

Macarthur Minerals Limited

ABN 93 103 011 436

Annual Report - 31 March 2025

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Chairman's Letter	2
Corporate directory	3
Directors' report	4
Auditor's independence declaration	25
Consolidated statement of profit or loss and other comprehensive income	26
Consolidated statement of financial position	27
Consolidated statement of changes in equity	28
Consolidated statement of cash flows	29
Notes to the consolidated financial statements	30
Note 1. General information	30
Note 2. Material accounting policy information	30
Note 3. Critical accounting judgements, estimates and assumptions	38
Note 4. Operating segments	39
Note 5. Other income	39
Note 6. Expenses	40
Note 7. Income tax	41
Note 8. Cash and cash equivalents	42
Note 9. Trade and other receivables	42
Note 10. Financial assets at fair value through profit or loss	42
Note 11. Other assets	43
Note 12. Investments accounted for using the equity method	43
Note 13. Property, plant and equipment	44
Note 14. Right-of-use assets	44
Note 15. Exploration and evaluation	45
Note 16. Trade and other payables	47
Note 17. Borrowings	48
Note 18. Lease liabilities	48
Note 19. Provisions	48
Note 20. Issued capital	48
Note 21. Reserves	50
Note 22. Dividends	50
Note 23. Financial instruments	51
Note 24. Fair value measurement	55
Note 25. Key management personnel disclosures	55
Note 26. Remuneration of auditors	55
Note 27. Contingent liabilities	55
Note 28. Commitments	56
Note 29. Related party transactions	56
Note 30. Parent entity information	57
Note 31. Interests in subsidiaries	59
Note 32. Deed of cross guarantee	59
Note 33. Cash flow information	62
Note 34. Earnings per share	63
Note 35. Share-based payments	63
Note 36. Events after the reporting period	66
Consolidated entity disclosure statement	67
Directors' declaration	68
Independent auditor's report to the members of Macarthur Minerals Limited	69
Shareholder information	74

Chairman's Letter

Dear Shareholders,

Macarthur Minerals Limited (the 'Company' or 'Macarthur') has continued to advance its projects and deliver on its corporate strategy over the past year, despite broader market volatility and persistent challenges in the junior resources sector.

A key development was the execution of a binding term sheet with Gold Valley Yilgarn Pty Ltd. This agreement grants Gold Valley the right to mine hematite from the Ularring Hematite Project and Treppo Grande Iron Project within our Lake Giles tenure in Western Australia. Importantly, this does not include the magnetite resources at the Moonshine Magnetite Project, which remain fully retained by Macarthur. The agreement provides for staged cash payments, life-of-mine royalty payments, and a commitment from Gold Valley to fund and manage all operational and regulatory aspects associated with the hematite mining program. This arrangement is a major step toward unlocking near-term revenue potential from our iron ore assets.

During the year, we also engaged Nigel Jones, an experienced mining executive and former Managing Director of Rio Tinto's Simandou Project. Nigel's appointment is focused on supporting the Company in securing strategic transactions that can drive development of our magnetite project and broader growth initiatives. His global experience and network will be instrumental as we progress toward the next phase of project financing and development.

In June 2025, the Company launched a renounceable pro-rata rights issue to raise up to \$2 million, fully underwritten by Gold Valley Yilgarn. The underwriting represents a strong endorsement of the Company's prospects and the confidence Gold Valley has in Macarthur's long-term value. The funds raised will support working capital, project advancement, and further strategic positioning.

On behalf of the Board, I would like to thank all shareholders for their continued support as we move forward with renewed focus and momentum.

Yours sincerely,


Cameron McCall
Executive Chairman

Directors	Cameron McCall - Executive Chairman and CEO Alan Phillips - Non-Executive Director Ryan Welker - Non-Executive Director (Independent)
Company secretary	Mima Wirakara
Registered office	Suite 4, Level 34 Waterfront Place 1 Eagle Street Brisbane QLD 4000 Phone: +61 7 3221 1796 Fax: +61 7 3221 6152 Email: communications@macarthurminerals.com
Principal place of business	Suite 4, Level 34 Waterfront Place 1 Eagle Street Brisbane QLD 4000
Share Registry	Computershare Investor Services Inc. 17 Victoria St West End Brisbane QLD 4101 Phone: 1300 850 505 (within Australia) +61 3 9415 4000 (outside of Australia) Website address: www.computershare.com.au
Auditor	RSM Australia Partners Level 3 488 Queen Street Brisbane QLD 4000 GPO Box 1108 Brisbane QLD 4001 Phone: +61 7 3225 7800 Website address: www.rsm.global/australia/
Stock exchange listing	Macarthur Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: MIO)
Website	www.macarthurminerals.com
Corporate Governance Statement	<p>The Company's directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (4th Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.</p> <p>The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations.</p> <p>The Company's Corporate Governance Statement and policies, which is approved at the same time as the Annual Report, can be found on its website: https://macarthurminerals.com/about/corporate-governance/</p>

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Macarthur Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 March 2025.

The Group's subsidiaries consist of 100% of Macarthur Australia Limited, which holds the following 100% subsidiaries:

- 100% of Macarthur Iron Ore Pty Ltd ("Macarthur Iron Ore" or "MIO") which owns the Iron Ore Projects;
- 100% of Macarthur Lithium Nevada Limited (incorporated in Nevada);
- 100% of Esperance Iron Ore Export Company Pty Ltd (previously Macarthur Midway Pty Ltd);
- 100% of Macarthur Marble Bar Lithium Pty Ltd (previously Bachelor Project Pty Ltd) (a dormant subsidiary); and
- 100% of Macarthur Minerals NT Pty Ltd ("MMNT") and MMNT's 100% subsidiary, Macarthur Tulshyan Pty Ltd.

Directors

The following persons were Directors of Macarthur Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Cameron McCall	Executive Chairman and CEO
Alan Phillips	Non-Executive Director
Ryan Welker	Non-Executive Director (Independent)
Andrew Suckling	Non-Executive Director (Independent) - Resigned 26 September 2024

Principal activities

Macarthur Minerals Limited is an Australian public company listed on the Australian Securities Exchange ('ASX') (symbol: MIO). The Company has three iron ore projects in the Yilgarn region of Western Australia. The Company also has two exploration project areas in the Pilbara, Western Australia targeting iron ore.

There was no change in the nature of the Group's principal activities, being mineral resource exploration and evaluation, during the year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

Western Australia Iron Ore projects

Macarthur Minerals' Lake Giles Iron Ore Projects ('Lake Giles Projects') are located on mining tenements covering approximately 62 km², 175 kilometres ('km') northwest of Kalgoorlie in Western Australia. Within the tenements, at least 33 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.

The Lake Giles Projects are situated in the Yilgarn Region of Western Australia. The Yilgarn Region is host to many significant mineral deposits that have been, or are being, mined for iron ore. The tenements cover the Yerilgee greenstone belt which is some 80 km in length and lies within the Southern Cross Province of the Yilgarn. The Lake Giles Projects are approximately 90 km from the existing Perth Kalgoorlie Railway that has a direct connection to the Port of Esperance in Western Australia, where it is intended that ore from the Projects will be shipped. Export is subject to available capacity, which is not certain. The Lake Giles Projects (comprising the Moonshine Magnetite Project and the Ularring Hematite Project) is located approximately 450 km east north-east of the coastal city of Perth, Western Australia, and approximately 115 km west of the town of Menzies. Exploration at the Ularring Hematite and Moonshine Magnetite Projects has been sufficient to allow the estimation of Mineral Resources for both projects.

On 12 August 2020, Macarthur Minerals released an updated Mineral Resource estimate for the Lake Giles Magnetite Project⁽¹⁾. The Mineral Resource estimates include Measured Resources of approximately 53.9 Mt @ 30.8% Fe, Indicated Resources of 218.7 Mt @ 27.5% Fe and Inferred Resources of 997.0 Mt @ 28.4% Fe.

(1) Refer to the Company's news release dated 12 August 2020, titled "Moonshine Magnetite Resource Upgrade".

The resource formed the basis of a Feasibility Study that was released to the market on April 11, 2022. The feasibility study was based on a 3 Mtpa magnetite operation incorporating the Moonshine and Moonshine North magnetite deposits. The Feasibility Study confirms the commercial viability of the Project to produce 3 Mtpa (dry basis) of high-grade magnetite concentrate over a long mine life of 25 years from Proven and Probable Ore Reserves. The key production and financial outcomes are presented in the following table 1⁽²⁾.

(2) Refer to the Company's news release dated 21 March 2022, titled "Positive Feasibility Study Results for Lake Giles Iron Project".

Table 1. Lake Giles Iron Project – Feasibility Study Production and Financials Summary

Production		
Ore mined	236.6 Mt	
Waste mined	624.9 Mt	
Total mined	861.5 Mt	
Strip ratio	2.64	
Concentrate produced	74 Mt	
Concentrate iron grade	66.1	
Plant recovery	31%	
Financials		
	AUDm	USDm
Sales revenue	12,614	8,956
Operating Expenses	8,116	5,672
Initial Capital Expenditure		
Construction capex	801.1	568.8
Mining overburden pre-strip	61.6	43.8
Total initial capital	862.7	612.5
Future Capital Expenditure		
Sustaining capital	203	144.1
Deferred capital - Tailings	39.8	28.3
Capitalised non-operational waste mining	355.7	252.5
Total future capital	598.0	424.6
Closure Expenditure		
Closure and rehabilitation	58.2	41.3
Total Operating Cash Flows	3,625	2574
Taxes & Royalties		
Tax paid	873	620
Royalties	631	435
Valuation		
	AUDm	USDm
NPV (6%) Pre-tax	816	579
NPV (6%) Post-tax	443	314
IRR Pre-tax	13.0%	-
IRR Post-tax	10.1%	-

The Feasibility Study supported a maiden Ore Reserve estimate of 237 Mt, providing the basis for a 25-year mine life. The NI 43-101 Technical Report and Feasibility Study was prepared in accordance with Canadian standards and filed on SEDAR and the Company website on 11 April 2022⁽³⁾ The Mineral Reserves are presented in Table 2.

(3) Refer to the Company's news release dated 11 April 2022, titled "Technical Report for Lake Giles iron Project Feasibility Study".

Table 2. Mineral Reserves – Lake Giles Iron Project, Moonshine and Moonshine North, DTR >15%

Category	Tonnes (Mt)	Fe	Head Grades (%)			LOI	DTR	Concentrate Grades (%)				LOI
			SiO ₂	Al ₂ O ₃	P			Fe	SiO ₂	Al ₂ O ₃	P	
Moonshine												
Proven	34.2	28.1	51.6	1.2	0.04	1.7	30.5	65.9	6.8	0.2	0.02	(0.6)
Probable	166.4	27.2	51.9	1.4	0.05	1.4	30.7	66.6	6.2	0.1	0.02	-
Sub-total	200.6	27.4	51.9	1.4	0.04	1.4	30.6	66.5	6.3	0.1	0.02	(0.1)
Moonshine Nth												
Proven	17.8	35.4	35.4	2.2	0.06	4.2	34.3	66.5	5.0	0.3	0.03	(0.9)
Probable	18.2	30.4	44.7	1.3	0.05	2.9	35.9	63.2	9.4	0.2	0.04	(0.3)
Sub-total	36.0	32.9	40.1	1.7	0.05	3.5	35.1	64.8	7.3	0.3	0.05	(0.6)
Combined												
Proven	51.9	30.6	46.0	1.5	0.05	2.6	31.8	66.1	6.1	0.2	0.03	(0.7)
Probable	184.7	27.6	51.2	1.4	0.05	1.5	31.2	66.2	6.6	0.1	0.02	(0.1)
TOTAL	236.6	28.2	50.1	1.4	0.05	1.8	31.3	66.2	6.5	0.1	0.02	(0.2)

The Ularring Hematite Project's Mineral Resources are comprised of Indicated Mineral Resources of approximately 54.5 Mt @ 47.2% Fe and approximately 26 Mt @ 45.4% Fe Inferred Resources. The Mineral Resource estimates were prepared by CSA Global on behalf of Macarthur Minerals (NI43-101 Technical Report, 2012⁽⁴⁾) in accordance with CIM Definition Standards for Mineral Resources and Reserves (2014). The Company has received all necessary environmental approvals for mine development under the Environmental Protection Act 1986 (WA) and the Environmental and Biodiversity Conservation Act 1999 (Cth). On June 13, 2024, the Company entered into a binding Term Sheet with Gold Valley Yilgarn Pty Ltd, granting the right to extract hematite ore from the Ularring Hematite and Treppo Grande Iron Projects, excluding the Moonshine Magnetite Project. Payment instalments totalling \$750,000 were received in accordance with the agreement terms. The Treppo Grande Iron Ore Project, located 32 km west of Lake Giles and near existing rail infrastructure to the Port of Esperance, covers 68 km². The project lies within the proposed Helena and Aurora Range National Park. Following a refusal of exploration license 77/2521 on 16 September 2022, the Company submitted a subsequent application (ELA 77/3186) on 22 November 2023, with ongoing engagement with regulatory authorities regarding permitting.

(4) NI 43-101 Technical Report filed 1 October 2012, titled "NI 43-101 Technical Report, Macarthur Minerals Limited, Pre-Feasibility Study, Ularring Hematite Project, Western Australia".

Western Australian Gold/Lithium/Nickel projects

Macarthur Iron Ore Pty Ltd, a wholly owned subsidiary of Macarthur Minerals Limited, acquired tenements E45/4735 (Strelley Gorge) and E45/5324 (North Tambourah) from Infinity Mining Limited (ASX: IMI) under a Tenement Sale and Non-Iron Ore Rights Agreement dated 11 August 2021. Infinity Mining retains all non-iron ore rights.

Tenement E45/4735 (Strelley Gorge) was granted a five-year extension to 20 March 2027. In October 2022, a VTEM Max geophysical survey by Infinity Mining over Strelley Gorge identified 60 late-time anomalies, with anomalies 49 and 55 considered most significant. Anomaly 55 shows notably higher amplitude. The tenement's southeast corner borders the Sulphur Springs VHMS deposit owned by Development Global Limited (formerly Venture Resources Limited)⁽⁵⁾.

(5) Refer Infinity Mining Limited New Release, Results of VTEM Max Survey for precious and Base metals at Panorama, Strelley George and Hillside Projects, 10 May 2023.

Western Australian Nickel and Cobalt projects

The Lake Giles Project ('The Project') is located approximately 150 km northwest of the town of Kalgoorlie, 240km North of Poseidon Nickel Ltd Lake Johnston Nickel Project (ASX: POS) and 190km northwest of the Kambalda nickel province in WA (Figure 1). It is adjacent to Dreadnought Resources Ltd's Central Yilgarn Project, which is active in nickel and gold exploration. The Project is wholly owned by Macarthur Iron Ore Pty Ltd, a subsidiary of Macarthur Minerals Limited.



Figure 1: Lake Giles Project Location

The Project covers the Yerrilgee greenstone belt within the Southern Cross Province of the Yilgarn Craton. This region features Archean metamorphosed ultramafic, mafic, sedimentary rocks, and Banded Iron Formation, intruded by granitoids. The ultramafic rocks are interpreted as Kambalda komatiite-type, similar to nickel-hosting rocks at Forrestania and Lake Johnston. Serpentinised olivine cumulate rocks, often metamorphosed to talc-carbonate, are widespread and prospective for nickel sulphides.

A 2016 Geoscience Australia report(6) on the 'Potential for intrusion-hosted Ni-Cu-PGE sulfide deposits' highlighted the potential as moderate to high for either or both tholeiitic intrusion-hosted and komatiite-hosted Ni-Cu-PGE sulfide deposits within the Yerrilgee Greenstone Belt. During 2022/23, Macarthur reviewed historic drilling data, identifying 319 drill holes with nickel assays $\geq 0.1\%$, including 150 holes $\geq 0.2\%$. Approximately 50% of historic drilling targeted iron ore and remains unanalysed for nickel and related elements.

(6) Dulfer, H., Skirrow, R.G., Champion, D.C., Highet, L.M., Czarnota, K., Coghlan, R. & Milligan, P.R. 2016. Potential for intrusion-hosted Ni-Cu-PGE sulfide deposits in Australia: A continental-scale analysis of mineral system prospectivity. Record 2016/01. Geoscience Australia, Canberra. <http://dx.doi.org/10.11636/Record.2016.001>

Historical drilling assay data has identified 319 drill holes, within MIO tenure, with highly anomalous nickel 0.1% or greater, including 150 drill holes recording 0.2% and greater indicating that there is significant potential for nickel mineralisation. Previous drilling principally targeted iron ore with approximately 50% of the drilling not yet analysed for nickel and associated elements (Figure 2).

Significant Ni intercepts from historical drilling and trench sampling highlight the potential for economic Ni mineralisation at Lake Giles, including:

- LGRC_0010 (288m): 128m @ 0.17% Ni (from 108m) including 1m @ 0.29% Ni;
- LGRC_0015 (168m): 106m @ 0.15% Ni (from 62m) finished in anomalous Ni;
- LGRC_0018 (370m): 103m @ 0.16% Ni (from 77m) and 23m @ 0.17% Ni (from 235m);
- LGDD_054 (363m): 23.5m @ 0.85% Ni (from 4.5m) including 11.5m @ 1.03% Ni (from 10.5m); and
- With Gossanous outcrop with grab samples assaying 2.61% Co and 2.01% Ni.

Seven advanced targets have been identified that are considered highly prospective for nickel mineralisation and these remain completely untested⁽⁷⁾.

(7) Refer to the Company's news release dated 9 May 2023, titled "Nickel Prospect Update: Early Indications of Significant Mineralisation".

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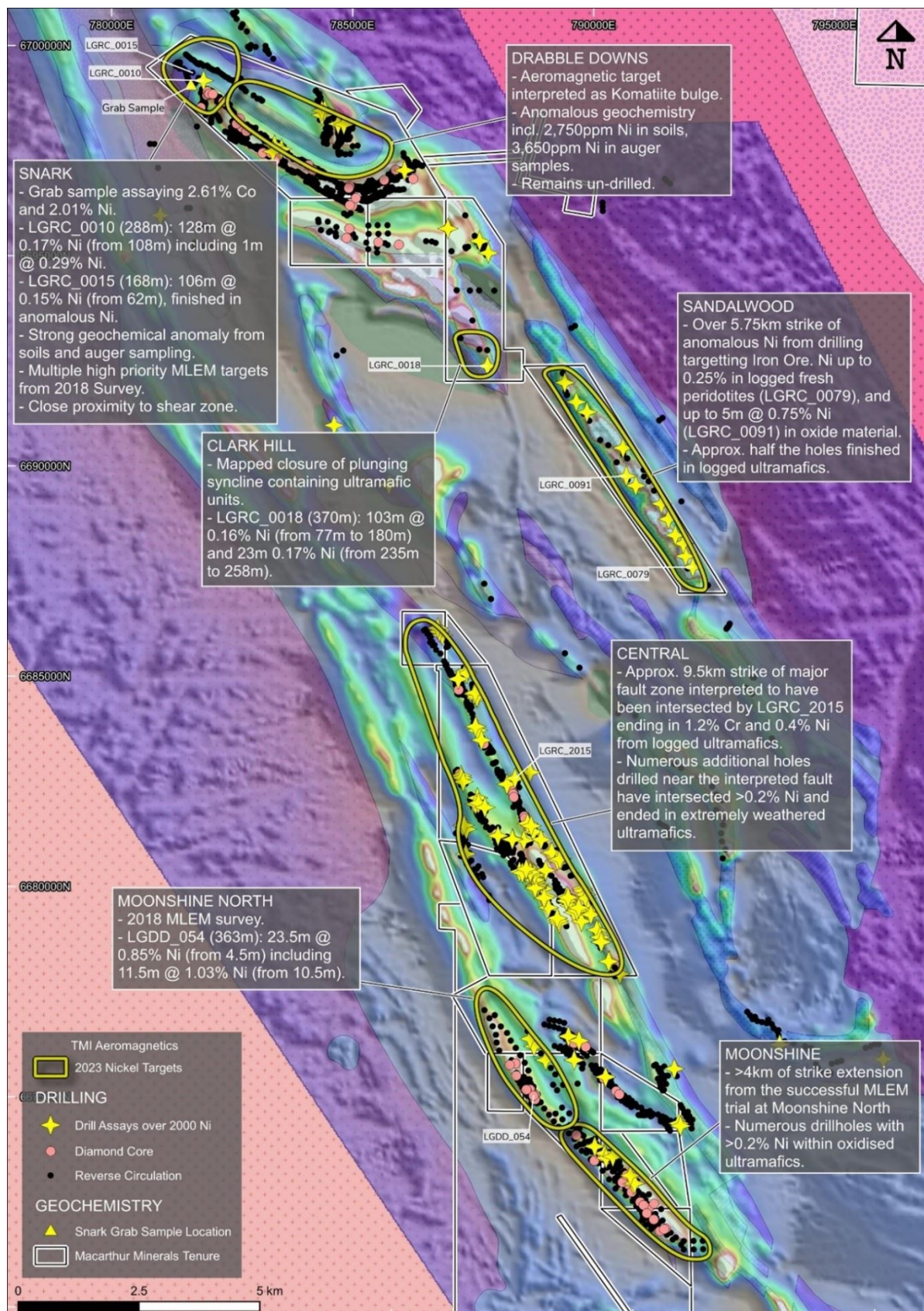


Figure 2: Nickel target areas within MIO Tenure and historical drilling over airborne magnetics (TMI with NE AGC Shade).

Mineral Tenure

As at 27 June 2025 the Company holds or has held interests in the following properties during the reporting period:

Tenement Number	Area(1)	Application/Grant Date	Expiry Date	Holder	Project	% ownership
Yilgarn Project						
M30/0206	186 HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project	100%
M30/0207	171 HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project	100%
M30/0213	256 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0214	260 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0215	521 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0216	56 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0217	114 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0227	502 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0228	353 HA	13-Jun-11	01-Jul-28	MIO	Lake Giles Project	100%
M30/0229	205 HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project	100%
M30/0248	578 HA	22-Feb-12	21-Feb-33	MIO	Lake Giles Project	100%
M30/0249	1204 HA	22-Feb-12	21-Feb-33	MIO	Lake Giles Project	100%
M30/0250	102 HA	05-Mar-13	04-Mar-34	MIO	Lake Giles Project	100%
M30/0251	1245 HA	27-Nov-12	26-Nov-33	MIO	Lake Giles Project	100%
M30/0252	478 HA	27-May-13	26-May-34	MIO	Lake Giles Project	100%
E15/0409	97 HA	25-Jun-20	Under Application	MIO	Lake Giles Project	Refer to Note (2)
E16/0133	923 HA	25-Jun-20	Under Application	MIO	Lake Giles Project	
E30/0071	1396 HA	28-Oct-20	27-Oct-41	MIO	Lake Giles Project	
E30/0089	23663 HA	11-Dec-24	10-Dec-45	MIO	Lake Giles Project	
L30/0090	43 HA	26-Mar-21	Under Application	MIO	Lake Giles Project	
L30/0091	93 HA	26-Mar-21	Under Application	MIO	Lake Giles Project	
L30/0092	31650 HA	28-Nov-22	27-Nov-43	MIO	Lake Giles Project	
L30/0093	74 HA	24-Nov-21	23-Nov-42	MIO	Lake Giles Project	
E77/3186	23 SB	22-Nov-23	Under Application	EIOEC	Mount Manning Project	
E30/568	8 SB	02-Jun-23	Under Application	MIO	Lake Giles Project	
E30/569	13 SB	02-Jun-23	Under Application	MIO	Lake Giles Project	
G30/10	4145 HA	23-Aug-22	Under Application	MIO	Lake Giles Project	Refer to Note (2)
G30/11	109 HA	23-Aug-22	Under Application	MIO	Lake Giles Project	
G30/12	132 HA	23-Aug-22	Under Application	MIO	Lake Giles Project	
Pilbara Projects ⁽²⁾						
E45/5324	4 SB	05-Apr-19	05-Apr-29	MIO	Pilbara Project	Refer to Note (2)
E45/4735	5 SB	21-Nov-17	20-Nov-27	MIO	Pilbara Project	Refer to Note (2)

(1) 1 sub-block (SB) = approx. 3.2km² in the Pilbara and 2.8km² in the Yilgarn.

(2) Beneficially owned by Macarthur Iron Ore Pty Ltd (MIO), subject to Infinity Mining Ltd (formerly Macarthur Lithium Pty Ltd) Non-Iron Ore Rights, pursuant to the Tenements Sale and Non-Iron Ore Rights Agreement dated 11 August 2021.

Operating results

The loss for the Group after providing for income tax amounted to \$26,532,925 (31 March 2024: \$5,761,663). The current year result includes the loss on sale of the Hematite project of \$21,990,791.

As a result of the loss incurred for the year ended 31 March 2025 and the liquidity at the reporting date, there is a material uncertainty on whether the Group can continue as a going concern. The Directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Material business risks

The material business risks the Group believes may have an impact on its operating and financial prospects are as follows:

Risks and uncertainties

1. General

The Group is at an intermediate stage in its evolution as a Mining Evaluation and Investment company having sold the right to mine its Hematite Project to GVV in 2024. Exploration is now minimal pending the realisation of the royalty income stream going forward. Further exploration is also dependent on securing financing to develop commercially viable mineral resources. Exploration is risky and can lead to unprofitable ventures, impacted by fluctuating mineral prices, government regulations, and infrastructure issues.

2. Financial and Funding Risks (going concern - general)

The Group is dependent on the commencement of the royalty income stream commencing in the 2025/26 financial year. As of 31 March 2025, Macarthur faced substantial financial losses and a cash deficit, but it plans to raise funds through equity placements and partnerships to continue operations. The Group has in place a rigorous planning and budgeting process to help determine the funds required to meet its operating and growth objectives. The Group prepares cash forecasts and maintains cash balances to meet short- and long-term cash requirements.

3. Operational and Market Risks

Reliance on Key Personnel: The Group's success hinges on its directors and management. Losing key staff could significantly harm operations. The Group's remuneration policies aims to reward staff appropriately to help retain key staff.

Competition: Macarthur faces stiff competition from other, financially stronger mining companies, which could limit its property acquisitions and funding opportunities. The Group relies on its highly experienced key personnel to identify appropriate acquisitions and funding opportunities.

Development Challenges: Mineral resource development requires substantial investment, and external factors (e.g., regulatory changes) may hinder progress.

4. Political and Economic Risks

Economic Conditions: Factors like inflation, currency fluctuations, and global economic conditions can affect operations and financial outcomes. The Group's Board of Directors is responsible for identifying and addressing any potential issues to minimise the impact on the Group's operations and financial performance.

Terrorism/Conflicts: Global instability could disrupt commodity markets and reduce demand, impacting the Group's activities.

Specific Risks Related to Macarthur Minerals' Projects

1. Title and Property Risks

The Group's tenements and claims may face legal challenges or disputes. Failure to secure land access, approvals, or meet obligations may result in the loss of property rights. To minimise any challenges or loss of access or rights, the Group manages and supports its relationships with key stakeholders.

2. Environmental Risks

Changing environmental regulations may increase compliance costs or delay operations. The Group faces potential environmental liabilities from previous owners and evolving environmental laws. The Group utilises specialist legal counsel for identifying and addressing any changes to minimise any impact.

3. Infrastructure and Development Risks

Delays in securing key infrastructure (e.g., export capacity, rail contracts, power, and water) could hinder project development and affect financial performance. The Group's operations team together with its strategic partner (GVV) are responsible for organising infrastructure in advance to minimise any impact.

4. Mineral Reserves and Resources

The Group's resource estimates may change due to market fluctuations and new information. Commodity price changes could render projects unprofitable.

5. Project Studies Risks

Current project studies may not proceed as planned or may need to be revised due to changes in market conditions or resource estimates.

6. Access and Operational Risks

Geographic challenges, natural disasters, and labor shortages may delay operations and increase costs. The Group has processes and systems in place to identify and resolve any issues that may arise.

7. Exploration and Evaluation Risks

Exploration carries a high risk of failure to discover commercially viable minerals. There is a risk that mineral reserves may be depleted and not offset by new discoveries or developments. The Group continues to monitor developments and relies on its highly experienced key personnel in identifying appropriate areas to explore.

8. Operating Hazards

Mining operations face inherent risks (e.g., fires, flooding, accidents) that may lead to significant financial and operational liabilities. 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 Minerals' intention to mitigate this risk by operating to the highest occupational health and safety standards.

9. Legal Risks

The Group is exposed to contractual and litigation risks, including non-compliance or disputes with contracting parties. Legal issues could impact operations and financial standing, although the Group maintains legal insurance for its directors and officers.

10. Jurisdiction Risks

Macarthur operates in both Australia and the United States, and enforcing legal judgments in foreign jurisdictions may be difficult. Changes in government policies, taxes, and regulations could affect the Group's profitability and operations. Delays in obtaining permits could hinder project development. The Group monitors new laws and regulations to ensure compliance and addresses any impacts on projects as early as possible.

11. Climate change

The Group acknowledges that its business may be impacted by the effects of climate change. The Group is committed to understanding these risks and developing strategies to manage their impact.

Significant changes in the state of affairs

Binding Term Sheet with Gold Valley Yilgarn Pty Ltd

On 13 June 2024, Macarthur Minerals Limited ('MML') announced the execution of a Binding Term Sheet ('Term Sheet') to sell the right to mine hematite at the Ularring site ('Hematite Project') to Gold Valley Yilgarn ('GVY').

The Company sold or assigned various assets (including tenements, mining information and contracts) comprising the Hematite project and its rights and interests in the following assets to GVY (the 'sale'): Tenement numbers; M30/213, M30/214, M30/216, M30/217, M30/227, M30/228, M30/229, M30/248, M30/249, M30/251, M30/252, L30/90 (pending), L30/91 (pending), L30/93, E30/569 (pending), G30/12 (pending). As well as the following optional tenements L15/409 (pending), L16/133 (pending), L30/71, L30/89 (pending), L30/92, E77/3186 (pending).

The consideration for the sale comprises:

- \$750,000 in cash, payable in three equal instalments of \$250,000 on each of 30 June 2024 (received 2 July 2024), 30 September 2024 (received 2 October 2024) and 31 December 2024 (received 17 December 2024);
- A royalty of \$5,000,000 upon the first 1,000,000 Dry Metric Tonne ('DMT') of product extracted and sold;
- A royalty of \$5,000,000 upon a further 1,000,000 DMT of product extracted and sold; and
- A royalty of \$1 per DMT of product extracted and sold ongoing, from the tenements listed, above the first 2,000,000 DMT of product exported or otherwise sold or disposed of.

As a result of the sale of the Hematite Project, the income, expenditure and cash flows associated with the Hematite Project in the statement of profit or loss and other comprehensive income and statement of cash flows, respectively, for the year ended 31 March 2025 have been included in sale of Hematite Project.

Private Placement

On 29 July 2024, Macarthur Minerals Limited successfully closed a private placement, raising approximately A\$1.282 million through the issue of 24,193,831 fully paid ordinary shares at A\$0.053 per share. The placement included 12,096,915 free attaching options exercisable at A\$0.10 and expiring on 29 July 2026.

Proceeds from the placement were applied to working capital and operational expenses, including salaries, management fees, and supporting marketing activities for the Lake Giles magnetite project. Placement fees included a 7% management and investor fee on gross proceeds and a \$5,500 DVP settlement fee. 180 Markets acted as the placement manager.

Director retirement

Mr Andrew Suckling concluded his tenure as a Non-Executive Director of Macarthur Minerals Limited at the Annual General Meeting held on 26 September 2024. Mr Suckling has served on the Board since 2019 and has held key governance roles as Chairman of the Audit and Risk Committee and the Remuneration and Nomination Committee.

In recognition of his service and contributions to the Company, Macarthur proposes to issue one million ordinary shares to Mr Suckling (valued at approximately \$70,000), subject to shareholder approval at a future general meeting. Further details will be included in the relevant notice of meeting.

Investment in Infinity Mining Limited

Macarthur Minerals completed the sale of its shareholding in Infinity Mining Limited (ASX: IMI) in two tranches. On 19 November 2024, the Company sold 22,562,422 shares with the remaining 941,790 shares sold on 15 January 2025. Macarthur no longer holds any interest in Infinity Mining Limited as 861,590 shares were sold on market trades on 13 May 2024, 30 May 2024 and 5 June 2024 respectively.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

Change of address

On 1 May 2025, Macarthur Minerals Limited changed its Registered Office and Principal Place of Business to Suite 4, Level 34, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000. All other contact details remain the same.

Voluntary delisting from TSXV and OTC market

On 16 May 2025, Macarthur Minerals Limited voluntarily delisted its shares from the TSX Venture Exchange and OTC Market. The decision reflects low trading activity on these exchanges and the Company's focus on its primary listing on the ASX, where shares will continue to trade under the symbol 'MIO'. Canadian shareholders may transfer their shares to the Australian register by 11 July 2025, after which remaining Canadian holdings will be automatically moved to the Australian register.

Convertible note funding

On 20 May 2025, Macarthur Minerals Limited entered into a binding agreement to issue unsecured convertible notes totaling \$250,000. The notes have a 12-month term, bear 10% interest prepaid at issue, and are convertible at \$0.015 per share at the investor's option. Shares issued on conversion will rank equally with existing shares. The funding supports working capital and ongoing operations. Issuance of shares on conversion is subject to regulatory approvals.

Renounceable rights issue to raise up to \$2 million

On 23 May 2025, Macarthur Minerals Limited announced a pro-rata renounceable entitlement offer to raise approximately A\$1.996 million. Eligible shareholders can subscribe for 1 new share for every 2 shares held at A\$0.02 per share, receiving 1 free attaching option for every 2 new shares subscribed (exercisable at A\$0.03, expiring in 2 years). The offer is open to shareholders in Australia, New Zealand, and Canada and is underwritten to A\$2 million by Gold Valley Yilgarn Pty Ltd. Proceeds will fund offer costs, working capital, corporate operations, and evaluation of the Lake Giles Iron Project. The offer opens on 23 June 2025 and closes on 9 July 2025.

No other matter or circumstance has arisen since 31 March 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

There are no further developments that the Directors are aware of which could be expected to affect the results of the Group's operations in subsequent financial years other than the information contained in the operating and financial review.

Environmental regulation

The Group is subject to significant environmental regulation in respect to its exploration activities. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of its compliance with environmental legislation. The Directors of the Group are not aware of any breach of environmental legislation for the year under review.

Information on Directors

Name:	Cameron McCall
Title:	Executive Chairman and Chief Executive Officer
Appointed to Board:	27 April 2015
Experience and expertise:	Mr McCall has a wealth of experience across the financial services and commercial property industries within Australia and internationally. He has been providing investment, equity capital raising and share trading advice for over 18 years to corporate entities and private clients at Hartleys Limited and Macquarie Bank Limited. Mr McCall has during his 40-year career built an extensive network of international and Australian based high net worth individuals and corporate entities. Mr McCall is currently running a corporate advisory business providing advice on asset acquisition and capital raising to international and Australian based organisations.
Other current directorships:	None
Former directorships (last 3 years):	Infinity Mining Limited (ASX: IMI) - 6 Feb 2018 - 30 Aug 2024
Special responsibilities:	Chairman of the Board
Interests in shares:	3,665,821 ordinary shares (directly held) 14,000 ordinary shares (indirectly held)
Interests in options:	1,900,000 options over ordinary shares
Interests in rights:	700,000 restricted share units
Name:	Alan Phillips
Title:	Non-Executive Director
Appointed to Board:	19 October 2005
Experience and expertise:	Mr Phillips has been a senior executive, director and chairman of ASX, TSX-V, TSX and AIM listed companies over a period of 40 years. Mr Phillips specialises in start-up and turnaround companies across a broad range of industries, but predominantly in the mining and exploration of copper, gold, ethanol and iron ore and technology sectors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee
Interests in shares:	3,414,268 ordinary shares (indirectly held)
Interests in options:	1,848,100 options over ordinary shares
Interests in rights:	600,000 restricted share units
Name:	Ryan Welker
Title:	Independent Non-Executive Director
Appointed to Board:	1 September 2022
Experience and expertise:	Mr Welker is Chairman and Co-founder of Vitrinite, a tightly held, private, premium- hard coking coal producer in Queensland's Bowen Basin. Mr Welker brings a vast range of skills and experience to the board of Macarthur Minerals. He has worked for and supported mining and exploration companies all over the world in nearly every stage of the development and production cycle. His direct industry experience gives him a blend of capabilities where he understands the needs of mining companies of all sizes, but particularly publicly listed junior mining companies.
Other current directorships:	Tonogold Resources, Inc. (OTCMKTS: TNGL) - 13 Apr 2022 - Present
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee
Interests in shares:	None
Interests in options:	2,300,000 options over ordinary shares
Interests in rights:	600,000 restricted share units

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mima Wirakara is the Company Secretary. Ms Wirakara is a professional with 15 years' experience in administrative, governance and company secretarial support services for several ASX, TSX and POMSox listed resource companies and has been instrumental in managing the Company's corporate governance and compliance, including Australian and Canadian regulatory and exchange requirements.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 March 2025, and the number of meetings attended by each Director were:

	<i>Full Board</i>		<i>Audit and Risk Committee</i>	
	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>
C McCall	2	2	2	2
A Phillips	2	2	2	2
R Welker	2	2	2	2
A Suckling*	1	2	1	2

Held: represents the number of meetings held during the time the Director held office.

* A Suckling resigned on 26 September 2024

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Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

Remuneration policy

The Remuneration Policy of the Group is in place to ensure that:

- Directors' and executives' remuneration is aligned to the long-term interests of shareholders within an appropriate control framework;
- There is a clear relationship between the executives' performance and remuneration; and
- The Policy is appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group.

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Group depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

The Charter of the Committee is available on the Company's website www.macarthurminerals.com.

Remuneration structure

The Board accepts responsibility for determining and reviewing remuneration arrangements for the Directors and the senior management team. The Board assesses the appropriateness of the nature and amount of remuneration of Directors and senior managers on a periodic basis by reference to relevant employment market conditions, giving due consideration to the overall profitability and financial resources of the Group, with the objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive Director remuneration is separate.

Non-executive Directors remuneration

Fees and payments to Non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other Non-executive Directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration consists of base remuneration as well as employer contributions to superannuation. Remuneration levels are reviewed annually through a process that considers individual performance and that of the overall Group.

Short-term incentives ('STIs') are available to executives who achieve performance criteria including compliance. The Board is responsible for determining who is eligible to participate in STI arrangements as well as the structure of those arrangements.

Long-term incentives ('LTIs') plan to reward senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance against relevant long term performance hurdles. LTI grants to executives are delivered in the form of options or restricted share units.

Share-based payment plans

The Company, in accordance with the Company's Employee and Consultant Share Compensation Plans ('Plans'), is authorised to grant incentive stock options ('Options'), award equity restricted share units, or bonus shares or issue common shares from treasury pursuant to the Company's share purchase scheme to Directors, employees and consultants to acquire in aggregate up to 20% of issued and outstanding ordinary shares as at 2 August 2023, being 165,853,488 Common Shares. Both of the Plans were approved on 29 August 2023 by the shareholders and replace the Company's previous Plans.

The exercise price of the Options is fixed by the Board at no lesser than the discounted market price of the shares on the grant date, subject to all applicable regulatory requirements. Options under the Plans can be granted for a maximum term of 5 years and may be subject to vesting criteria as determined by the Board.

The fair value of all issued Options is measured and expensed as share-based compensation at the grant date if they are fully vested upon granting, otherwise the fair value is expensed over the vesting period.

No incentives were paid to Director's or Executives during the financial year ended 31 March 2025.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is set with reference to prevailing market rates and the performance of the Group. Short-term and long-term incentive payments are at the total discretion of the Board. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the five years to 31 March 2025.

Use of remuneration consultants

During the financial year ended 31 March 2025, the Group did not engage remuneration consultants to review its existing remuneration policies and provide recommendations.

Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')

At the 26 September 2024 AGM, 93.23% of the votes received supported the adoption of the remuneration report for the year ended 30 March 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

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

The key management personnel of the Group consisted of the following Directors of Macarthur Minerals Limited:

- C McCall - Executive Chairman and Chief Executive Officer
- A Phillips - Non-Executive Director
- R Welker - Non-Executive Director
- A Suckling - Non-Executive Director - Resigned 26 September 2024

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2025	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:							
A Phillips	95,000	-	-	-	-	46,469	141,469
R Welker	95,000	-	-	-	-	24,994	119,994
A Suckling*	56,373	-	-	-	-	11,919	68,292
Executive Directors:							
C McCall	300,000	-	-	-	-	54,425	354,425
	546,373	-	-	-	-	137,807	684,180

* Remuneration is from 1 April 2024 to date of resignation as a Director, 26 September 2024.

Remuneration accrued and payable to key management personnel as at 31 March 2025 was \$149,916.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
2024							
<i>Non-Executive Directors:</i>							
A Phillips	95,000	-	-	-	-	75,051	170,051
R Welker	95,000	-	-	-	-	75,051	170,051
A Suckling	114,072	-	-	-	-	75,051	189,123
<i>Executive Directors:</i>							
C McCall	300,000	-	-	-	-	87,560	387,560
	604,072	-	-	-	-	312,713	916,785

Remuneration accrued and payable to key management personnel as at 31 March 2024 was \$54,084.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2025	2024	2025	2024	2025	2024
<i>Non-Executive Directors:</i>						
A Phillips	100%	56%	-	-	-	44%
R Welker	100%	56%	-	-	-	44%
A Suckling	100%	60%	-	-	-	40%
<i>Executive Directors:</i>						
C McCall	100%	77%	-	-	-	23%

Cash bonuses are dependent on meeting base performance measures and anything over this is at discretion of the Board.
No performance bonuses were paid during the financial year.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	C McCall
Title:	Executive Director and Chief Executive Officer
Agreement commenced:	No fixed duration
Term of agreement:	No fixed duration, 12 months' notice
Details:	Base salary for the year ending 31 March 2026 of \$300,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 12 months termination notice by either party, non-solicitation and non-compete clauses.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 31 March 2025.

Share options - Employees and Consultants

There were no employee and consultant share options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 31 March 2025.

There were no employee and consultant share options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 31 March 2025.

Share options - Private Placement

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
C McCall	100,000	28 Mar 2024	Upon closing share price of the Company's shares on the ASX being greater than A\$0.25 for 20 consecutive trading day	27 Sep 2025	\$0.25	\$0.020
A Philips	48,100	28 Mar 2024	Upon closing share price of the Company's shares on the ASX being greater than A\$0.25 for 20 consecutive trading day	27 Sep 2025	\$0.25	\$0.020

Performance rights granted carry no dividend or voting rights.

There were no private placement share options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 31 March 2025.

Restricted share units

The terms and conditions of each grant of restricted share units over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of restricted share units granted	Grant date	Vesting date and exercisable date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
C McCall	700,000	24 Jan 2024	Upon closing share price of the Company's shares on the ASX being greater than A\$0.20 for 20 consecutive trading day	24 Jan 2027	\$0.20	\$0.125
A Phillips	600,000	24 Jan 2024	Upon closing share price of the Company's shares on the ASX being greater than A\$0.20 for 20 consecutive trading day	24 Jan 2027	\$0.20	\$0.125
A Suckling	600,000	24 Jan 2024	Upon closing share price of the Company's shares on the ASX being greater than A\$0.20 for 20 consecutive trading day	24 Jan 2027	\$0.20	\$0.125
R Welker	600,000	24 Jan 2024	Upon closing share price of the Company's shares on the ASX being greater than A\$0.20 for 20 consecutive trading day	24 Jan 2027	\$0.20	\$0.125

Restricted share units granted carry no dividend or voting rights.

There were no restricted share units over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 31 March 2025. The 600,000 restricted share units granted to Andrew Suckling were cancelled upon his resignation on 26 September 2024, pursuant to the terms of the compensation plan.

Additional information

The earnings of the Group for the five years to 31 March 2025 are summarised below:

	2025 \$	2024 \$	2023 \$	2022 \$	2021 \$
Other revenue	46,578	257,135	902,537	9,196,967	(3,693,845)
EBITDA	(26,435,200)	(5,627,374)	(4,793,476)	4,488,875	(10,345,174)
EBIT	(26,473,779)	(5,697,888)	(4,865,821)	4,457,452	(10,430,489)
(Loss)/profit after income tax	(26,532,925)	(5,761,663)	(4,884,815)	4,451,648	(10,085,132)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end (CAD\$)	0.03	0.09	0.15	0.47	0.51
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(13.92)	(3.47)	(2.97)	3.10	(8.88)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
C McCall	3,665,821	-	754,718	(754,718)	3,665,821
A Phillips	3,414,268	-	746,855	(746,855)	3,414,268
R Welker	-	-	746,855	(746,855)	-
A Suckling*	2,050,000	-	874,292	(2,924,292)	-
	9,130,089	-	3,122,720	(5,172,720)	7,080,089

* Disposals/other include 2,050,000 ordinary shares held at date no longer a Director, other movement is not necessarily a disposal of ordinary shares.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
C McCall	1,900,000	377,359	-	(377,359)	1,900,000
A Phillips	1,848,100	373,427	-	(373,427)	1,848,100
R Welker	2,300,000	373,427	-	(373,427)	2,300,000
A Suckling*	1,800,000	437,146	-	(2,237,146)	-
	7,848,100	1,561,359	-	(3,361,359)	6,048,100

* Expired/forfeited/other include 1,800,000 options over ordinary shares held at date no longer a Director, other movement is not necessarily a disposal of options.

Restricted share units holding

The number of restricted share units over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/forfeited/other	Balance at the end of the year
<i>Retention rights over ordinary shares</i>					
C McCall	1,700,000	-	-	(1,000,000)	700,000
A Phillips	1,450,000	-	-	(850,000)	600,000
R Welker	600,000	-	-	-	600,000
A Suckling*	1,500,000	-	-	(1,500,000)	-
	<u>5,250,000</u>	<u>-</u>	<u>-</u>	<u>(3,350,000)</u>	<u>1,900,000</u>

* Expired/forfeited/other include 600,000 restricted share units held at date no longer a Director which were cancelled, other movement is not necessarily a disposal of restricted share units.

Loans with key management personnel and their related parties

During the year, the Group entered into short term interest bearing unsecured loan arrangements with three Directors.

The following table outlines amounts in respect of the loans made by key management personnel to the Group:

	Balance at the beginning of the year	Amount borrowed during the year	Interest charged	Amount repaid	Balance at the end of the year
	\$	\$	\$	\$	\$
<i>Key management personnel</i>					
Alan Phillips	41,232	155,583	6,960	(128,888)	74,887
Cameron McCall	30,763	40,000	2,873	(56,784)	16,852
Ryan Welker	-	39,583	2,809	-	42,392

This concludes the remuneration report, which has been audited.

Shares under option - employees and consultants

Unissued ordinary shares of Macarthur Minerals Limited under employee and consultant share options at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
26 Oct 2022	26 Oct 2025	\$0.40	500,000
20 Mar 2023	20 Mar 2026	\$0.20	7,200,000
			<u>7,700,000</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under option - private placement

Unissued ordinary shares of Macarthur Minerals Limited under private placement share options at the date of this report are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Number under rights</i>
28 Mar 2024	27 Sep 2025	\$0.28	3,483,088
29 Jul 2024	29 Jul 2026	\$0.10	12,096,915
			<u>15,580,003</u>

No person entitled to exercise the performance rights had or has any right by virtue of the private placement share options to participate in any share issue of the Company or of any other body corporate.

Shares under restricted share units

Unissued ordinary shares of Macarthur Minerals Limited under restricted share units at the date of this report are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Number under rights</i>
24 Jan 2024	24 Jan 2027	2,200,000

No person entitled to exercise the retention rights had or has any right by virtue of the restricted share units to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options - employees and consultants

There were no ordinary shares of Macarthur Minerals Limited issued on the exercise of employee and consultants share options during the year ended 31 March 2025 and up to the date of this report.

Shares issued on the exercise of options - private placement

The following ordinary shares of Macarthur Minerals Limited were issued during the year ended 31 March 2025 and up to the date of this report on the exercise of private placement share options granted:

<i>Date private placement share options granted</i>	<i>Exercise price</i>	<i>Number of shares issued</i>
29 Apr 2024	\$0.25	700

Shares issued on the exercise of restricted share units

There were no ordinary shares of Macarthur Minerals Limited issued on the exercise of restricted share units during the year ended 31 March 2025 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Cameron McCall
Executive Chairman

27 June 2025

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RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Macarthur Minerals Limited for the year ended 31 March 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA



Steve Stavrou
Partner

Brisbane, Queensland
Dated: 27 June 2025

Macarthur Minerals Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2025



	Note	Group 2025 \$	2024 \$
Revenue			
Other income	5	43,036	90,754
Interest revenue calculated using the effective interest method		3,542	15,905
Share-based payment income		-	152,286
Total revenue		<u>46,578</u>	<u>258,945</u>
Expenses			
Depreciation expense	6	(38,579)	(70,514)
Exploration expenditure		-	(950)
Finance costs	6	(59,146)	(63,775)
Impairment of exploration and evaluation	15	(309,524)	-
Impairment of investment in associate	12	-	(644,315)
Investor relations		(33,898)	(277,421)
Loss on disposal of financial assets		(454,972)	-
Loss on disposal of investments	12	(87,812)	-
Loss on sale of Hematite Project	15	(21,990,791)	-
Net fair value loss of financial assets	10	(773,368)	-
Net loss on foreign exchange		(5,526)	(1,810)
Office and general expenses		(152,879)	(294,423)
Personnel costs	6	(1,160,162)	(844,771)
Professional fees	6	(944,051)	(661,298)
Share-based compensation	35	(190,729)	(1,149,201)
Share of losses of associate accounted for using the equity method	12	-	(1,778,431)
Share registry, filing and listing fees		(209,044)	(195,670)
Travel and accommodation		(16,736)	(38,029)
Write off of financial assets	10	(152,286)	-
Total expenses		<u>(26,579,503)</u>	<u>(6,020,608)</u>
Loss before income tax expense		(26,532,925)	(5,761,663)
Income tax expense	7	-	-
Loss after income tax expense for the year		(26,532,925)	(5,761,663)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(26,532,925)</u>	<u>(5,761,663)</u>
		Cents	Cents
Basic earnings per share	34	(13.92)	(3.47)
Diluted earnings per share	34	(13.92)	(3.47)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Group 2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	8	784	180,637
Trade and other receivables	9	177,099	162,695
Other assets	11	114,839	74,794
Total current assets		<u>292,722</u>	<u>418,126</u>
Non-current assets			
Investments accounted for using the equity method	12	-	1,857,892
Property, plant and equipment	13	63,669	49,112
Right-of-use assets	14	-	73,148
Exploration and evaluation	15	52,531,933	75,292,100
Total non-current assets		<u>52,595,602</u>	<u>77,272,252</u>
Total assets		<u>52,888,324</u>	<u>77,690,378</u>
Liabilities			
Current liabilities			
Trade and other payables	16	1,537,736	786,037
Borrowings	17	243,769	838,477
Lease liabilities	18	-	76,515
Provisions	19	9,811	16,350
Total current liabilities		<u>1,791,316</u>	<u>1,717,379</u>
Non-current liabilities			
Lease liabilities	18	-	4,607
Provisions	19	15,399	18,837
Total non-current liabilities		<u>15,399</u>	<u>23,444</u>
Total liabilities		<u>1,806,715</u>	<u>1,740,823</u>
Net assets		<u>51,081,609</u>	<u>75,949,555</u>
Equity			
Issued capital	20	130,089,319	128,615,069
Reserves	21	11,206,149	11,803,753
Accumulated losses		<u>(90,213,859)</u>	<u>(64,469,267)</u>
Total equity		<u>51,081,609</u>	<u>75,949,555</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Macarthur Minerals Limited
Consolidated statement of changes in equity
For the year ended 31 March 2025



Group	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2023	128,197,540	10,586,408	(58,707,604)	80,076,344
Loss after income tax expense for the year	-	-	(5,761,663)	(5,761,663)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(5,761,663)	(5,761,663)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 35)	-	1,217,345	-	1,217,345
Shares in exchange for services (note 20)	132,000	-	-	132,000
Rights offering (note 20)	580,760	-	-	580,760
Share issue transaction costs (note 20)	(295,231)	-	-	(295,231)
Balance at 31 March 2024	<u>128,615,069</u>	<u>11,803,753</u>	<u>(64,469,267)</u>	<u>75,949,555</u>
Group	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2024	128,615,069	11,803,753	(64,469,267)	75,949,555
Loss after income tax expense for the year	-	-	(26,532,925)	(26,532,925)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(26,532,925)	(26,532,925)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 35)	-	190,729	-	190,729
Private placement (note 20)	1,282,273	-	-	1,282,273
Exercise of options and warrants (note 20)	175	-	-	175
Bonus shares issued (note 20)	170,495	-	-	170,495
Share issue transaction costs (note 20)	21,307	-	-	21,307
Transfer of historic fair value reserve - equity instruments at EVOCI to accumulated losses	-	(788,333)	788,333	-
Balance at 31 March 2025	<u>130,089,319</u>	<u>11,206,149</u>	<u>(90,213,859)</u>	<u>51,081,609</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Macarthur Minerals Limited
Consolidated statement of cash flows
For the year ended 31 March 2025



	Note	Group 2025 \$	2024 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,318,606)	(1,787,536)
Interest received		3,542	15,905
Other revenue		43,036	90,754
Interest and other finance costs paid		(59,146)	(63,775)
Net cash used in operating activities	33	(1,331,174)	(1,744,652)
Cash flows from investing activities			
Payments for investments		-	(80,240)
Payments for property, plant and equipment	13	(19,425)	(1,000)
Payments for exploration and evaluation	15	(290,148)	(1,061,679)
Proceeds from sale of Hematite Project	15	750,000	-
Proceeds from disposal of financial assets		389,454	-
Proceeds from release of security deposits		1,458	-
Net cash from/(used in) investing activities		831,339	(1,142,919)
Cash flows from financing activities			
Proceeds from exercise of options and warrants	20	175	580,760
Proceeds from private placement	20	956,200	-
Share issue transaction costs	20	-	(227,087)
Proceeds from borrowings - Shareholder		-	1,000,000
Repayment of borrowings - Shareholder		(684,875)	(233,518)
Proceeds from borrowings - Director		235,166	100,000
Repayment of borrowings - Director		(173,030)	(28,005)
Proceeds from borrowings - Other		28,031	-
Repayment of lease liabilities		(41,685)	(68,274)
Net cash from financing activities		319,982	1,123,876
Net decrease in cash and cash equivalents		(179,853)	(1,763,695)
Cash and cash equivalents at the beginning of the financial year		180,637	1,944,332
Cash and cash equivalents at the end of the financial year	8	784	180,637

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Macarthur Minerals Limited as a Group consisting of Macarthur Minerals Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (together referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Macarthur Minerals Limited's functional and presentation currency.

Macarthur Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 4, Level 34
Waterfront Place
1 Eagle Street
Brisbane QLD 4000
Australia

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 June 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

AASB 2020-1 is applicable to annual periods beginning from 1 January 2024 (as extended by AASB 2020-6), with early adoption permitted. AASB 2022-6 is applicable to annual periods beginning from 1 January 2024, with early adoption permitted where AASB 2020-1 is also early adopted. These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

Going concern

The consolidated financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Note 2. Material accounting policy information (continued)

The Group incurred a net loss after tax of \$26,532,925 (2024: \$5,761,663) and had cash outflows from operating activities of \$1,331,174 (2024: \$1,744,652) for the year ended 31 March 2025. Included in this current year result is the loss on sale of the Hematite project of \$21,990,791. As at 31 March 2025, current liabilities exceeded current assets by \$1,498,594 (2024: \$1,299,253).

The Directors believe the going concern assumption is valid, reaching such a conclusion after having regard to the factors set out below. Should these factors not eventuate, there is a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The Directors believe that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial statements after consideration of the following factors:

- The Directors believe that future funding will be available to meet the Group's objectives of expanding key strategic assets and continuing to pay its debts as and when they fall due, through raising additional capital through equity placements to existing or new investors. The Group has a demonstrated history of success in this regard including having raised \$5,718,602 (after costs) via a private placement in April 2022, a Rights Issue in March 2024 for \$580,760, and currently, a \$2 million Renounceable Rights Issue (prospectus dated 23 June 2025) which is fully underwritten by the Group's Strategic Partner, Gold Valley Yilgarn ('GVY'). The Directors are confident in their ability to continue to raise additional funds on a timely basis, as and when required; Since balance date, the Company has secured a cash injection of \$250,000 through the issue of a convertible note to a major shareholder. These funds were received on 13 May 2025. The Group's commitment to exploration and maintenance cost expenditure in relation to the hematite project has been eliminated following the agreement with GVY. Exploration expenditure in relation to other projects can be reduced as required, subject to minimum spend requirements; The agreement with GVY referred to in note 15 provides for royalties to be paid to the Company once the extraction of iron ore commences, on the basis of \$5,000,000 for the first 1,000,000 dry metric tonnes ('DMT') extracted and sold, another \$5,000,000 for the second 1,000,000 DMT extracted and sold, and \$1 per DMT thereafter; and Subject to the successful capital raising (rights issue) on foot and/or monetisation of non-core assets, the cashflow forecast for the period to July 2026 indicates sufficient cash available for planned activities.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for financial assets at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 March 2025 and the results of all subsidiaries for the year then ended.

Note 2. Material accounting policy information (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Material accounting policy information (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Macarthur Minerals Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 2. Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	5% to 33.33%
Motor vehicles	12.5%
Office equipment	10% to 33.33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 2. Material accounting policy information (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Exploration and evaluation assets

Exploration and evaluation expenditure are accumulated separately for each area of interest and capitalised to exploration and evaluation assets. Such expenditures comprise net direct costs but do not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest. Expenditure in respect of any area of interest or mineral resource is carried forward provided that:

- the Company's rights of tenure to that area of interest are current;
- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively by its sale; or
- exploration and/or evaluation activities in the areas of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas are continuing.

All other exploration and evaluation expenditure are expensed as incurred. Exploration and evaluation expenditure previously capitalised but which no longer satisfies the above policy is impaired and expensed to profit and loss. Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Material accounting policy information (continued)

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 2. Material accounting policy information (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 2. Material accounting policy information (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Macarthur Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 March 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely and is based on assumptions about future events or circumstances. Recoverable value of exploration assets is based on the assessment of current economic conditions.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

The Chief Operating Decision Makers ('CODM') has been identified as the Chief Executive Officer ('CEO') of the Company. The Group has identified one reportable segment, being the exploration of mineral resources. All such operations and substantially all the capital assets of the Group are situated in Australia as at the reporting date.

Major customers

During the year ended 31 March 2025, there were no major customers that derived more than 10% of revenue (31 March 2024: none).

Note 5. Other income

	Group	
	2025	2024
	\$	\$
Net rental income	22,123	39,614
Accommodation cost recovery	-	25,107
Management fee income for Shares Services Agreement	-	18,033
Other income	20,913	8,000
	<u>43,036</u>	<u>90,754</u>

Note 6. Expenses

	Group 2025 \$	2024 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment (note 13)	4,868	2,992
Buildings right-of-use assets (note 14)	33,711	65,722
Total depreciation	38,579	68,714
<i>Personnel costs</i>		
Salaries and wages expense	693,759	823,688
Defined contribution superannuation expense	15,214	21,083
Payroll tax	451,189	-
Total personnel costs	1,160,162	844,771
<i>Professional fees</i>		
Legal costs	144,980	88,749
External consultants	799,071	572,549
Total professional fees	944,051	661,298
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	57,925	59,378
Interest and finance charges paid/payable on lease liabilities	1,221	4,397
Finance costs expensed	59,146	63,775
<i>Share-based payments expense</i>		
Share-based payments expense	190,729	1,149,201

Note 7. Income tax

	Group	
	2025	2024
	\$	\$
<i>Income tax expense</i>		
Current tax	-	-
Deferred tax - origination and reversal of temporary differences	-	-
Aggregate income tax expense	-	-
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(26,532,925)	(5,761,663)
Tax at the statutory tax rate of 25%	(6,633,231)	(1,440,416)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Legal expenses	36,245	22,187
Impairment of assets	-	161,079
Share-based payments	47,682	287,300
Share of loss - associate	-	444,608
Unrealised foreign exchange loss	1,382	453
Exploration and evaluation assets	5,690,042	(265,420)
Section 40-880 deductions	(127,788)	(194,419)
Sundry items	138,483	87,227
Current year temporary differences not recognised	(847,185)	(897,401)
Income tax expense	-	-
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Deferred tax liability on exploration and evaluation assets	(13,132,983)	(18,823,025)
Tax losses from operations	28,521,478	28,895,953
Tax losses on capital raising expenses	1,963,991	1,979,458
Total deferred tax assets not recognised	17,352,486	12,052,386

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The tax benefit of these losses will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
- The Company continues to comply with the conditions for deductibility of losses imposed by the relevant tax legislation.

In particular, the Company's tax losses can be carried forward to offset its future income and the future income of members of its tax consolidated group, subject to the satisfaction of the Continuity of Ownership Test or the Same or Similar Business Test and having regard to the application of the "available fraction".

In this respect the ability to utilise tax losses in the future will be dependent on specific shareholding tracing in the years of losses and the future years of income, and future events including the business activity of the Company in future years of income.

Note 8. Cash and cash equivalents

	Group	
	2025	2024
	\$	\$
<i>Current assets</i>		
Cash at bank and on hand	784	180,637

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Note 9. Trade and other receivables

	Group	
	2025	2024
	\$	\$
<i>Current assets</i>		
Other receivables	95,704	68,887
Goods and services tax recoverable	81,395	93,808
	<u>177,099</u>	<u>162,695</u>

Note 10. Financial assets at fair value through profit or loss

The Company's investment in Infinity Mining Limited ('Infinity') was previously classified as an investment in an associated entity and accounted for using the equity method (note 12), based on a shareholding of 20.52% as of 31 March 2024 and Board representation which constituted significant influence under AASB 128 'Investments in Associates'.

Following a reduction in the shareholding to 17.32% during the year, along with Cameron McCall's resignation from Infinity's Board on 30 August 2024, the Company ceased to account for the investment as an associated entity. The investment is now accounted for as a financial asset at fair value through profit or loss under AASB 9 'Financial Instruments'.

As of 31 March 2025, the Company held no shares in Infinity having sold all of its remaining holding of 23,504,212 shares during the financial year.

	Group	
	2025	2024
	\$	\$
<i>Current assets</i>		
Ordinary shares - designated at fair value through profit or loss	-	-
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	-	-
Transferred from investments accounted for using the equity method (note 12)	1,770,080	-
Revaluation through profit or loss	(773,368)	-
Disposals	(844,426)	-
Write off of financial asset (options)	(152,286)	-
Closing fair value	<u>-</u>	<u>-</u>

Refer to note 24 for further information on fair value measurement.

Note 11. Other assets

	Group	
	2025	2024
	\$	\$
<i>Current assets</i>		
Prepayments	79,442	37,939
Security deposits	35,397	36,855
	<u>114,839</u>	<u>74,794</u>

Note 12. Investments accounted for using the equity method

	Group	
	2025	2024
	\$	\$
<i>Non-current assets</i>		
Investment in associate - Infinity Mining Limited	-	1,857,892
	<u>-</u>	<u>1,857,892</u>
<i>Reconciliation</i>		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:		
Opening carrying amount	1,857,892	4,048,112
Loss after income tax	-	(1,778,431)
Additions	-	80,240
Disposals	(87,812)	-
Revaluation	-	152,286
Impairment of assets	-	(644,315)
Transferred to financial assets at fair value through profit or loss (note 10)	(1,770,080)	-
Closing carrying amount	<u>-</u>	<u>1,857,892</u>

Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025	2024
		%	%
Infinity Mining Limited	Australia	-	20.52%

Note 13. Property, plant and equipment

	Group	
	2025	2024
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	660,563	660,563
Less: Accumulated depreciation	(657,408)	(655,015)
	<u>3,155</u>	<u>5,548</u>
Motor vehicles - at cost	<u>19,425</u>	<u>-</u>
Office equipment - at cost	452,197	452,197
Less: Accumulated depreciation	(411,108)	(408,633)
	<u>41,089</u>	<u>43,564</u>
	<u><u>63,669</u></u>	<u><u>49,112</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<i>Group</i>	<i>Plant and equipment</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	\$	\$	\$	\$
Balance at 1 April 2023	5,346	-	45,758	51,104
Additions	1,000	-	-	1,000
Depreciation expense	(798)	-	(2,194)	(2,992)
Balance at 31 March 2024	5,548	-	43,564	49,112
Additions	-	19,425	-	19,425
Depreciation expense	(2,393)	-	(2,475)	(4,868)
Balance at 31 March 2025	<u><u>3,155</u></u>	<u><u>19,425</u></u>	<u><u>41,089</u></u>	<u><u>63,669</u></u>

Note 14. Right-of-use assets

	Group	
	2025	2024
	\$	\$
<i>Non-current assets</i>		
Buildings - right-of-use	-	202,566
Less: Accumulated depreciation	-	(129,418)
	<u>-</u>	<u>73,148</u>

In May 2022, the Group entered into a lease over its new Brisbane office premises at Suite 1G, Building 1, Kings Row Office Park, 40 McDougall Street, Milton, Queensland for a period of 3 years.

For other AASB 16 lease disclosures refer to:

- note 6 for depreciation on right-of-use assets and interest on lease liabilities;
- note 18 for lease liabilities at the reporting date;
- note 23 for undiscounted future lease commitments; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 14. Right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Group	<i>Buildings - right-of-use \$</i>
Balance at 1 April 2023	140,670
Depreciation expense	(67,522)
Balance at 31 March 2024	73,148
Disposals	(39,437)
Depreciation expense	(33,711)
Balance at 31 March 2025	-

Note 15. Exploration and evaluation

	Group	
	2025	2024
	\$	\$
Non-current assets		
Exploration and evaluation assets	52,531,933	75,292,100

The ultimate recoupment of the carrying value of exploration and evaluation assets is dependent on the successful development, commercial exploitation and financing of the areas of interest, or alternatively through sale. At 31 March 2024, the Company held 100% of the outstanding and issued share capital of Macarthur Australia. Macarthur Australia's wholly owned subsidiaries, Macarthur Iron Ore Pty Ltd holds assets which include the Iron Ore Projects. Macarthur Minerals also holds 100% of Macarthur Lithium Nevada Limited ('MLiNV'), which holds a Lithium Exploration Project in Nevada.

Note 15. Exploration and evaluation (continued)

The carrying value of the exploration and evaluation assets relates to the Iron Ore and Lithium Projects. Exploration expenditure of \$290,148 was capitalised during the year ended 31 March 2025 (31 March 2024: \$1,061,679), as per the table below:

	<i>Acquisition costs \$</i>	<i>Capitalised exploration costs \$</i>	<i>Total \$</i>
Balance at 1 April 2023	4,010,636	70,219,785	74,230,421
<i>Incurred during the year:</i>			
Accommodation and camp maintenance	-	33,765	33,765
Environmental surveys	-	338,956	338,956
Other	-	63,720	63,720
Personnel and Contractors	-	97,284	97,284
Rent and rates	-	359,373	359,373
Research and reports	-	91,100	91,100
Sampling and testing	-	11,410	11,410
Tenement management and outlays	-	24,851	24,851
Gravel	-	2,797	2,797
Vehicle hire	-	38,423	38,423
Balance at 31 March 2024	4,010,636	71,281,464	75,292,100
<i>Incurred during the year:</i>			
Accommodation and camp maintenance	-	95,424	95,424
Surveys	-	117,942	117,942
Other	-	7,228	7,228
Personnel and contractors	-	25,095	25,095
Tenement management and outlays	-	26,626	26,626
Travel	-	4,161	4,161
Vehicle hire	-	13,672	13,672
Balance before impairment	4,010,636	71,571,612	75,582,248
Impairment of Nevada*	-	(309,524)	(309,524)
Balance after impairment and before transfer	4,010,636	71,262,088	75,272,724
Sale of Hematite Project (refer below)	-	(22,740,791)	(22,740,791)
Balance at 31 March 2025	<u>4,010,636</u>	<u>48,521,297</u>	<u>52,531,933</u>

* Macarthur Minerals, through its 100% owned subsidiary Macarthur Lithium Nevada Limited ('MLiNV') relinquished the tenements related to its lithium claims in Nevada during the year. As a result of this, deferred exploration and evaluation expenditure related to this project has been fully impaired.

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

Sale of Hematite Project

On 13 June 2024, Macarthur Minerals Limited ('MML') announced the execution of a Binding Term Sheet ('Term Sheet') to sell the right to mine hematite at the Ularring site ('Hematite Project') to Gold Valley Yilgarn ('GVY').

MML will sell or assign various assets (including tenements, mining information and contracts) comprising the Hematite project and its rights and interests in the following assets to GVY (the 'sale'): Tenement numbers; M30/213, M30/214, M30/216, M30/217, M30/227, M30/228, M30/229, M30/248, M30/249, M30/251, M30/252, L30/90 (pending), L30/91 (pending), L30/93, E30/569 (pending), G30/12 (pending). As well as the following optional tenements L15/409 (pending), L16/133 (pending), L30/71, L30/89 (pending), L30/92, E77/3186 (pending).

Note 15. Exploration and evaluation (continued)

The consideration for the sale comprises:

- \$750,000 in cash, payable in three equal instalments of \$250,000 on each of 30 June 2024 (received 2 July 2024), 30 September 2024 (received 2 October 2024) and 31 December 2024 (received 17 December 2024);
- A royalty of \$5,000,000 upon the first 1,000,000 Dry Metric Tonne ('DMT') of product extracted and sold;
- A royalty of \$5,000,000 upon a further 1,000,000 DMT of product extracted and sold; and
- A royalty of \$1 per DMT of product extracted and sold ongoing, from the tenements listed, above the first 2,000,000 DMT of product exported or otherwise sold or disposed of.

As a result of the sale of the Hematite Project, the income, expenditure and cash flows associated with the Hematite Project in the statement of profit or loss and other comprehensive income and statement of cash flows, respectively, for the year ended 31 March 2025 have been included in sale of Hematite Project.

The net loss from the sale of Hematite Project is as follows:

	2025 \$
Exploration expenditure	
Loss on sale of Hematite Project (per below)	(21,990,791)
Finance costs	-
Loss before tax from sale of Hematite Project	(21,990,791)
Income tax expense	-
Loss after tax from sale of Hematite Project	<u>(21,990,791)</u>
Reconciliation	
Cash consideration	750,000
Less: Write-off of net assets of Hematite Project	<u>(22,740,791)</u>
Loss on sale of Hematite Project	<u>(21,990,791)</u>

Consideration relating to future royalties has not been brought to account, at either the date of sale or at year end, as the amounts are not as yet considered highly probable. This amount will be re-assessed each reporting date.

Note 16. Trade and other payables

	2025 \$	Group 2024 \$
Current liabilities		
Trade payables	849,118	508,377
Payroll tax payable	451,150	-
Accrued expenses	216,097	231,404
Other payables	21,371	46,256
	<u>1,537,736</u>	<u>786,037</u>

Refer to note 23 for further information on financial instruments.

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Note 17. Borrowings

	Group	
	2025 \$	2024 \$
<i>Current liabilities</i>		
Loan - Shareholder (note 29)	81,607	766,482
Loan - Directors (note 29)	134,131	71,995
Loan - Other	28,031	-
	<u>243,769</u>	<u>838,477</u>

Refer to note 23 for further information on financial instruments.

The Shareholder's loan incurs interest at 10% per annum and is payable within 6 months of receipt of funding. The loan has no covenants.

The Directors' loans incur interest at 14% per annum and is payable within 3-6 months of receipt of funding. These loans have no covenants.

Note 18. Lease liabilities

	Group	
	2025 \$	2024 \$
<i>Current liabilities</i>		
Lease liability	-	76,515
<i>Non-current liabilities</i>		
Lease liability	-	4,607

Refer to note 23 for further information on financial instruments.

Note 19. Provisions

	Group	
	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	9,811	16,350
<i>Non-current liabilities</i>		
Long service leave	15,399	18,837

Note 20. Issued capital

	Group			
	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>199,665,510</u>	<u>172,061,088</u>	<u>130,089,319</u>	<u>128,615,069</u>

Note 20. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 April 2023	165,653,488		128,197,540
Issue of shares in exchange for services ⁽¹⁾	19 June 2023	200,000	\$0.22	44,000
Issue of shares in exchange for services ⁽¹⁾	2 August 2023	200,000	\$0.22	44,000
Issue of shares in exchange for services ⁽¹⁾	17 November 2023	200,000	\$0.22	44,000
Issue of shares under a pro-rata renounceable rights issue	28 March 2024	5,807,600	\$0.10	580,760
Share issue transaction costs, net of tax				(295,231)
Balance	31 March 2024	172,061,088		128,615,069
Issue of shares on exercise of Right offering options	22 April 2024	700	\$0.25	175
Issue of shares in Private Placement	29 July 2024	24,193,831	\$0.05	1,282,273
Issue of bonus shares	5 August 2024	3,409,891	\$0.05	170,495
Share issue transaction costs, net of tax				21,307
Balance	31 March 2025	<u>199,665,510</u>		<u>130,089,319</u>

(1) 600,000 shares were issued to Karlsson Group Ltd, who was appointed for a period of six months, to provide certain business development and marketing services on an incentivised basis through the issuance of 800,000 shares with each share having a deemed value equal to the market price as of 16 June 2023. The shares were payable over four instalments subject to agreed performance criteria with the first instalment of 200,000 shares issued on 19 June 2023.

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of resource properties.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the management of capital, the Company includes shareholders' equity. The properties in which the Company currently has an interest are in the exploration and development stage, as such the Company is dependent on external financing to fund activities.

In order to carry out planned exploration, conduct studies and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Refer to note 2 for further information on working capital and going concern.

In addition to its lithium and iron ore exploration and evaluation activities, the Company will continue to assess new properties and seek to acquire an interest in additional properties if there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no other changes in the Company's approach to capital management during the year ended 31 March 2025. The Company is not subject to externally imposed capital requirements.

Note 21. Reserves

	Group	
	2025 \$	2024 \$
Financial assets at fair value through other comprehensive income reserve	-	788,333
Share capital reserve	254,901	254,901
Share-based payments reserve	10,951,248	10,760,519
	<u>11,206,149</u>	<u>11,803,753</u>

Financial assets at fair value through other comprehensive income ('OCI') reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Share capital reserve

The share capital reserve records the residual value of contributed equity after deducting the fair value of the common shares issued.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

The Group has issued share options, rights and warrants on specified terms. The cost of these items is measured by reference to their fair value at the date at which they are granted and expensed over the vesting period. The fair value is determined using option valuation models.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Group	Financial assets at fair value through OCI reserve \$	Share capital reserve \$	Share-based payments reserve \$	Total \$
Balance at 1 April 2023	788,333	186,757	9,611,318	10,586,408
Share-based payments	-	68,144	1,149,201	1,217,345
Balance at 31 March 2024	788,333	254,901	10,760,519	11,803,753
Share-based payments	-	-	190,729	190,729
Transfer of historic fair value reserve - equity instruments at FVOCI to accumulated losses	(788,333)	-	-	(788,333)
Balance at 31 March 2025	<u>-</u>	<u>254,901</u>	<u>10,951,248</u>	<u>11,206,149</u>

Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks of the Group. Finance reports to the Board on a monthly basis.

The Company's principal financial instruments are cash and cash equivalents, the main purpose of which is to fund the Company's operations. The Company has various other financial assets and liabilities such as security deposits, other receivables and trade payables which arise directly from its operations. It is the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk, and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Company's consolidated financial statements can be affected by movements in the CAD\$/USD\$ exchange rate, due to some administrative expenses and liabilities being incurred in currency other than in \$AUD, being the functional currency of the Company.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2025 \$	2024 \$	2025 \$	2024 \$
US dollars	19	18	58,430	75,439
Canadian dollars	651	4,238	91,378	4,902
Group	670	4,256	149,808	80,341

The following table illustrates sensitivities to the Group's exposures to changes exchange rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

Note 23. Financial instruments (continued)

Group - 2025	% change	AUD strengthened Effect on		% change	AUD weakened Effect on	
		profit before tax	Effect on equity		profit before tax	Effect on equity
US dollars	5%	2,921	2,921	(5%)	(2,921)	(2,921)
Canadian dollars	5%	4,536	4,536	(5%)	(4,536)	(4,536)
		<u>7,457</u>	<u>7,457</u>		<u>(7,457)</u>	<u>(7,457)</u>

Group - 2024	% change	AUD strengthened Effect on		% change	AUD weakened Effect on	
		profit before tax	Effect on equity		profit before tax	Effect on equity
US dollars	5%	3,771	3,771	(5%)	(3,771)	(3,771)
Canadian dollars	5%	33	33	(5%)	(33)	(33)
		<u>3,804</u>	<u>3,804</u>		<u>(3,804)</u>	<u>(3,804)</u>

Price risk

The Group is not exposed to any significant price risk.

The Company's future revenues 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 production stage, its exposure to price risk has no impact on the financial statements, however price risk is a critical assumption for the Group's economic studies on its Iron Ore Projects and for impairment testing.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following interest bearing assets:

Group	2025		2024	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash and cash equivalents	-	784	-	180,637
Security deposits	-	35,397	-	36,855
Net exposure to cash flow interest rate risk		<u>36,181</u>		<u>217,492</u>

A change of 100 basis points in interest rates on the above interest-bearing financial instruments at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Note 23. Financial instruments (continued)

Group - 2025	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	100	8	8	(100)	(8)	(8)
Security deposits	100	354	354	(100)	(354)	(354)
		<u>362</u>	<u>362</u>		<u>(362)</u>	<u>(362)</u>

Group - 2024	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	100	1,806	1,806	(100)	(1,806)	(1,806)
Security deposits	100	369	369	(100)	(369)	(369)
		<u>2,175</u>	<u>2,175</u>		<u>(2,175)</u>	<u>(2,175)</u>

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

Group - 2025	Interest rate increase			Interest rate decrease		
	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
Interest rate	2%	<u>4,350</u>	<u>4,350</u>	(2%)	<u>(4,350)</u>	<u>(4,350)</u>

Credit risk

The Company's primary exposure to credit risk is on its cash and cash equivalents. The Company limits its exposure to credit risk by maintaining its financial liquid assets with high-credit quality financial institutions. The Company will trade only with recognised, creditworthy third parties. Credit verification procedures will be carried out when deemed necessary and receivable balances will be monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The carrying amount of the Company's financial assets represents the maximum credit exposure. This amount consists of cash and cash equivalents, other receivables and security deposits per the below table. The Company's receivables exclude current outstanding taxation payments recoverable from the Australian Government. These statutory amounts are excluded under Accounting Standards in the below analysis.

	Group	
	2025 \$	2024 \$
Cash and cash equivalents	784	180,637
Other receivables	95,704	68,887
Security deposits	<u>35,397</u>	<u>36,855</u>
Maximum credit exposure	<u>131,885</u>	<u>286,379</u>

Note 23. Financial instruments (continued)

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

	Group	
	2025	2024
	\$	\$
Australia	131,215	282,123
Canada	670	4,256
	<u>131,885</u>	<u>286,379</u>

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Group - 2025	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	849,118	-	-	-	849,118
Other payables	-	21,372	-	-	-	21,372
<i>Interest-bearing - fixed rate</i>						
Loan - Shareholder	10.00%	81,607	-	-	-	81,607
Loan - Directors	14.00%	134,131	-	-	-	134,131
Total non-derivatives		<u>1,086,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,086,228</u>

Group - 2024	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	508,377	-	-	-	508,377
Other payables	-	46,256	-	-	-	46,256
<i>Interest-bearing - fixed rate</i>						
Lease liability	3.78%	76,515	4,607	-	-	81,122
Loan - Shareholder	10.00%	766,482	-	-	-	766,482
Loan - Directors	14.00%	71,995	-	-	-	71,995
Total non-derivatives		<u>1,469,625</u>	<u>4,607</u>	<u>-</u>	<u>-</u>	<u>1,474,232</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 23. Financial instruments (continued)

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 25. Key management personnel disclosures

Directors

The following persons were Directors of Macarthur Minerals Limited during the financial year:

Executive Director

Cameron McCall Executive Chairman and CEO

Non-Executive Director

Alan Phillips Non-Executive Director
Ryan Welker Non-Executive Director (Independent)
Andrew Suckling Non-Executive Director (Independent) - Resigned 26 September 2024

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Group	
	2025 \$	2024 \$
Short-term employee benefits	546,373	604,072
Share-based payments	137,807	312,713
	<u>684,180</u>	<u>916,785</u>

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	Group	
	2025 \$	2024 \$
Audit services - RSM Australia Partners		
Audit or review of the financial statements	<u>89,600</u>	<u>100,000</u>

Note 27. Contingent liabilities

The Group has given bank guarantees as at 31 March 2025 of \$31,897 (31 March 2024: \$31,897) for office leasing arrangements in Brisbane and corporate credit cards.

Note 28. Commitments

In order to maintain its current rights of tenure for exploration and/or mining activities, the Company is required to perform minimum annual expenditure requirements specified in the tenement documents. The expenditure obligations are subject to renegotiation when an application for a mining lease and/or renewal of exploration permits are made or at other times and are subject to whether the Company decides to continue a tenement's rights until its expiry. Due to the nature of the Company's activities, it is difficult to accurately forecast the amount of future expenditure that will be necessary to incur in order to maintain present interests.

The following obligations are not provided for in the financial statements and are payable at future dates as follows:

	Group	
	2025 \$	2024 \$
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,091,625	515,697
One to five years	4,390,012	4,018,370
	<u>5,481,637</u>	<u>4,534,067</u>

For the financial year ending 31 March 2025, the Company may apply for exemptions against expenditure in relation to those tenements which did not have sufficient expenditure recorded against them in the prior 12 months of their term. Exemption has and may be sought on the basis that aggregate expenditure on those tenements in prior years far exceeded the minimum required. In the event that exemption for these tenements is not granted (which the Company believes is highly unlikely), the Company may have to impair/expense the value of the amount capitalised to exploration and evaluation assets for those tenements.

Note 29. Related party transactions

Parent entity

Macarthur Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Associates

Interests in associates are set out in note 12.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Group	
	2025 \$	2024 \$
Receipts for goods and services:		
Costs recoveries for services to associate	30,046	255,110

Note 29. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Group	
	2025	2024
	\$	\$
Current receivables:		
Trade receivables from associate	-	40,518
Current payables:		
Trade payables to Director, Cameron McCall	137,500	27,500
Trade payables to Director, Alan Philips	6,667	7,917
Trade payables to Director, Ryan Welker	60,958	8,708
Trade payables to former Director, Andrew Suckling	26,125	9,585
Trade payables to Chief Financial Officer, Ian McCall	16,377	16,500

Loans from related parties

The following balances are outstanding at the reporting date in relation to interest bearing loans with related parties:

	Group	
	2025	2024
	\$	\$
Current borrowings:		
Loan from Shareholder	81,607	766,482
Loan from Director, Cameron McCall	16,852	30,763
Loan from Director, Alan Phillips	74,887	41,232
Loan from Director, Ryan Welker	42,392	-

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$	\$
Loss after income tax	(4,254,956)	(5,591,383)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	(4,254,956)	(5,591,383)

Note 30. Parent entity information (continued)

Statement of financial position

	Parent	
	2025	2024
	\$	\$
Total current assets	180,887	362,994
Total non-current assets	37,808,564	40,077,874
Total assets	37,989,451	40,440,868
Total current liabilities	1,565,847	1,419,242
Total non-current liabilities	15,399	23,444
Total liabilities	1,581,246	1,442,686
Net assets	36,408,205	38,998,182
Equity		
Issued capital	130,089,319	128,615,069
Reserves	3,902,810	4,500,415
Accumulated losses	(97,583,924)	(94,117,302)
Total equity	36,408,205	38,998,182

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has entered into guarantees in relation to the debts of its subsidiary companies, and some of its subsidiary companies are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 March 2025 and 31 March 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 March 2025 and 31 March 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Macarthur Australia Limited	Australia	100%	100%
Esperance Iron Ore Export Company Pty Ltd ⁽¹⁾	Australia	100%	100%
Macarthur Iron Ore Pty Ltd ⁽¹⁾	Australia	100%	100%
Macarthur Minerals NT Pty Ltd ⁽¹⁾	Australia	100%	100%
Macarthur Tulshyan Pty Ltd ⁽¹⁾⁽²⁾	Australia	100%	100%
Macarthur Marble Bar Lithium Pty Ltd ⁽¹⁾	Australia	100%	100%
Macarthur Lithium Nevada Limited ⁽¹⁾	United States of America	100%	100%

⁽¹⁾ 100% owned subsidiary of Macarthur Australia Limited

⁽²⁾ 100% owned subsidiary of Macarthur Minerals NT Pty Ltd

The Company's equity interest in all subsidiaries is in direct holdings of ordinary shares. All subsidiaries operate from the Company's premises and have the same reporting date. There are no significant restrictions on the Company's ability to access or use assets, and settle liabilities, of the Group. Balances and transactions between the Company and its wholly owned subsidiaries have been eliminated upon consolidation. Macarthur Minerals Limited is the ultimate parent entity for all entities.

Note 32. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Macarthur Minerals Limited
Macarthur Australia Limited
Macarthur Iron Ore Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and Directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Macarthur Minerals Limited, they also represent the 'Extended Closed Group'.

Note 32. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

	2025 \$	2024 \$
Statement of profit or loss and other comprehensive income		
Other income	20,914	90,754
Interest revenue calculated using the effective interest method	3,543	15,906
Share-based payment income	-	152,286
Net rental income from associated entity	22,123	-
Depreciation expense	(38,579)	(70,514)
Finance costs	(59,146)	(63,775)
Impairment of investment in associate	-	(644,315)
Investor relations	(33,898)	(277,421)
Loss on disposal of financial assets	(454,972)	-
Loss on disposal of investments	(87,812)	-
Loss on sale of Hematite Project	(21,990,791)	-
Net fair value loss of financial assets	(773,368)	-
Net loss on foreign exchange	(5,526)	(1,810)
Office and general expenses	(152,506)	(290,938)
Personnel costs	(1,160,162)	(844,771)
Professional fees	(943,580)	(661,298)
Share-based compensation	(190,729)	(1,149,201)
Share of losses of associate accounted for using the equity method	-	(1,778,431)
Share registry, filing and listing fees	(207,784)	(195,670)
Travel and accommodation	(16,736)	(38,029)
Write off of financial assets	(152,286)	-
Loss before income tax expense	(26,221,295)	(5,757,227)
Income tax expense	-	-
Loss after income tax expense	(26,221,295)	(5,757,227)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(26,221,295)</u>	<u>(5,757,227)</u>
Equity - accumulated losses	2025 \$	2024 \$
Accumulated losses at the beginning of the financial year	(63,251,981)	(57,494,754)
Loss after income tax expense	(26,221,295)	(5,757,227)
Transfer from financial assets at fair value through other comprehensive income reserve	788,333	-
Accumulated losses at the end of the financial year	<u>(88,684,943)</u>	<u>(63,251,981)</u>

Note 32. Deed of cross guarantee (continued)

Statement of financial position

	2025	2024
	\$	\$
Current assets		
Cash and cash equivalents	783	180,637
Trade and other receivables	175,449	160,145
Other assets	114,839	74,792
	<u>291,071</u>	<u>415,574</u>
Non-current assets		
Investments accounted for using the equity method	-	1,857,892
Property, plant and equipment	63,669	49,112
Right-of-use assets	-	73,148
Exploration and evaluation	49,003,047	71,453,689
	<u>49,066,716</u>	<u>73,433,841</u>
Total assets	<u>49,357,787</u>	<u>73,849,415</u>
Current liabilities		
Trade and other payables	1,538,445	785,137
Borrowings	243,768	838,477
Lease liabilities	-	76,515
Employee benefits	9,811	16,350
	<u>1,792,024</u>	<u>1,716,479</u>
Non-current liabilities		
Trade and other payables	2,243,180	2,245,994
Lease liabilities	-	4,607
Employee benefits	15,399	18,837
	<u>2,258,579</u>	<u>2,269,438</u>
Total liabilities	<u>4,050,603</u>	<u>3,985,917</u>
Net assets	<u>45,307,184</u>	<u>69,863,498</u>
Equity		
Issued capital	130,089,319	128,615,069
Reserves	3,902,808	4,500,410
Accumulated losses	(88,684,943)	(63,251,981)
Total equity	<u>45,307,184</u>	<u>69,863,498</u>

Note 33. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Group	
	2025	2024
	\$	\$
Loss after income tax expense for the year	(26,532,925)	(5,761,663)
<i>Adjustments for:</i>		
Depreciation and amortisation	38,579	70,514
Share-based payments	190,729	1,149,201
Impairment of investments	-	644,315
Impairment of exploration and evaluation	309,524	-
Write off of financial assets	152,286	-
Net loss on disposal of investments	87,812	-
Net loss on disposal of financial assets	454,972	-
Net loss on disposal of Hematite Project	21,990,791	-
Net fair value gain on investments	-	(152,286)
Net fair value loss on financial assets	773,368	-
Share of loss - associates	-	1,778,431
Foreign exchange differences	-	1,810
Shares issued in lieu of consultancy fees	-	132,000
Bonus shares issued	170,495	-
Non-cash private placement	326,073	-
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(14,404)	3,473
Decrease/(increase) in prepayments	(41,503)	33,368
Increase in other operating assets	-	(1,458)
Increase in trade and other payables	773,006	452,958
Decrease in employee benefits	(9,977)	(95,315)
Net cash used in operating activities	<u>(1,331,174)</u>	<u>(1,744,652)</u>

Changes in liabilities arising from financing activities

Group	<i>Loan from unrelated party</i>	<i>Loan from related parties</i>	<i>Lease liabilities</i>	<i>Total</i>
	\$	\$	\$	\$
Balance at 1 April 2023	-	-	149,397	149,397
Net cash from/(used in) financing activities	-	838,477	(149,397)	689,080
Acquisition of leases	-	-	81,122	81,122
Balance at 31 March 2024	-	838,477	81,122	919,599
Net cash from/(used in) financing activities	28,031	(622,739)	(41,685)	(636,393)
Disposals	-	-	(39,437)	(39,437)
Balance at 31 March 2025	<u>28,031</u>	<u>215,738</u>	<u>-</u>	<u>243,769</u>

Note 34. Earnings per share

	Group	
	2025	2024
	\$	\$
Loss after income tax	(26,532,925)	(5,761,663)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	190,600,505	166,063,386
Weighted average number of ordinary shares used in calculating diluted earnings per share	190,600,505	166,063,386
	Cents	Cents
Basic earnings per share	(13.92)	(3.47)
Diluted earnings per share	(13.92)	(3.47)

The Company's outstanding options, warrants and restricted share units that did not have a dilutive effect at 31 March 2025 are set out in note 35.

Note 35. Share-based payments

The Company, in accordance with the Company's Employee and Consultant Share Compensation Plans ('Plans') is authorised to grant incentive stock options ('Options'), award equity restricted share units, or bonus shares or issue common shares from treasury pursuant to the Company's share purchase scheme to Directors, employees and consultants to acquire in aggregate up to 20% of issued and outstanding ordinary shares as at 2 August 2023, being 165,853,488 Common Shares. Both of the Plans were approved on 29 August 2023 by the shareholders and replace the Company's previous Plans.

The exercise price of the Options is fixed by the Board at no lesser than the discounted market price of the shares on the grant date, subject to all applicable regulatory requirements. Options under the Plans can be granted for a maximum term of 5 years and may be subject to vesting criteria as determined by the Board.

The fair value of all issued Options is measured and expensed as share-based compensation at the grant date if they are fully vested upon granting, otherwise the fair value is expensed over the vesting period. A corresponding increase is recorded to reserves (see note 21). For further detail on the accounting treatment of share options refer to note 2 'Material accounting policy information'.

Share Options - Employees and Consultants

Share option transactions issued under the Plans, the number of share options outstanding and their related weighted average exercise prices are summarised below:

	Number of options 2025	Weighted average exercise price 2025	Number of options 2024	Weighted average exercise price 2024
Outstanding at the beginning of the financial year	8,700,000	\$0.27	9,000,000	\$0.28
Granted	-	\$0.00	-	\$0.00
Forfeited	-	\$0.00	(300,000)	\$0.48
Exercised	-	\$0.00	-	\$0.00
Expired	(1,000,000)	\$0.55	-	\$0.00
Outstanding at the end of the financial year	7,700,000	\$0.25	8,700,000	\$0.27
Exercisable at the end of the financial year	7,700,000	\$0.25	8,700,000	\$0.27

Note 35. Share-based payments (continued)

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/05/2022	25/05/2024	\$0.65	500,000	-	-	(500,000)	-
26/10/2022	26/10/2024	\$0.45	500,000	-	-	(500,000)	-
26/10/2022	26/10/2025	\$0.40	500,000	-	-	-	500,000
20/03/2023	20/03/2026	\$0.20	7,200,000	-	-	-	7,200,000
			<u>8,700,000</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>7,700,000</u>

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/05/2022	25/05/2024	\$0.65	500,000	-	-	-	500,000
26/10/2022	26/10/2024	\$0.45	800,000	-	-	(300,000)	500,000
26/10/2022	26/10/2025	\$0.40	500,000	-	-	-	500,000
20/03/2023	20/03/2026	\$0.20	7,200,000	-	-	-	7,200,000
			<u>9,000,000</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>8,700,000</u>

The weighted average share price during the financial year was \$0.058 (31 March 2024: \$0.160).

The weighted average remaining contractual life of employee and consultants share options outstanding at the end of the financial year was 0.77 years (31 March 2024: 1.49 years).

Share Options - Private Placement

Options transactions with an Australian Dollar exercise price issued under the Rights Offering ('2023 Private Placement') and the number of options outstanding and their related weighted average exercise prices are summarised as follows:

	Number of options 2025	Weighted average exercise price 2025	Number of options 2024	Weighted average exercise price 2024
Outstanding at the beginning of the financial year	20,483,788	\$0.58	17,000,000	\$0.65
Granted	12,096,915	\$0.10	3,483,788	\$0.28
Forfeited	-	\$0.00	-	\$0.00
Exercised	(700)	\$0.25	-	\$0.00
Expired	<u>(17,000,000)</u>	<u>\$0.78</u>	<u>-</u>	<u>\$0.00</u>
Outstanding at the end of the financial year	<u>15,580,003</u>	<u>\$0.13</u>	<u>20,483,788</u>	<u>\$0.58</u>
Exercisable at the end of the financial year	<u>15,580,003</u>	<u>\$0.13</u>	<u>20,483,788</u>	<u>\$0.58</u>

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
08/04/2022	08/04/2024	\$0.65	17,000,000	-	-	(17,000,000)	-
28/03/2024	27/09/2025	\$0.25	3,483,788	-	(700)	-	3,483,088
29/07/2024	29/07/2026	\$0.10	-	12,096,915	-	-	12,096,915
			<u>20,483,788</u>	<u>12,096,915</u>	<u>(700)</u>	<u>(17,000,000)</u>	<u>15,580,003</u>

Note 35. Share-based payments (continued)

2024

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Balance at the start of the year</i>	<i>Granted</i>	<i>Exercised</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the year</i>
08/04/2022	08/04/2024	\$0.65	17,000,000	-	-	-	17,000,000
28/03/2024	27/09/2025	\$0.28	-	3,483,788	-	-	3,483,788
			<u>17,000,000</u>	<u>3,483,788</u>	<u>-</u>	<u>-</u>	<u>20,483,788</u>

The weighted average remaining contractual life of private placement share options outstanding at the end of the financial year was 0.91 years (31 March 2024: 1.91 years).

Restricted share units

Restricted share unit transactions, the number of outstanding and their related weighted average vesting prices are summarised as follows:

	<i>Number of restricted share units 2025</i>	<i>Weighted average exercise price 2025</i>	<i>Number of restricted share units 2024</i>	<i>Weighted average exercise price 2024</i>
Outstanding at the beginning of the financial year	7,150,000	\$0.72	6,945,000	\$0.90
Granted	-	\$0.00	2,800,000	\$0.26
Forfeited	(600,000)	\$0.24	(145,000)	\$0.79
Exercised	-	\$0.00	-	\$0.00
Expired	(4,350,000)	\$0.99	(2,450,000)	\$0.30
Outstanding at the end of the financial year	<u>2,200,000</u>	\$0.24	<u>7,150,000</u>	\$0.72
Exercisable at the end of the financial year	<u>2,200,000</u>	\$0.24	<u>7,150,000</u>	\$0.72

2025

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Balance at the start of the year</i>	<i>Granted</i>	<i>Exercised</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the year</i>
11/06/2021	11/06/2024	\$0.90	4,350,000	-	-	(4,350,000)	-
24/01/2024	24/01/2027	\$0.20	2,800,000	-	-	(600,000)	2,200,000
			<u>7,150,000</u>	<u>-</u>	<u>-</u>	<u>(4,950,000)</u>	<u>2,200,000</u>

2024

<i>Grant date</i>	<i>Expiry date</i>	<i>Exercise price</i>	<i>Balance at the start of the year</i>	<i>Granted</i>	<i>Exercised</i>	<i>Expired/ forfeited/ other</i>	<i>Balance at the end of the year</i>
11/06/2021	11/06/2024	\$0.00	6,945,000	-	-	(2,595,000)	4,350,000
24/01/2024	24/01/2027	\$0.20	-	2,800,000	-	-	2,800,000
			<u>6,945,000</u>	<u>2,800,000</u>	<u>-</u>	<u>(2,595,000)</u>	<u>7,150,000</u>

The weighted average remaining contractual life of retention rights outstanding at the end of the financial year was 1.82 years (31 March 2024: 1.51 years).

Note 35. Share-based payments (continued)

Valuation model inputs

For the private placement share options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29/07/2024	29/07/2026	\$0.06	\$0.10	101.90%	-	4.09%	\$0.020

Share-based payments expense

The Company measures the cost of share options at fair value at the grant date using the Binomial valuation, adjusted to reflect market vesting conditions, but excludes any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest, and the entity revises its estimate of options that are expected to vest at each reporting date.

During the year options were granted in both Australian dollars ('AUD') and Canadian dollars ('CAD'). The weighted average assumptions used in the Binomial valuation have been separated based on the currency of the share price and exercise price.

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over a commensurate period of time which approximates the expectations that would be reflected in a current market. The value of share-based payments during the year of \$190,729 (31 March 2024: \$1,149,201) was expensed to the statement of profit or loss and other comprehensive income.

Note 36. Events after the reporting period

Change of address

On 1 May 2025, Macarthur Minerals Limited changed its Registered Office and Principal Place of Business to Suite 4, Level 34, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000. All other contact details remain the same.

Voluntary delisting from TSXV and OTC market

On 16 May 2025, Macarthur Minerals Limited voluntarily delisted its shares from the TSX Venture Exchange and OTC Market. The decision reflects low trading activity on these exchanges and the Company's focus on its primary listing on the ASX, where shares will continue to trade under the symbol 'MIO'. Canadian shareholders may transfer their shares to the Australian register by 11 July 2025, after which remaining Canadian holdings will be automatically moved to the Australian register.

Convertible note funding

On 20 May 2025, Macarthur Minerals Limited entered into a binding agreement to issue unsecured convertible notes totaling \$250,000. The notes have a 12-month term, bear 10% interest prepaid at issue, and are convertible at \$0.015 per share at the investor's option. Shares issued on conversion will rank equally with existing shares. The funding supports working capital and ongoing operations. Issuance of shares on conversion is subject to regulatory approvals.

Renounceable rights issue to raise up to \$2 million

On 23 May 2025, Macarthur Minerals Limited announced a pro-rata renounceable entitlement offer to raise approximately A\$1.996 million. Eligible shareholders can subscribe for 1 new share for every 2 shares held at A\$0.02 per share, receiving 1 free attaching option for every 2 new shares subscribed (exercisable at A\$0.03, expiring in 2 years). The offer is open to shareholders in Australia, New Zealand, and Canada and is underwritten to A\$2 million by Gold Valley Yilgarn Pty Ltd. Proceeds will fund offer costs, working capital, corporate operations, and evaluation of the Lake Giles Iron Project. The offer opens on 23 June 2025 and closes on 9 July 2025.

No other matter or circumstance has arisen since 31 March 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Entity name	Entity type*	Place formed / Country of incorporation	Ownership interest %	Tax residency
Macarthur Minerals Limited**	Body corporate	Australia	-	Australia
Macarthur Australia Limited	Body corporate	Australia	100%	Australia
Esperance Iron Ore Export Company Pty Ltd	Body corporate	Australia	100%	Australia
Macarthur Iron Ore Pty Ltd	Body corporate	Australia	100%	Australia
Macarthur Minerals NT Pty Ltd	Body corporate	Australia	100%	Australia
Macarthur Tulshyan Pty Ltd	Body corporate	Australia	100%	Australia
Macarthur Marble Bar Lithium Pty Ltd	Body corporate	Australia	100%	Australia
Macarthur Lithium Nevada Limited	Body corporate	United States of America	100%	United States of America

* None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

** Macarthur Minerals Limited is the head entity of the Group.

Basis of preparation

This consolidated entity disclosure statement ('CEDS') has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001. The entities listed in the statement are Macarthur Minerals Limited and all the entities it controls as at 31 March 2025 in accordance with AASB 10 'Consolidated Financial Statements'.

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In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 March 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 32 to the financial statements; and

the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Cameron McCall
Executive Chairman

27 June 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Macarthur Minerals Limited

Opinion

We have audited the financial report of Macarthur Minerals Limited, (the Company), and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 March 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 31 March 2025 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*, and
- iii. complying with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and International Code of Ethics for Professional Accountants (including International Independence Standards) and the ethical requirements of the International Ethics Standards Board for Accountants (IESBA Code) and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code and IESBA Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$26,532,925 and had net cash outflows from operating activities of \$1,331,174 for the year ended 31 March 2025. As at 31 March 2025, current liabilities exceeded current assets by \$1,498,594. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<i>Carrying Value of Exploration and Evaluation Assets</i> Refer to Note 15 in the financial statements	
<p>At 31 March 2025, the Group held capitalised exploration and evaluation assets of \$52,531,933.</p> <p>We determined this to be a key audit matter due to the significant management judgement involved in assessing the carrying value in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, including:</p> <ul style="list-style-type: none"> whether the exploration and evaluation spend can be associated with finding specific iron ore resources, and the basis on which that expenditure is allocated to an area of interest; the Group's ability and intention to continue to explore the area of interest; which costs should be capitalised; the existence of any impairment indicators (such as the potential that mineral resources may not be commercially viable for extraction, or that the carrying value of the assets may not be recovered through sale or successful development) - and if so, those applied to determine and quantify any impairment loss; and whether exploration activities have reached the stage at which the existence of an economically recoverable reserve may be determined. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the Group's accounting policy for compliance with International Financial Reporting Standards and the Australian Accounting Standards; Assessing whether the rights to tenure of those areas of interest are current; Testing a sample of additions to supporting documentation and assessing whether the amounts capitalised during the year are in compliance the Group's accounting policy and relate to the relevant area of interest; Enquiring with management and reading budgets and other documentation as evidence that active and significant operations in, or relation to, the relevant area of interests will be continued in the future; Assessing and evaluating management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined; Assessing and evaluating management's assessment of whether indicators of impairment existed at the reporting date; and Assessing the appropriateness of the disclosures in the financial statements.

Key Audit Matter

How our audit addressed this matter

Accounting for the Gold Valley Yilgarn (GVY) Transaction

Refer to Note 15 in the financial statement

During the year, the Group entered into a Binding Term Sheet with Gold Valley Yilgarn Pty Ltd (GVY) which granted GVY the exclusive right to extract hematite ore from the Group's Lake Giles Ullaring Hematite Project (Hematite Project). The Group recognised a loss on sale of \$21,990,791 with respect to this transaction.

This transaction involves the sale of the right to mine the Hematite Project for consideration comprising upfront payments and future royalties.

The accounting treatment for this transaction required significant judgement in the application of AASB 116 *Property, Plant and Equipment*, AASB 6 *Exploration for and Evaluation of Mineral Resources* and AASB 15 *Revenue Recognition*, particularly in assessing whether the transaction represents a disposal of an exploration and evaluation asset, and in the treatment of the upfront payments and future royalties.

The complexity of the arrangement, the materiality of the amounts involved, and the judgement required in determining the appropriate accounting treatment led us to consider this a key audit matter.

The following audit procedures were performed:

- Assessing the Group's accounting policy for compliance with International Financial Reporting Standards and the Australian Accounting Standards;
- Reading and analysing the material terms of the Binding Term Sheet with GVY, with particular focus on assessing whether the transaction represents a disposal of an exploration and evaluation asset and the treatment of the upfront payments and future royalties;
- Checking the carrying value of capitalised exploration and evaluation expenditure relating to the Hematite Project as at the date of derecognition to supporting records;
- Checking the recognition of cash consideration received to supporting documentation and critically assessing management's assessment that future royalty payments were not highly probable at the date of derecognition or at year end;
- Recalculating the loss on sale of Hematite Project; and
- Assessing the appropriateness of the disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. The auditor also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 19 of the Directors' Report for the year ended 31 March 2025.

In our opinion, the Remuneration Report of Macarthur Minerals Limited, for the year ended 31 March 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards and International Standards on Auditing.

RSM

RSM AUSTRALIA



Steve Stavrou
Partner

Brisbane, Queensland
Dated: 27 June 2025

The shareholder information set out below was applicable as at 25 June 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		
	Number of holders	Number of shares	% of total shares issued
1 to 1,000	82	52,077	0.03
1,001 to 5,000	290	798,344	0.40
5,001 to 10,000	127	1,059,028	0.53
10,001 to 100,000	325	12,290,616	6.15
100,001 and over	113	185,465,445	92.89
	937	199,665,510	100.00
Holding less than a marketable parcel	688	5,650,222	2.80

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
CANADIAN REGISTER CONTROL\IC	56,375,514	28.23
CITICORP NOMINEES PTY LIMITED	21,850,332	10.94
EYEON NO 2 PTY LTD	14,778,504	7.40
ALEMAR DEVELOPMENTS PTY LTD	12,750,000	6.39
SUPERMAX PTY LTD (SUPERMAX SUPER FUND A/C)	11,973,442	6.00
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,056,623	4.54
H & K SUPER MANAGEMENT PTY LTD (H & K SUPER FUND A/C)	8,035,946	4.02
NORTHROCK CAPITAL PTY LTD (NORTHROCK CAPITAL UNIT A/C)	7,025,038	3.52
BNP PARIBAS NOMS PTY LTD	4,236,006	2.12
MR CAMERON HUGH MCCALL	3,111,821	1.56
FIRST APOLLO CAPITAL LIMITED	2,691,701	1.35
SPEARHEAD STRATEGIC MARKETING PTY LTD (SPEARHEAD SUPER FUND A/C)	1,800,000	0.90
MR DAVID JAMES MCARTHUR	1,500,000	0.75
SUNSET CAPITAL MANAGEMENT PTY LTD (SUNSET SUPERFUND A/C)	1,450,000	0.73
MR ANGELO RIZOPOULOS + MRS MELITSA RIZOPOULOS (RIZO SUPER FUND A/C)	827,782	0.41
COLOURDOME PTY LTD	818,182	0.41
DEAN CARTER	762,500	0.38
EAS ADVISORS LLC	753,981	0.38
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT)	734,668	0.37
MULGARA RESOURCES PTY LTD	732,886	0.37
	161,264,926	80.77

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Copulos Group (Notice dated 28 October 2024)	31,972,435	16.01
Peden Group (Notice dated 28 March 2024)	13,000,000	6.51

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Tenements

As at 25 June 2025, the Company holds or has held interests in the following properties during the reporting period:

Tenement Number	Area ⁽¹⁾	Application/Grant Date	Expiry Date	Holder	Project	% ownership
Yilgarn Projects						
M30/0206	186 HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project	100%
M30/0207	171 HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project	100%
M30/0213	256 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0214	260 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0215	521 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0216	56 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0217	114 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0227	502 HA	13-Jun-11	12-Jun-32	MIO	Lake Giles Project	100%
M30/0228	353 HA	13-Jun-11	01-Jul-28	MIO	Lake Giles Project	100%
M30/0229	205 HA	02-Jul-07	01-Jul-28	MIO	Lake Giles Project	100%
M30/0248	578 HA	22-Feb-12	21-Feb-33	MIO	Lake Giles Project	100%
M30/0249	1204 HA	22-Feb-12	21-Feb-33	MIO	Lake Giles Project	100%
M30/0250	102 HA	05-Mar-13	04-Mar-34	MIO	Lake Giles Project	100%
M30/0251	1245 HA	27-Nov-12	26-Nov-33	MIO	Lake Giles Project	100%
M30/0252	478 HA	27-May-13	26-May-34	MIO	Lake Giles Project	100%
L15/0409	97 HA	25-Jun-20	Under Application	MIO	Lake Giles Project	
L16/0133	923 HA	25-Jun-20	Under Application	MIO	Lake Giles Project	
L30/0071	1396 HA	28-Oct-20	27-Oct-41	MIO	Lake Giles Project	
L30/0089	23663 HA	11-Dec-24	10-Dec-45	MIO	Lake Giles Project	
L30/0090	43 HA	26-Mar-21	Under Application	MIO	Lake Giles Project	
L30/0091	93 HA	26-Mar-21	Under Application	MIO	Lake Giles Project	
L30/0092	31650 HA	28-Nov-22	27-Nov-43	MIO	Lake Giles Project	
L30/0093	74 HA	24-Nov-21	23-Nov-42	MIO	Lake Giles Project	
E77/3186	23 SB	22-Nov-23	Under Application	EIOEC	Mount Manning Project	
E30/568	8 SB	02-Jun-23	Under Application	MIO	Lake Giles Project	
E30/569	13 SB	02-Jun-23	Under Application	MIO	Lake Giles Project	
G30/10	4145 HA	23-Aug-22	Under Application	MIO	Lake Giles Project	
G30/11	109 HA	23-Aug-22	Under Application	MIO	Lake Giles Project	
G30/12	132 HA	23-Aug-22	Under Application	MIO	Lake Giles Project	

<i>Tenement Number</i>	<i>Area⁽¹⁾</i>	<i>Application/Grant Date</i>	<i>Expiry Date</i>	<i>Holder</i>	<i>Project</i>	<i>% ownership</i>
Pilbara Projects ⁽²⁾						
E45/5324	4 SB	05-Apr-19	05-Apr-29	MIO	Pilbara Project	Refer to Note (2)
E45/4735	5 SB	21-Nov-17	20-Nov-27	MIO	Pilbara Project	Refer to Note (2)

(1) 1 sub-block (SB) = approx. 3.2km² in the Pilbara and 2.8km² in the Yilgarn.

(2) Beneficially owned by Macarthur Iron Ore Pty Ltd ('MIO'), subject to Infinity Mining Ltd (formerly Macarthur Lithium Pty Ltd) Non-Iron Ore Rights, pursuant to the Tenements Sale and Non-Iron Ore Rights Agreement dated 11 August 2021.

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