

MACARTHUR MINERALS ADDS NEW POTENTIAL HIGH GRADE IRON ORE PROJECT AND ATTEMPTS TO SAVE JOBS IN WESTERN AUSTRALIA AFTER CLIFFS ANNOUNCES CLOSURE OF AUSTRALIAN IRON ORE OPERATIONS AT END OF 2018

Macarthur Minerals Limited (TSX-V: MMS) (the “Company” or “Macarthur Minerals”) is pleased to announce that through its wholly owned subsidiary, Esperance Iron Ore Export Company Pty Ltd, it has added potential high grade hematite Mt Manning Iron Ore Project to the Company’s adjacent Ularring Hematite Iron Ore Project. The Mt Manning Iron Ore Project and the Ularring Hematite Iron Ore Project are proximate to USA based Cleveland Cliffs (“Cliffs”) Asia Pacific’s Iron Ore Operations at Southern Cross in Western Australia (Figure 1).

Cameron McCall, President and Executive Chairman of Macarthur Minerals commented:

“With the recent announced plans to close its iron ore operations at Koolyanobbing near Southern Cross in Western Australia during 2018, Macarthur Minerals has a unique opportunity to use its nearby iron ore assets at Ularring and Mt Manning to significantly extend iron ore mining in the area and help secure long term jobs for the hundreds of people directly employed at the mine, plant and the Port of Esperance. Macarthur Minerals has been seeking to add the Mt Manning Iron Ore Project to its shovel ready Ularring Iron Ore Project for some time. Initial drilling and exploration at the Mt Manning Iron Ore Project has identified high grade hematite up to 65.5% Fe. The project is ideally situated in close proximity to Macarthur Minerals’ existing projects and the Cliffs’ operations. The current robust iron ore price in Australian dollar terms and the potential for Macarthur Minerals to access Cliffs’ rail and port capacity now provides a real opportunity to fast track the iron projects to production. Without Macarthur Minerals’ iron projects, the long-term viability of the Yilgarn iron ore producing region now comes under serious commercial question. Our senior management are in constant dialogue with all stakeholders affected by this potential closure and we are working diligently to investigate ways of seamlessly keeping the long running Koolyanobbing Iron Ore operations in production for decades.”

The Mt Manning Iron Ore Project was explored in recent years for high grade hematite iron ore mineralisation. Exploration by Kalgoorlie prospector, Mel Dalla-Costa identified three potentially economic styles of Direct Shipping Ore (“DSO”) mineralisation including massive dense hematitic ironstones, specular hematite and oxidised ‘Indurated Detrital Ironstone’ (“IDI”).

A drilling programme consisting of two diamond holes have penetrated the hematitic iron stone at the J-Hook prospect. Significant intercepts include **17.5m @ 65.49% Fe** from 2.5m from hole MMS002 and **40.4m @ 55.77% Fe** from 3.6 m from hole MMS001 (Table 1). The iron-rich mineralisation (> 55% Fe) is centred on the J-Hook prospect that contains occurrences of massive, fissile and specular hematite (Figure 2).

MT MANNING LOCATION AND GEOLOGY

The Mt Manning Iron Ore Project is located approximately 500 km east-northeast from Perth and 210 km northwest of Kalgoorlie in the Yilgarn region of Western Australia. The project is proximate to current mining Operations that is linked to established rail infrastructure to the Port of Esperance (Figure 1). The plant located at Koolyanobbing has been producing iron ore for the export market to Asia for approximately 25 years. This mining operation produced 9.8 million tonnes of iron ore for export through the Port of Esperance in 2017 and 11.8 million tonnes in 2016.

The Mt Manning Iron Ore Project (E77/2521) covers an area of 68 km² and is located approximately 32 km west of Macarthur Mineral’s Ularring Hematite Project and 35 km east of Cliffs’ Windarling operation and haul road. This area has been held by a private exploration company wholly owned by renowned Kalgoorlie prospector, Mel Dalla-Costa, for the past 8 years under an Exploration Licence (EL77/1208). During this time, approval was granted for an exploration program of diamond drilling and geophysical mapping. The project has already benefited from flora and fauna baseline surveys indicating the conservation values of Mt Manning are a lower priority than surrounding banded iron formation (BIF) ridges. In addition, an ethnographical cultural heritage survey by the Traditional owners has cleared the area for sites of significance.

The significant iron ore targets of the Mt Manning Project lie within a Mesoproterozoic succession of banded iron formations. The main geomorphological feature within the project area is a prominent ridge largely comprised of magnetic lithologies trending in a north-south direction. A synclinal closure of the magnetic lithologies in the south section has resulted in a local thickening of the magnetic units. This region is referred to as the J-Hook area and has been the focus of exploration activities focussing on high grade hematite ore in recent years.

Figure 1. Location of Macarthur Mineral’s Mt Manning Iron Ore Project and Ularring Hematite Project in relation to and Cliffs’ operations.

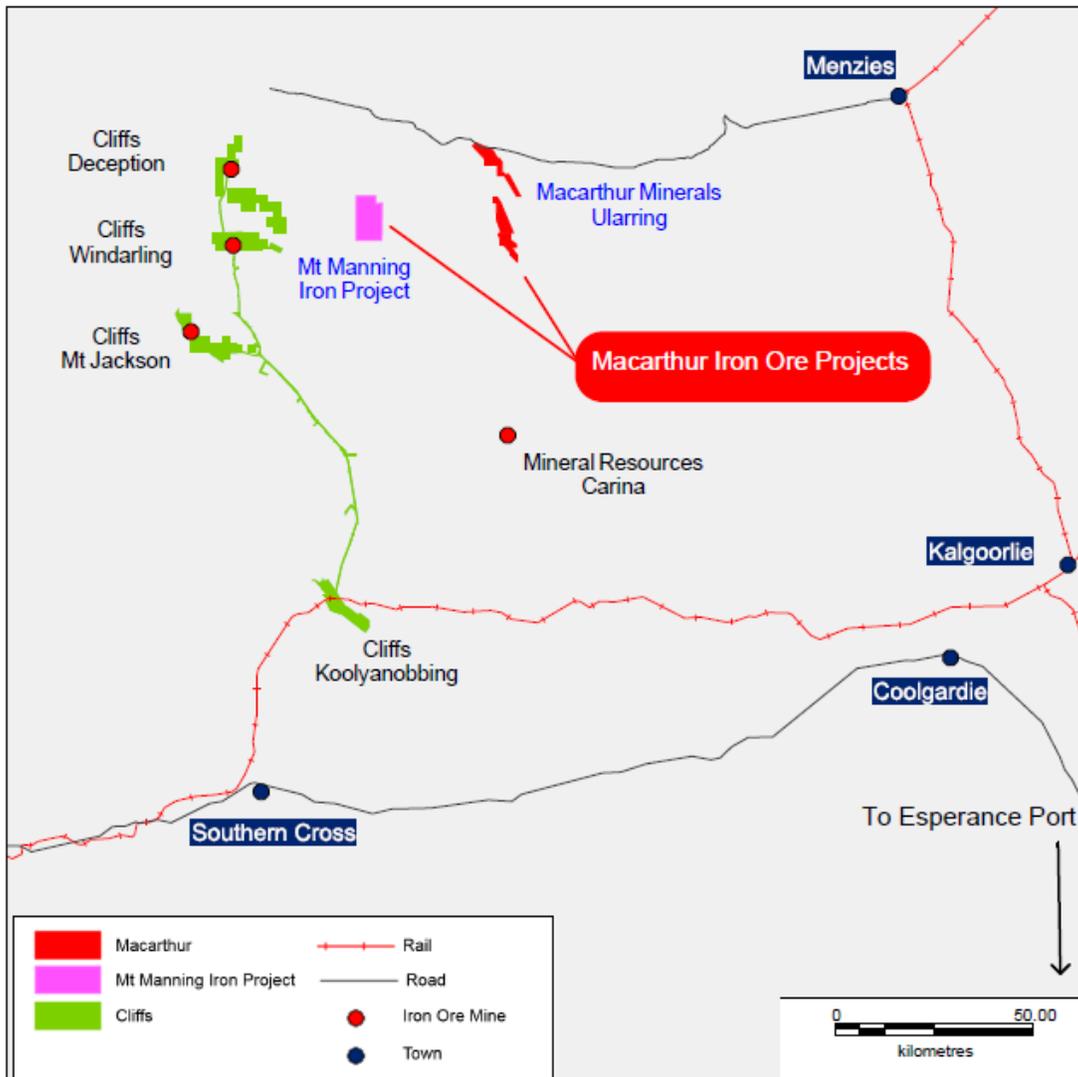


Figure 2. The distribution of Fe-rich BIF and detrital ironstone at the J-Hook prospect determined by surface rock chip sampling.

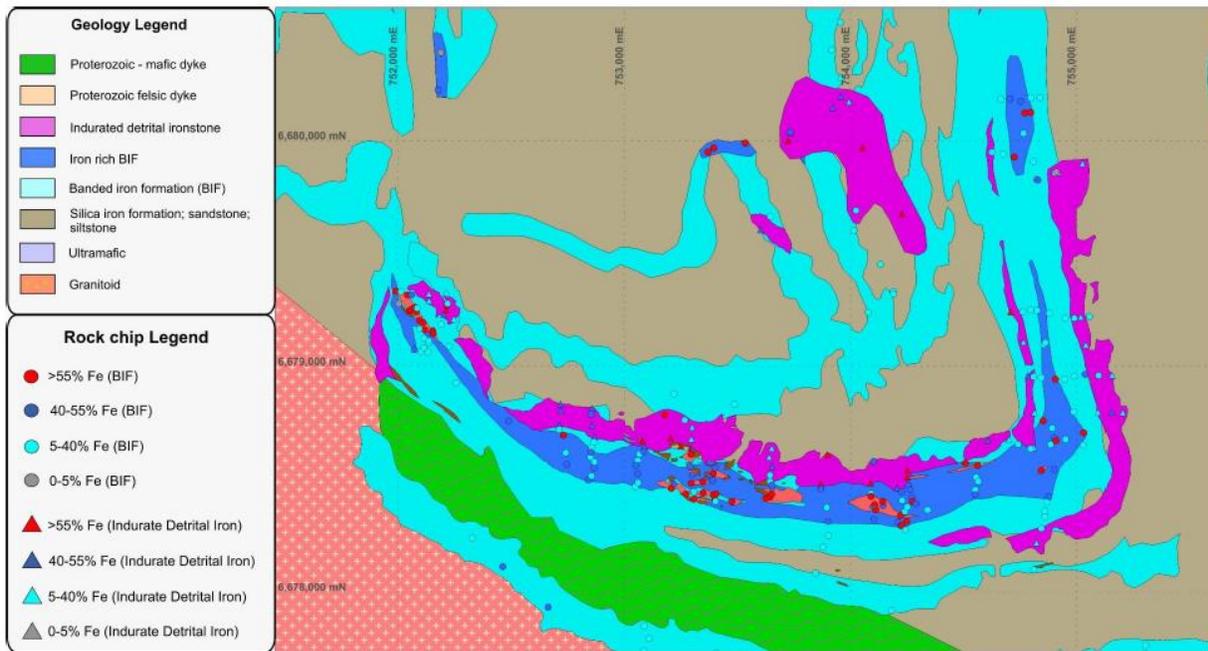


Table 1. Significant Fe intercepts for two diamond holes drilled at Mt Manning J-Hook prospect.

Drill hole	Fe Significant Intercept	Lithological Description
MMS002	17.5m @ 65.49% Fe from 2.5 m	Hematite; Hematite-magnetite
MMS002	3.6m @ 52.38% Fe from 34m	Hematite-magnetite; Magnetite-hematite
MMS001	40.4m @ 55.77% Fe from 3.6m	Colluvium (to 9.25m); Hematite-magnetite
MMS001	4.7m @ 48.79% Fe from 45.9m	Hematite-magnetite; Schist
MMS001	5.6m @ 45.35 % Fe from 54.1m	Hematite-magnetite; Mafic

NEXT STEPS FOR WORK ON TENEMENTS

Detailed HeliTEM airborne electromagnetic (AEM) survey, mapping, metallurgical testing have already been completed. Given prior heritage clearance and approval of a Conservation Management Plan, the company will be seeking approval from Government to undertake RC and diamond drilling to delineate a NI43-101 and JORC compliant resource.

QUALIFIED PERSONS

Mr Andrew Hawker, a member of the Australian Institute of Geoscientists, is a full-time employee of Hawker Geological Services Pty Ltd and is a Qualified Person as defined in National Instrument 43-101. Mr Hawker has reviewed and approved the technical information contained in this news release.

ABOUT MACARTHUR MINERALS LIMITED (TSX-V: MMS)

MacArthur Minerals Limited is an exploration company that is focused on identifying high grade gold and lithium. MacArthur Minerals has significant gold, lithium and iron ore exploration interests in Australia and Nevada. MacArthur Minerals has two iron ore projects in Western Australia; the Ularring hematite project and the Moonshine magnetite project.

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

"Cameron McCall"
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