, the Company received a total of $414,943 for recovery of legal costs.

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.

Net Losses

The net loss for the period ended December 31, 2015 reflects the administrative costs of the Company.

Australian $	Quarter ended December 31, 2015	Quarter ended December 31, 2014	9 months to December 31, 2015	9 months to December 31, 2014
Net loss	563,780	570,292	57,338,382	2,266,831

The net loss for the Quarter ended December 31, 2015 was $563,780 compared with $570,292 for the corresponding Quarter ended December 31, 2014. The decreased net loss of $6,512 was attributable to higher legal cost recoveries received during the quarter. See Discussions on Operations above for further details.

The net loss for the nine months ended December 31, 2015 was $57,338,382 compared with $2,266,831 for the corresponding nine months ended December 31, 2014. This increased net loss was mainly attributable to impairment of exploration and evaluation assets of $55,507,884 and the Company's contribution to Roper Bar Project's care and maintenance costs.

Results of Operations and Financial Condition (Cont'd)

Change in Financial Position

Australian $	9 months to December 31, 2015	9 months to December 31, 2014
Cash and cash equivalents	684,384	2,049,057
Exploration and Evaluation assets	6,173,521	60,172,527
Plant and Equipment	352,744	515,121
Total Assets	7,449,128	62,974,292
Accounts Payable and Accrued Liabilities	403,585	139,451
Total Liabilities	468,963	240,244
Net Assets	6,980,165	62,734,048
Net Working Capital	455,081	2,060,789

At December 31, 2015 the Company had net assets of $6,980,165 compared to $62,734,048 at December 31, 2014. The decrease is due to impairment of exploration and evaluation assets of $55,507,884 during the period ended December 31, 2015.

The Company's cash and cash equivalents balance of $684,384 at December 31, 2015, was a decrease of $1,364,673 from the December 31, 2014 balance. Since December 31, 2014 exploration and evaluation assets decreased by $53,999,006. Refer below for the cash flow movement for the 9 months to December 31, 2015.

Plant and equipment was $352,744 at December 31, 2015 reflecting the depreciated book value of various site and office equipment, including vehicles.

The Company's net working capital at December 31, 2015 was $455,081 compared with net working capital of $2,060,789 at December 31, 2014. The decrease in the net working capital for the 9 months to December 31, 2015 is due to administrative expenditure.

Year to Date Cash Flows

Australian $	9 months to December 31, 2015	9 months to December 31, 2014
Operating Activities	(1,840,589)	(2,015,703)
Investing Activities	(793,195)	(1,774,329)
Financing Activities	511,039	2,210,231
Total cash movement	(2,122,745)	(1,579,801)

Cash outflow from operating activities during the period ended December 31, 2015 was $1,840,589 compared with $2,015,703 for the prior corresponding period. The decreased cash outflow was mainly due to the reduced professional fees and personnel fees.

Cash outflow from investing activities during the period ended December 31, 2015 was $793,195 compared with $1,774,329 in the prior corresponding period. The outflow in both comparative years relate primarily to exploration and feasibility study activities. The reduction in cash outflow relates to a reduction in exploration and evaluation activities.

Cash inflow from financing activities during the period was $511,039 compared with cash inflow of $2,210,231 for the corresponding prior year. The inflow relates to the gross funds received of $537,510 in July and August 2015 for a private placement of 25,603,169 shares. The overall reduction relates to a reduction in operating activities. The inflow in the prior year relates to gross funds received of $2,240,000 on June 9, 2014 for a private placement of 11,200,000 shares.

Summary of Quarterly Information

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

	March 31, 2014 $	June 30, 2014 $	Sept 30 2014 $	Dec 31 2014 $	Mar 31, 2015 $	Jun 30, 2015 $	Sept 30, 2015 $	Dec 31, 2015 $
Interest Income/(expense)	42,031	31,614	32,729	20,049	15,907	14,439	7,065	(1,881)
Net profit/(loss)	(825,389)	(872,736)	(823,803)	(570,292)	1,048,294[1]	(455,184)	(56,319,418)	(563,780)
Net profit/(loss) per share	(0.02)	(0.02)	(0.02)	(0.01)	0.02	(0.01)	(0.01)	(0.01)

[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 or extraordinary items since becoming a reporting issuer.

Apart from the quarter ended March 31, 2015, 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 and impairment of $55,507,884 of capitalized exploration and evaluation expenditure.

Income is predominantly derived from interest income.

Liquidity and Capital Resources

At December 31, 2015, the Company has net working capital of $455,081.

The Company's only external borrowings consist of a financial lease arrangement for motor vehicles, which at the reporting date totaled $9,072.

The Company is currently seeking funding for working capital.

Related Party Transactions

Balances and transactions between the Company and its wholly owned subsidiaries ("Group"), 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 period ended December 31, 2015 other than remuneration for key management personnel, 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 period ended December 31, 2015.

Executive Directors

A S Phillips, Executive Director

A J ("Joe") Phillips, CEO (resigned as Director and CEO on December 3, 2015)

D Taplin, CFO, General Counsel and Company Secretary (appointed as Managing Director on December 3, 2015)

Non-Executive Directors

E Evans, Non- Executive Chairman (resigned on December 3, 2015)

C McCall, Non-Executive Director (appointed as Non-Executive Chairman on December 3, 2015)

Related Party Transactions (Cont'd)

Details of Remuneration

For details on the remuneration of each key management personnel of the Company refer to Note 9 of the Condensed Interim Consolidated Financial Statements for the period ended December 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 December 31, 2015 balance sheet date the Company had the following commitments:

	Vehicle leases $	Building leases $	Total $
Within one year	9,072	38,659	47,731
Later than one year but no later than five years	-	-	-
	9,072	**38,659**	**47,731**

Macarthur Iron Ore 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 depreciable assets. 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 5 to the Condensed Interim Consolidated Financial Statements for the period ended December 31, 2015.

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 company listed on the TSX-V and engaged in the exploration and evaluation of mineral properties in 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.

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 its 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.

Risks and Uncertainties (Cont'd)

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. The Company has a requirement to raise further capital.

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:

- Cameron McCall – Non-Executive Chairman
- Alan Phillips – Executive Director
- David Taplin – Managing Director

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

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, 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, magnetite and lithium deposits have already been developed in 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 the projects come 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 December 31, 2015 the Company's deficit was $86,368,080.

Risks and Uncertainties (Cont'd)

Risk of Conflict of Interest

Certain officers and directors of the Company may be 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 minerals. 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.

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 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.

Risks and Uncertainties (Cont'd)

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.

The Company has a requirement to raise further capital. 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 for the Macarthur Iron Ore Projects ("Project Studies"). In addition, the oversupplied iron ore markets and depressed iron ore prices has severely constrained the Company's ability to fund further development of its iron ore projects.

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.

Risks and Uncertainties (Cont'd)

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 period ended December 31, 2015, the per share price of the Company's shares fluctuated from a low of CAD$0.015 to a high of CAD$0.04.

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.

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-V.

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 December 31, 2015, there were 5,950,000 stock options and 25,603,169 warrants 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-V 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.

Risks and Uncertainties (Cont'd)

RISK FACTORS RELATING TO THE COMPANY'S PROPERTY INTERESTS

Title Risk

Macarthur cannot guarantee that one or more of its titles within the 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 projects may be constrained. The 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 projects as permitted or being unable to enforce its rights with respect to all or part of the projects.

In addition, Macarthur's interests in the projects are subject to various conditions, obligations and regulations imposed by the Australian and State Government Departments. 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.

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.

Risks and Uncertainties (Cont'd)

Risk related to Infrastructure and Development

There are numerous activities that need to be completed in order to successfully commence production of minerals from the projects, including, without limitation, negotiating final terms of export capacity, 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 minerals 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 – Macarthur Iron Ore Projects

The Company's Macarthur Iron Ore 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.

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 – Macarthur Iron Ore Projects

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 projects

Macarthur's 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.

Risks and Uncertainties (Cont'd)

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 projects are in the 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.

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.

Risks and Uncertainties (Cont'd)

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.

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.

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 3 to the Condensed Interim Consolidated Financial Statements for the period ended December 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:

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 $22,436 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 Condensed Interim Consolidated Financial Statements for the period ended December 31, 2015.

Disclosure Controls and Procedures

Although the Company is listed on the TSX-V, it continues to maintain 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 has cond. The Company has 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 oversees on an annual basis the evaluation of the effectiveness of the Company's disclosure controls and procedures and as at March 31, 2015 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")

Although the Company is listed on the TSX-V, the CEO continues to be 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.

The CEO oversaw 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 December 31, 2015.

There were no significant changes that occurred during the period ended December 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 December 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 February 26, 2016:

Authorized and issued share capital:

Class	Par Value	Authorized Common shares (No par value)	Issued
Common	No par value	Unlimited	81,623,799

As at February 26, 2016 there were 5,950,000 stock options and 25,603,169 warrants 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.

Qualified Person's Statement

David Williams, a member of the Australian Institute of Geoscientists, is a part-time employee of CSA Global Pty Ltd and is a Qualified Person as defined in National Instrument 43-101. Mr Williams has reviewed and approved the technical information contained in this MD&A and has consented to the public filing of the MD&A.

By order of the Board

"*Cameron McCall*"	"Alan Phillips"
Cameron McCall Non-Executive Chairman	Alan Phillips Director