

26 May 2021

MACARTHUR TARGETS ACCELERATION OF LAKE GILES DSO CAMPAIGN WITH MINE PLANNING WORK TO COMMENCE AT ULARRING

Macarthur Minerals Limited (TSX-V: MMS) (ASX: MIO) (OTCQB: MMSDF) (the “Company” or “Macarthur”) is pleased to announce that it is advancing mine planning work to support intended hematite mining operations at Lake Giles in Western Australia.

The Company has commenced work to prepare a mine plan for a direct shipment ore (DSO) product under a mining campaign which will initially target the Snark and Drabble Downs deposits of the Lake Giles Ularring Hematite Project.

In 2012 the Company completed a Pre-Feasibility Study (PFS) of the Ularring Hematite Project (“Project”) that included beneficiation of low-grade iron mineralisation¹. Given the current strength of the global iron ore market, the Company considers there is scope for development of a simple DSO operation with mobile crushing and screening equipment. The Company’s mine planning work will be premised on this basis, targeting a low capital, rapid development scenario.

This low-cost approach does not diminish the potential for a beneficiated sinter fines product as envisaged in the original 2012 PFS.

The Snark and Drabble Downs deposits are located in close proximity to the Evanston-Menzies road that is currently being used for ore haulage by local gold mining operators. This road provides direct access to sealed highways to both Geraldton and Esperance ports as well as open access rail networks.

The Company has engaged with road haulage contractors and has identified rail and export options utilising existing regional infrastructure. Additionally, the Company has made applications for miscellaneous licences to support the development of a mining camp and mining services infrastructure and is in discussions with neighbouring tenement holders for access to water bores.

Highlights

- Macarthur has commenced mine plan preparations.
- Completion of mine planning work is being accelerated to allow Macarthur to target commencement of DSO shipments as soon as possible.
- Mine planning work expected to be completed by the end of June, and Mining Proposal to be lodged during Q3 this year.
- The Company has identified options for an export pathway to support planned DSO mining operations and is aiming to complete arrangements for its preferred product transport and export solution shortly.
- The Company will continue to explore options for additional DSO export capacity to take advantage of current strong iron ore prices and maximise value for shareholders.

¹ NI 43-101 Technical Report filed October 1, 2012, titled “NI 43-101 Technical Report, Macarthur Minerals Limited, Pre-Feasibility Study, Ularring Hematite Project, Western Australia.”



The detailed mine planning work focuses on the hematite deposits located at the Snark and Drabble Downs prospects where direct shipment ore (DSO) product has been defined (See figure 1 below).

The work to be undertaken will support regulatory approval of a Mining Proposal and tendering of contract mining services, and will include:

- project optimization;
- mine design and layout;
- mine scheduling of DSO;
- mining cost estimation; and
- implementation planning.

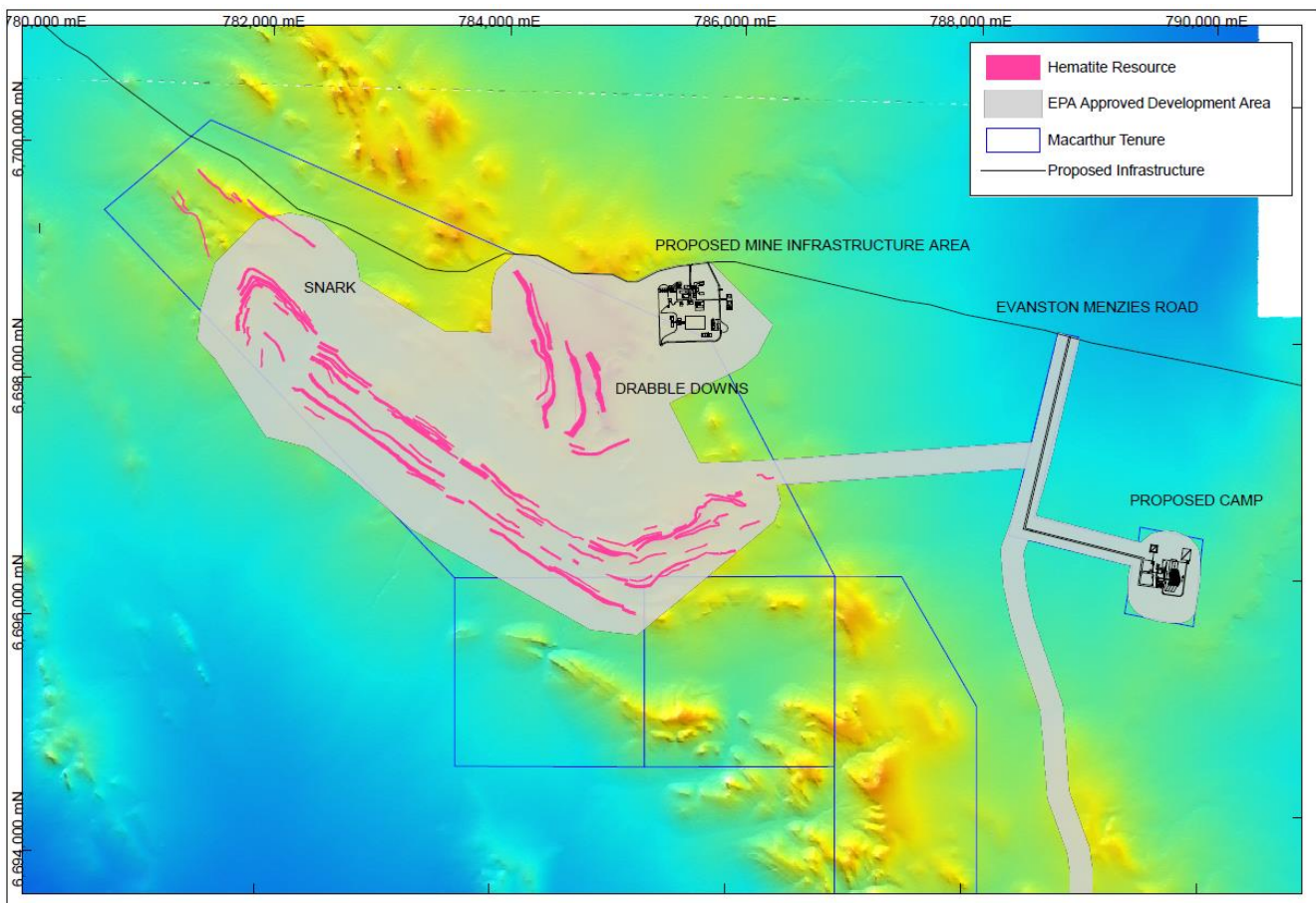


Figure 1: Snark and Drabble Downs Deposits, Ularring Western Australia

The mine planning and associated geotechnical assessment work is expected to be completed by the end of June, and Macarthur intends to lodge a mining proposal with the Department of Mines, Industry Regulation and Safety (DMIRS) during Q3 this year.

The Company has identified options for an export pathway to support planned DSO mining operations and is aiming to complete arrangements for its preferred product transport and export solution shortly.

Following approval of the mine plan by DMIRS and subject to securing remaining project development approvals and closing project financing, the Company intends to target commencement of DSO production at Ularring at the earliest available opportunity.



Andrew Bruton, Chief Executive Officer of Macarthur Minerals commented:

“Iron ore is experiencing one of the largest price surges in decades, and our shareholders have been eagerly anticipating the Company’s advancement of early hematite mining operations at Ularring.

The current market has presented both opportunities and challenges over the last several months as the Company navigates an increase in competitive demand for transport infrastructure and port access.

Macarthur’s Management team has risen to the challenge and has worked to advance a solution which aims to take advantage of the current strength in iron ore prices by advancing early mining operations.

Early mining operations will also support the Company’s aim of commencing high grade magnetite mining operations at its Moonshine and Moonshine North deposits following the completion of the current Feasibility Study process.

We are pleased to finally provide the market with the details of the next step towards this much anticipated corporate milestone being completed, and I look forward to keeping investors informed of the exciting developments along the pathway towards achieving our first shipment of iron ore. Further announcements on progress will follow in the coming weeks.”

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

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No new information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements (including supporting JORC reporting tables) made by the Company, unless explicitly stated, no new information is contained in accordance with Table 1 checklist in the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of Mineral Resources that all assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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 Lake Giles magnetite resource of 53.9 million tonnes (Measured), 218.7 million tonnes (Indicated) and 997 million tonnes (Inferred). The JORC reporting tables and Competent Person statement for the magnetite and hematite mineral resources have previously been disclosed in ASX market announcements dated 12 August 2020 and 5 December 2019. 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 not limited to statements regarding expected completion of the Feasibility Study; conversion of Mineral Resources to Mineral Reserves 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; inability to demonstrate economic viability of Mineral Resources; and failure to obtain mining approvals. 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.