

25 June 2020

Macarthur and Arrow complete agreement on land tenure for development of magnetite processing plant at Lake Giles

Macarthur Minerals Limited (ASX: MIO) (TSX-V: MMS) (the “Company” or “Macarthur”) is pleased to announce the completion of an agreement with Arrow Minerals Limited (ASX: AMD) (“Arrow”), for the grant of rights to apply for tenements which will support the development of infrastructure associated with a proposed magnetite processing circuit at Lake Giles.

Pursuant to the Agreement, originally entered into in December 2019, (“Agreement”), Arrow will permit Macarthur to apply for and obtain a general purpose lease and a miscellaneous licence over a site within the boundary of Arrow’s exploration licences E30/393 and E30/394, to support the development of infrastructure associated with its planned magnetite processing circuit for its Lake Giles Iron Project (“Project”). The substantial package of land covers approximately 4,950ha and is adjacent to the Moonshine magnetite deposit. The tenure will be used for constructing supporting infrastructure for the mine including a processing plant, camp, airstrip, tailings storage facility and waste rocks dumps.

The terms upon which Arrow agreed to permit Macarthur’s application included a cash payment of A\$250,000 (paid in December 2019) (“Cash Payment”) and a share payment comprising the issue of Macarthur shares to Arrow to the value of A\$250,000 (exclusive of GST) at an issue price per share equivalent to a 20% discount to the average VWAP of the shares trading on ASX for the 5 trading days preceding the issue date, and on which trades for the shares were recorded (“Share Payment”). Macarthur made the Share Payment on 23 June 2020, resulting in the issue of 1,702,997 shares at an issue price of A\$0.1468 per share.

Cameron McCall, President and Executive Chairman of Macarthur Minerals commented:

“The completion of the agreement with Arrow has secured the rights necessary to enable the design and location of critical infrastructure associated with the magnetite processing plant which will be finalised as part of the Feasibility Study for the Lake Giles Iron Project.

It is another positive step for the Company as it transitions to becoming a producer of high-grade magnetite.”

On behalf of the Board of Directors, Mr Cameron McCall, Executive Chairman

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Company profile

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 Project mineral resources include the Ularring hematite resource (approved for development) comprising Indicated resources of 54.5 million tonnes at 47.2% Fe and Inferred resources of 26 million tonnes at 45.4% Fe; and the Moonshine magnetite resource of 710 million tonnes (Inferred). Macarthur has prominent (~721 square kilometer tenement area) gold, lithium and copper exploration interests in Pilbara region of Western Australia. In addition, Macarthur has lithium brine Claims in the emerging Railroad Valley region in Nevada, USA.

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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. All statements herein, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future, including but limited to statements regarding expected completion of the Feasibility Study; granting of mineral tenure to facilitate infrastructure proposed; or the eventual mining of the Project, are forward-looking statements. 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. 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 but are not limited to: 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; the general level of global economic activity; failure to complete the FS; failure of the FS to reflect currently anticipated increases annual production and decreases in expected costs at the Project; failure to receive mineral tenure for infrastructure; and failure to obtain mining approvals under the Mining Act. 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.