

NEWS RELEASE
May 15, 2019

Symbols: TSX-V: MMS, OTCQB: MMSDF
For Immediate Dissemination

MACARTHUR MINERALS ANNOUNCES EXCEPTION CAPITAL LLP PARTICIPATION IN FINANCING

Macarthur Minerals Limited (TSX-V: MMS) (OTCQB: MMSDF) (the “Company” or “Macarthur”) is pleased to announce that further to the announcement of March 19, 2019, Exception Capital LLP (“Exception”) has agreed to participate in the US\$6 million secured Convertible Note (“Note”) on a private placement basis for US\$1 million.

Cameron McCall, Executive Chairman of Macarthur Minerals commented;

“Macarthur is delighted for Exception Capital’s participation in the private placement. Exception Capital has undertaken this investment after extensive due diligence into the Company and its extensive iron ore assets in Australia. Exception’s due diligence included a site visit to the Company’s Moonshine Magnetite Iron Project, inspection of the significant export orientated infrastructure, Esperance Port facilities and meetings with government authorities. We believe the terms agreed are attractive to both parties and provide Macarthur with funding certainty with minimum dilution to Macarthur’s shareholders.”

Key terms to the Convertible Notes:

- Each Note has a face value of US\$10,000 following adoption of a loan note instrument.
- The Notes (including accrued but unpaid interest) can be converted at any time after 12 months into common shares of Macarthur at the Noteholder’s option at a conversion price that reflects the greater of 80% of the average VWAP over 5 trading days immediately preceding the date of a notice of conversion and C\$0.10 (in each case with appropriate equivalence to USD), with attaching warrants 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 (such term being defined in the definitive documentation) (in each case with appropriate equivalence to USD).
- The Notes will have a term to maturity of 3 years and bear interest at a rate of 12.5% per annum.
- The Notes include a restriction on conversion that provides that such conversion may not have the effect of causing Noteholder to own 20% or more of the common shares of Macarthur or becoming a control person.
- The iron ore mining licences held by Macarthur (or a subsidiary of Macarthur) in respect of the Lake Giles Iron project region of Western Australia will act as security for the Notes issued to the Noteholder.

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 of the Note and warrant, under applicable Canadian securities legislation.

The consummation of the US\$1 million financing commitment from Exception is subject to receipt of all necessary regulatory approvals including that of the TSX Venture Exchange and satisfaction of the other conditions set out in the Investment Agreement entered into by the Exception and Macarthur.

ABOUT EXCEPTION CAPITAL LLP

Exception is a unique international investment company with the principal focus in the management of The Family Fund, a differentiated, multi-award winning global multi-strategy fund, managed by Adrian Fairbourn who is also a Non-Executive Director of Cadence Minerals Plc.

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

Macarthur Minerals Limited is an iron ore development company that is focused on bringing to production its Western Australia iron ore projects. The iron ore projects are Ularring hematite (approved for development) and the one plus billion tonne Moonshine magnetite. Macarthur Minerals has prominent (~1,130 square kilometer tenement area) exploration interests in gold, lithium, nickel, cobalt in the Pilbara region of Western Australia. In addition, Macarthur Minerals 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, including statements relating to the consummation of the financing and of the BFS. 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 the conditions to the financing not being satisfied, delays in the preparation of the BFS, 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.