

WESTERN AUSTRALIA GOVERNMENT COMMITS TO NEW IRON ORE CAPACITY INCREASE AT THE ESPERANCE PORT

VANCOUVER, BRITISH COLUMBIA – (Marketwire – January 24, 2011), Macarthur Minerals Limited (TSX: MMS, OTCQX: MMSDF) (“the Company” or “Macarthur”) is pleased to report that on January 19, 2012 the State Minister for Transport; Housing; Emergency Services, Troy Buswell announced that:

“Export capacity at Esperance Port will potentially increase by up to 20 million tonnes per annum in a staged plan, with the State Government today formally committing to expansion of the port”.

The full release from the Minister¹ highlights the potential of the Yilgarn Iron Ore Region to emerge as the second largest iron ore producing area outside of the Pilbara.

The Company’s President, Chairman and CEO, Alan Phillips, commented, *“The Government is expected to commence the formal tender process for the expansion of the Esperance Port as part of a transparent process for the selection of the preferred private sector developer to undertake the project. Macarthur has indicated to the Government the importance of a timely process so as to permit the Yilgarn Iron Ore producers to take full advantage of the opportunity afforded by present robust export iron ore export margins. Macarthur would like to congratulate the Western Australia State Government and in particular Hon Troy Buswell on the prompt response to the recently completed Deloitte demand study and his governments’ decision on the Esperance Port expansion”.*

Macarthur has a binding access agreement with the Esperance Port Authority to access for 2Mt per annum export capacity the initial phase of the Esperance Port capacity expansion is complete. The Company looks forward to working with the Port Authority and the preferred tenderer from this process. The terms and conditions yet to be agreed between the Port Authority and the Company include access and usage changes and opportunities to increase Macarthur’s export capacity allocation over time.

ABOUT MACARTHUR MINERALS LIMITED (TSX: MMS, OTCQX: MMSDF)

Macarthur Minerals Limited is an Australian based resource development company currently focussed on developing its Ularring Project (hematite), located in the Yilgarn iron ore district in Western Australia. The Ularring Project is located 110 km from rail infrastructure with a direct connection to the Iron Ore exporting Port of Esperance, Western Australia.

The Ularring Project (hematite) has an indicated hematite resource of 13.01 Mt at 55.2% Fe and an inferred resource of 16.95 Mt at 55.6% Fe (see press release dated January 24, 2012). In addition to the hematite Macarthur’s Moonshine Project (magnetite) has an inferred resource of 1.3 billion tonnes at

¹ <http://www.mediastatements.wa.gov.au/Pages/default.aspx?ItemId=147595&>

30.1% Fe (press release dated December 15, 2010), that has been reported in accordance with National Instrument 43 – 101.

A positive Preliminary Economic Assessment was released to the market Ularring Project (press release dated November 21, 2011).

A positive Preliminary Economic Assessment was released to the market on the Moonshine Project (press release dated February 7, 2011)

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

“Alan Phillips”
Alan Phillips, President, Chairman & CEO

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UPCOMING EVENTS

MACARTHUR will attending the 2012 Prospectors and Developers Association of Canada (PDAC) International Convention and Investors Exchange in Toronto, March 4-7 at the Metro Toronto Convention Centre, South Building.

We invite you to meet the Macarthur team at Booth #2818. The conference will provide current and prospective shareholders an opportunity to speak with management about the Company's recent developments.

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Caution Regarding Forward Looking Statements

Certain of the statements made and information contained in this press release may constitute forward-looking information and forward-looking statements (collectively, “forward-looking statements”) within the meaning of applicable securities laws. The forward-looking statements in this press release reflect the current expectations, assumptions or beliefs of the Company based upon information currently available to the Company. With respect to forward-looking statements contained in this press release, assumptions have been made regarding, among other things, the reliability of information prepared and/or published by third parties that are referenced in this press release or was otherwise relied upon by the Company in preparing this press release. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct as actual results or developments may differ materially from those projected in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include unforeseen technology changes that results in a reduction in iron or magnetite demand or substitution by other metals or materials, the discovery of new large low cost deposits of iron magnetite and the general level of global economic activity. Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. The forward-looking statements contained in this press release are made as of the date of this press release and except as may otherwise be required pursuant to applicable laws, the Company does not assume any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.