

NEWS RELEASE
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For Immediate Dissemination

MACARTHUR MINERALS SIGNS 10 YEAR IRON ORE OFF-TAKE AGREEMENT FOR THE LAKE GILES IRON PROJECT IN AUSTRALIA WITH GLENCORE INTERNATIONAL A.G.

Macarthur Minerals Limited (TSX-V: MMS) (OTCQB: MMSDF) (the “Company” or “Macarthur”) is pleased to announce that it has entered into a binding Life-of-Mine Off-Take Agreement (“Agreement”) with Glencore International A.G. (“Glencore”) for sale of iron ore to be produced from the Lake Giles Iron Project (“Project”) at Lake Giles in the Yilgarn region of Western Australia from the commencement of commercial production.

Cameron McCall, Executive Chairman of Macarthur Minerals commented;

“I am extremely excited to see Glencore’s commitment to purchase Macarthur’s production over the long term. Securing this approximately US\$4 billion purchase arrangement ensures consistent long-term revenue to the Company. Seeing a commitment of this size validates our resource and project and puts Macarthur in a position to maximize value to our shareholders. Macarthur’s management is pursuing debt financing discussion with European banks and international financial institutions. Achieving this key milestone is the beginning for Macarthur to transition into a large scale global resource production company. A project of this size will provide long term Western Australian job creation for a generation, especially in the local region of the proposed iron ore mines and for the port workforce in Esperance.”

Transaction Highlights:

- Glencore secures life-of-mine of the project with commercial terms for approximately 4 million tonnes per annum average for the first 10 years, with the option to extend for a following 10 years for all tonnes of future Lake Giles iron ore production.
- Glencore agrees to release up to 70% of their off-take volume where Macarthur secures project financing from a Strategic Industry Investor, subject to their securing off-take of the product produced.
- This Agreement with Glencore positions Macarthur to go forward to complete their project financing.
- The Agreement is currently valued at approximately US\$4 billion in revenue over the first 10-year term ensuring Macarthur long term revenue and consistent sales per year.
- Terms and conditions have been competitively negotiated reflecting strong forward demand.

High grade iron ore prices:

Metallurgical test work on the Lake Giles’s Moonshine Magnetite Project indicates that an export product of high margin +65% Fe can be achieved. Current market price for 65% Fe product is quoted at US\$98/tonne (A\$140 per tonne).¹ The value of the initial 10-year Glencore off-take at current market price for Moonshine iron ore would be ~US\$4 billion.

¹ Custeel Iron Ore Price Index

About the Lake Giles Iron Project:

On December 13, 2018, Macarthur announced that its Lake Giles Iron Project is a significant Australian iron ore project adjacent to highly developed infrastructure suitable for iron ore exports. There is considerable spare port and rail capacity that can be utilized by the Project, with the Port of Esperance having total iron ore export capacity of 11.5 million tonnes. The Capex for a combined Moonshine Magnetite and Ularring Hematite operation is now estimated to be US\$335 million. Magnetite Opex costs are estimated to be A\$55/tonne free on board (“FOB”) and Opex costs of A\$42/tonne FOB for hematite.

Macarthur owns 100% of the Moonshine Magnetite Project, with an Inferred and Indicated Mineral Resource Estimate consisting of 1,316 million tonnes (Mt) @ 30.1% Iron (Fe). Initial metallurgical test work from core at Moonshine indicated that a very high-grade iron ore product ranging from 68.5%-69.1% Fe, can be achieved as an export quality target.

The Inferred Mineral Resource estimate for the Moonshine Magnetite Project was initially prepared by CSA Global Pty Ltd (NI43-101 Technical Report filed December 17, 2009, titled “NI43-101 Technical Report on Lake Giles Iron Ore Project: Western Australia”) and was updated by Snowden Mining Industry Consultants (NI43-101 Technical Report filed March 25, 2011, titled “Macarthur Minerals Limited: Moonshine and Moonshine North Prospects, Lake Giles Iron Project, Western Australia, NI43-101 Technical Report – Preliminary Assessment”).

Macarthur also owns the Ularring Hematite Project, with a Mineral Resource Estimate consisting of Indicated 54.46 Mt @ 47.2% Fe and Inferred 25.99Mt @ 45.4% Fe, previously announced on August 16, 2012 (NI 43-101 Technical Report filed October 1, 2012, titled “NI 43-101 Report, Macarthur Minerals Limited, Pre-Feasibility Study, Ularring Hematite Project, Western Australia”). The Pre-feasibility Study focused on utilising all Probable Mineral Reserve of 42.95Mt @ 47% Fe hematite, producing a 60.1% Fe sinter fines product.

ABOUT GLENCORE INTERNATIONAL A.G.

Glencore is one of the world’s largest globally diversified natural resource companies and a major producer and marketer of commodities comprise around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

Glencore industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries employing around 158,000 people, including contractors.

Glencore has a strong footprint in Australia, operating for nearly 20 years and hold significant interest across all mainland states and the Northern Territory.

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

Macarthur Minerals Limited is an iron ore development, gold and lithium exploration 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) gold, lithium, nickel, cobalt exploration interests in 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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