

21 January 2020

## Macarthur Minerals advances its financing strategy for the Lake Giles Iron Project and appoints New York based EAS Advisors

Macarthur Minerals Limited (TSX-V: MMS) (ASX: MIO) (the “Company” or “Macarthur”) has appointed New York-based EAS Advisors as its corporate advisor to assist it in the financing strategy for its Lake Giles Iron Project.

Founded by Edward Sugar in 2008, EAS is a boutique global advisory firm focused on backing early stage mining and industrial groups to access US and international financial markets and institutional capital.

Having participated in over US\$6 billion of transactions to date, EAS has been instrumental in a number of financing arrangements and has an exceptional record for backing early finance deals for a number of ASX listed companies.

Macarthur Minerals Executive Chairman Mr Cameron McCall was pleased to have EAS on board.

“As Macarthur moves from exploration through feasibility to production, the appointment of EAS could not come at a better time, especially considering their experience in backing ASX listed mining companies,” Mr McCall said.

EAS Principal Mr Edward Sugar said he was excited to be working with a company and management team he had known for many years.

“Macarthur is at a key stage as it looks to advance the financing strategy for the development of a magnetite mining and processing facility for its Lake Giles Iron Project. We now look forward to working with Macarthur regarding its ongoing finance and development as well as lifting their profile in North America,” Mr Sugar said.

In connection with the engagement, EAS will be paid a monthly cash retainer of USD 10,000 per month for 8 months. Additionally, to incentivise EAS to assist in the growth of the Company:

- A component of its retainer will also include a monthly equity payment equivalent to USD5,000 of ordinary shares in the Company trading on TSX-V, settled quarterly (calculated based on the 5 day VWAP preceding the last trading day of each month); and
- A total of 2,000,000 performance based options, struck at a significant premium to the Company’s current ASX share price, granted as follows:
  - The exercise price of 500,000 options shall be A\$0.32 per fully paid ordinary share.
  - The exercise price of 500,000 options shall be A\$0.34 per fully paid ordinary share.
  - The exercise price of 500,000 options shall be A\$0.36 per fully paid ordinary share.
  - The exercise price of 500,000 options shall be A\$0.38 per fully paid ordinary share.

The performance based options will be issued in compliance with the Company’s Share Compensation Plan and will be exercisable at any time until 31 December 2022.

### Premium Australian iron ore



Depending upon the structure of the financing for the Lake Giles Iron Project, EAS will receive a Fee comprising:

- a Debt Financing Completion Fee equal to 3% of the gross proceeds of debt raised or on debt linked securities; or
- a Non-Debt Financing Completion Fee equal to 5% of gross proceeds raised for any non-debt related capital raising; or
- an M&A Fee equal to 3% of the total enterprise value of any M&A transaction.

**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 (~1,281 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: the proposed strategy regarding core mining, road and rail inputs at the Project; anticipated increases in annual production at the Project; anticipated decreases in Project costs; the possible reclassification of current inferred mineral resources on the Project as indicated mineral resources in the future; expected completion of the FS on the Project containing a new reserve calculation and a new economic assessment; the granting of a license for the Menzies rail siding; the status of the MRRT; and plans to secure mining approvals under the Mining Act, 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. 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 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; future changes in strategy regarding core mining, road and rail inputs with respect to the Project; final Project costs varying from those determined from the EOI program; failure to successfully negotiate a BOO arrangement for the Project; failure to complete the FS; failure of the FS to reflect currently anticipated increases annual production and decreases in expected costs at the Project; the results of infill drilling being insufficient to reclassify current inferred mineral resources on the Project as indicated mineral resources; failure to receive a license for the Menzies rail siding; failure to repeal the MRRT; 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.