

MACARTHUR MINERALS DISPOSES ITS WESTERN AUSTRALIAN IRON ORE PROJECTS TO FOCUS ON BRINGING ROPER BAR BACK INTO PRODUCTION

Macarthur Minerals Limited (TSX-V: MMS, OTCQX: MMSDF) (the “Company” or “Macarthur Minerals”) is pleased to announce that it has entered into a Share Sale Agreement (“Agreement”) with GIM Australia Pty Ltd (“GIM”) to dispose of all the shares of its wholly owned subsidiary, Macarthur Iron Ore Pty Ltd (“MIO”) for A\$6 million (“Transaction”).

MIO owns all of Macarthur Minerals’ Western Australian Iron Ore Project tenements. The Transaction is conditional on the following being completed by 31 December 2015:

- acquisition by GIM of another project owned by an unrelated third party;
- experts’ reports, if required;
- satisfactory due diligence being performed by GIM;
- satisfactory tax advice;
- approval of the Australian Foreign Investment Review Board and the TSX Venture Exchange (“TSX-V”); and
- approval for the transaction by unrelated Macarthur Minerals shareholders.

An extraordinary general meeting will be convened before the end of the year to enable Macarthur Minerals’ shareholders to vote on the Transaction. Shareholders will receive explanatory materials, outlining the terms of the Transaction, ahead of the meeting. The A\$6 million consideration will be paid in cash on completion.

Macarthur Minerals’ Chief Executive Officer, Mr Joe Phillips said the Transaction would reduce the company’s overheads and allow it to focus on bringing the Roper Bar Iron Ore Project back into production.

“In the current market, developed mining assets can be acquired for a fraction of the capital invested, while greenfield iron ore projects are challenging and expensive. Recently we announced a proposed acquisition of the secured debt facilities over Western Desert Resources Limited’s Roper Bar Iron Ore Project in partnership with the Tulshyan Group. This is a quality, developed mining asset that was producing and exporting iron ore and has great longer-term potential. We plan to return the Roper Bar Iron Ore Project to production and are already well progressed with contractor negotiations.”

GIM is a Non-Arm’s Length Party as it is an affiliate of the Halliday Family Trust, an insider which currently holds 19.85% of Macarthur Minerals’ outstanding shares. No finders’ fees will be paid in relation to the Transaction.

Related Party Transaction

GIM is a related party of the Company for the purposes of TSX-V Policy 5.9 and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) and, therefore, a related party transaction which is subject to TSX-V Policy 5.9 and MI 61-101.

According to MI 61-101, such a related party transaction requires a formal valuation, however the Company is relying on an exemption under section 5.5 of MI 61-101 from the formal valuation requirement, as the Company is not listed on a Specified Market (as that term is used in MI 61-101).

The material change report in connection with this news release will be filed less than 21 days before the expected date of the closing of the Transaction because the Company has determined a shorter period is necessary to obtain the required shareholder approval.

MACARTHUR IRON ORE PROJECTS

The Macarthur Iron Ore Projects are located in the Yilgarn iron ore district in Western Australia. The Projects are located 110 km from rail infrastructure with a direct connection to the iron ore exporting Port of Esperance, Western Australia.

On behalf of the Board of Directors,

MACARTHUR MINERALS LIMITED

"Earl Evans"
Earl Evans, Chairman

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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, including whether the Offering will be completed or fully subscribed. 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.