

NEWS RELEASE
May 16, 2019

Symbols: TSX-V: MMS, OTCQB: MMSDF
For Immediate Dissemination

MACARTHUR MINERALS ANNOUNCES GLENCORE PARTICIPATION IN FINANCING

Macarthur Minerals Limited (TSX-V: MMS) (OTCQB: MMSDF) (the “Company” or “Macarthur”) is pleased to announce, that further to the announcement of March 19, 2019, that a subsidiary of Glencore plc (“Glencore”) has agreed to participate in the US\$6 million secured Convertible Note (“Note”) on a private placement basis for US\$2 million.

Glencore’s participation in this financing, strengthens the life-of-mine long-term strategic relationship between the parties in line with the previously announced binding Off-Take Agreement (“Agreement”) with Glencore for sale of iron ore to be produced from the Lake Giles Iron Project (“Project”) in the Yilgarn Region of Western Australia.

The proceeds from the Note will be targeted towards the completion of a 2019 compliant Bankable Feasibility Study (“BFS”) on Macarthur’s Moonshine Magnetite iron ore deposits in Western Australia.

Cameron McCall, Executive Chairman of Macarthur Minerals commented;

“Macarthur is delighted to have Glencore’s participation in the private placement. We believe the agreed terms are attractive to both parties and provide Macarthur with funding certainty with minimum dilution to Macarthur’s shareholders. Glencore’s US\$2 million investment in the Company’s Note is in addition to the Company’s previous announcement of May 14, 2019 of Exception Capital’s participation in the Note.”

Key terms to the Convertible Notes:

- Each Note has a face value of US\$10,000 following adoption of a loan note instrument.
- The Notes (including accrued but unpaid interest) can be converted at any time after 12 months into common shares of Macarthur at the Noteholder’s option at a conversion price that reflects the greater of 80% of the average VWAP over 5 trading days immediately preceding the date of a notice of conversion and C\$0.10 (in each case with appropriate equivalence to USD), with attaching warrants offered for one fourth of the commitment amount exercisable at the greater of C\$0.10 or the average VWAP over 5 trading days immediately preceding the date of the Advance Date (such term being defined in the definitive documentation) (in each case with appropriate equivalence to USD).
- The Notes will have a term to maturity of 3 years and bear interest at a rate of 12.5% per annum.
- The Notes include a restriction on conversion that provides that such conversion may not have the effect of causing Noteholder to own 20% or more of the common shares of Macarthur or becoming a control person.
- The iron ore mining licences held by Macarthur (or a subsidiary of Macarthur) in respect of the Lake Giles Iron project region of Western Australia will act as security for the Notes issued to the Noteholder.

Any shares issued upon conversion of the principal amount of the Note and any accrued interest will be subject to certain resale restrictions, including a restricted (or “hold”) period of four months and one day following the distribution date of the Note and warrant, under applicable Canadian securities legislation.

The consummation of the US\$2 million financing commitment from Glencore is subject to receipt of all necessary regulatory, governmental and legislative approvals including that of the TSX Venture Exchange, the Australian Foreign Investment Review Board and satisfaction of the other conditions set out in the Investment Agreement entered into by the Glencore and Macarthur.

ABOUT GLENCORE

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.

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

Macarthur Minerals Limited is an iron ore development company with its focus on bringing into production, its sizeable, 100% owned, Moonshine Magnetite and Ularring Hematite Iron Ore Projects in Western Australia. Macarthur Minerals also has prominent (~1,130 square kilometre tenement area) exploration interests in gold, lithium, nickel, cobalt in the 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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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 statements relating to the consummation of the financing and of the BFS. 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 timely receipt of required approvals, the reliability of information, including historical mineral resource or mineral reserve estimates, 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 the conditions to the financing not being satisfied, delays in the preparation of the BFS, fluctuations in exchange rates and certain commodity prices, uncertainties related to mineral title in the project, unforeseen technology changes that results in a reduction in iron ore demand or substitution by other metals or materials, the discovery of new large low cost deposits of iron ore, uncertainty in successfully returning the project into full operation, 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.