

NEWS RELEASE
July 5, 2019

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For Immediate Dissemination

MACARTHUR MINERALS SEEKS TSX-V APPROVAL TO CLOSE FINANCING ON THE LAKE GILES IRON ORE PROJECT

Macarthur Minerals Limited (TSX-V: MMS, OTCQB: MMSDF) (the “Company” or “Macarthur”) is pleased to announce that final approval is being sought from the TSX-V to close the private placement offering (the “Offering”) of US\$6 million of secured Convertible Note (“Note”) as previously announced on March 19, 2019.

The proceeds of the Offering will be used to complete a Bankable Feasibility Study (“BFS”) on Macarthur’s Lake Giles Iron Ore Project (“Project”) in Western Australia. The BFS will include a 54-hole infill drill program to obtain metallurgical samples and convert Inferred and Indicated mineral resources to a Measured category.

Macarthur owns 100% of the Lake Giles Iron Ore Project. The Project incorporates the Mineral Resources of the Moonshine Magnetite Project and the Ularring Hematite Project. The Moonshine Magnetite resource contains Inferred Mineral Resources of approximately 710 mt at 30.2% Fe. The Ularring Hematite resource includes Indicated Mineral Resources of approximately 54.46 Mt at 47.2% Fe and Inferred Mineral Resources of approximately 25.99 Mt at 45.4% Fe. The mineral resource estimates were detailed as previously announced on June 17, 2019 filed under the Preliminary Economic Assessment (“PEA”) undertaken by independent consultants Engenium Pty Ltd (“Engenium”) for a 2.5 to 3.4 Mtpa operation incorporating the Moonshine Magnetite and Ularring Hematite Mineral Resources to produce a high-grade blended concentrate in excess of 65% Fe. The technical and financial evaluation in the PEA indicates the Project is potentially economically viable and further project development is justified.

Cameron McCall, Executive Chairman of Macarthur Minerals commented;

“Macarthur has invested over C\$60 million in the Lake Giles Iron Ore Project. We have moved the Project along the development path through the completion of the Convertible Note that will fund the Bankable Feasibility Study. Macarthur’s development focus will be on the high-quality, low impurity magnetite resource and to commercialise the hematite resource given the ongoing robust iron ore pricing. With the investment made by the Company during the last high iron price cycle, what will make the difference, is speed to market and access to existing under-utilized rail and port infrastructure.”

The ongoing disruption in iron ore supply, along with China’s quest for cleaner skies, underpins the demand for high grade, low impurity iron ore, making Macarthur’s product ideally suited to fill this supply gap.”

The Note is structured around these key terms:

- The Note has a face value of US\$10,000 following adoption of a loan note instrument.
- The Note can be converted at any time into common shares of Macarthur at Noteholder’s option at a conversion price that reflects 80% of the average VWAP over 5 trading days immediately preceding a notice of conversion or at the greater of C\$0.10 with attaching warrant offered for one fourth of the Commitment amount exercisable at the greater of C\$0.10 or the average VWAP over 5 trading days immediately preceding the date of the Advance date.
- The Note will have a term to maturity of 3 years and bear interest at a rate of 12.5% per annum.
- The Note includes a mandatory conversion clause that such conversion may not have the effect of causing a Noteholder to own 20% or more of the common shares of Macarthur or becoming a control person.

- The Mining Leases of the Project held by Macarthur act as security for the Note.
- Any shares issued upon conversion of the principal amount of the Note and any accrued interest will be subject to certain resale restrictions, including a restricted (or “hold”) period of four months and one day following the distribution date, under applicable Canadian securities legislation.

ABOUT MACARTHUR MINERALS LIMITED (TSX-V: MMS, OTCQB: MMSDF)

Macarthur is an iron ore development, gold and lithium exploration company that is focused on bringing to production its Western Australia iron ore projects. The Lake Giles Iron Ore Project includes the 80 million tonne Ularring hematite resource (approved for development) and the 710 million tonne Moonshine magnetite resource. Macarthur has prominent (~1,130 square kilometer tenement area) gold, lithium and nickel exploration interests in Pilbara region of Western Australia. In addition, Macarthur has lithium brine Claims in the emerging Railroad Valley region in Nevada, USA.

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

“Cameron McCall”
Cameron McCall, Executive Chairman

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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 timely receipt of required approvals, the reliability of information, including historical mineral resource or mineral reserve estimates, 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 fluctuations in exchange rates and certain commodity prices, uncertainties related to mineral title in the project, unforeseen technology changes that results in a reduction in iron ore demand or substitution by other metals or materials, the discovery of new large low cost deposits of iron ore, uncertainty in successfully returning the project into full operation, 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.