

**NEWS RELEASE**

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For Immediate Dissemination

## **MACARTHUR MINERALS RECEIVES A\$1.88M IN LEGAL COST RECOVERY**

**Macarthur Minerals Limited (TSX: MMS, OTCQX: MMSDF)** (the “Company” or “Macarthur Minerals”) is pleased to announce that the Company has recovered costs of:

- A\$1,428,370 in relation to funding costs expended by the Company in the action by the liquidator of First Strategic Development Corporation Limited;
- A\$451,515 in relation to the legal proceedings with LPD Holdings (Aust) Pty Ltd.

In summary, the Company has been paid a total of A\$1,879,885 in recovery of costs.

### **First Strategic Development Corporation Limited (in Liquidation) (“FSDC”)**

The decision on the action by the liquidator of FSDC against the directors of FSDC for insolvent trading in the Queensland Supreme Court was handed down on Friday, April 4, 2014. The Court ordered that:

1. The first and third defendants, Sing Chuck Charles Chan and Wai Tak (Edward) Kwok, pay to FSDC, the sum of A\$1,349,131.
2. The second defendant, Wai Lap Victor Chan, pay to FSDC, the sum of A\$1,322,867,

(“Judgement”)

Legal costs were also awarded against the first, second and third defendant directors on an indemnity basis, which are expected to be in excess of \$500,000.

The defendants appealed against the Judgement on May 2, 2014. The Queensland Court of Appeal heard the appeal on September 25, 2014 and handed down its decision on March 6, 2015 dismissing the defendants’ appeal and ordering the defendants to pay the costs of the appeal.

In June 2014, substantial funds were paid by the defendants into the liquidator’s solicitor’s trust account as part of an agreed stay on enforcement of the Judgement. As the appeal was unsuccessful, part of those funds have been released to the liquidator to satisfy the Judgment plus statutory interest. The balance of the funds remain in the trust account until the liquidator’s costs have been independently assessed.

Macarthur is a creditor of FSDC and owed approximately A\$460,000. Macarthur and another creditor funded the liquidator of FSDC in an insolvent trading claim against the directors of FSDC. Under the funding arrangements, Macarthur is entitled to reimbursement of the legal costs it funded in removing the original liquidator appointed to FSDC, and legal costs associated with public examinations of the FSDC directors, the insolvent trading action, the enforcement of the Judgement and the appeal. After payment of all legal costs awarded against the first, second and third defendant directors and reimbursement of all funding costs to Macarthur, a dividend may be paid to creditors including Macarthur, depending on funds available.

The Company has now received from the liquidator of FSDC the amount of \$1,428,370, for part reimbursement of costs. This sum includes \$11,864 recovered from Edward Kwok in February 2015, relating to the dismissal of his application to set aside a bankruptcy notice issued against him before the agreed stay on enforcement

of the Judgement. Further amounts to be received by the Company will be subject to the outcome of an independent costs assessment.

#### **Action by LPD Holdings (Aust) Pty Ltd**

In July 2012, LPD Holdings (Aust) Pty Ltd (“LPD”) and Mayson Associates Limited (“Mayson”) brought proceedings against the Company and some of its directors and officers alleging breaches of various provisions of the Australian *Corporations Act 2001*. These proceedings were dismissed in November 2012 and the Company was awarded costs on an indemnity basis (“Indemnity Costs Order”). LPD and Mayson appealed the Indemnity Costs Order in the Queensland Court of Appeal (“Appeal”) and on October 11, 2013 the Appeal was dismissed with costs of the Appeal being awarded to the Company (“Appeal Costs Order”).

The Appeal Costs Order was assessed at \$105,426 and was paid by LPD to the Company. The Indemnity Costs Order was assessed at \$281,556 and paid to the Company.

LPD brought new proceedings against the Company in November 2012 (“Proceedings”). On November 26, 2013 the Proceedings were stayed by consent pending payment of the Indemnity Costs Order and Appeal Costs Order by LPD and Mayson. The Company was also awarded costs up to and including August 28, 2013 in respect of the Company’s strike-out application in the Proceedings. The Company was paid \$64,533 against these costs.

In total, the Company has recovered costs of \$451,515 from LPD over the period from November 2014 to March 2015.

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

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

The Ularring Hematite Project has an indicated Mineral Resource of 54.46 Mt at 47.2% Fe and an inferred Mineral Resource of 25.99 Mt at 45.4% Fe (press release dated June 14, 2012; NI43-101 Technical Report dated June 29, 2012). In addition, Macarthur’s Moonshine Magnetite Project has an inferred Mineral Resource of 1.3 Bt at 30.1% Fe (press release dated December 15, 2010; NI43-101 Technical Report dated March 25, 2011).

A Positive Preliminary Feasibility Study was released to the market on the Ularring Hematite Project in August 2012, which included a probable Mineral Reserve of 42.95 Mt at 47% Fe (press release dated August 16, 2012; Technical Report dated September 27, 2012). A Positive Preliminary Economic Assessment on the Moonshine Magnetite Project was released in February 2011 (press release dated February 7, 2011, Technical Report dated March 25, 2011).

On behalf of the Board of Directors,

**MACARTHUR MINERALS LIMITED**

“Alan Phillips”

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