

15 July 2020

Lake Giles Iron Project a step closer with Arc Infrastructure's Proposal for Development of a Commercial Track Access Agreement

Macarthur Minerals Limited (TSX-V: MMS) (ASX: MIO) (the "Company" or "Macarthur") has received a Proposal that provides an agreed pathway to develop a Commercial Track Access Agreement ("Proposal") from Arc Infrastructure ("Arc") for below rail capacity from its Lake Giles Iron Project in the Yilgarn Region of south-western Western Australia to the Port of Esperance.

Macarthur and Arc have worked collaboratively on the development of Arc's Proposal, which is a material step forward in bringing Macarthur closer to securing a fully contracted route to market. The Proposal will provide sufficient certainty to support Macarthur's Feasibility Study for its Lake Giles Iron Project, as outlined in the Preliminary Economic Assessment Report which was prepared and released in June 2019.

Under the Proposal, the parties have agreed to work together in good faith to negotiate and agree the terms of a Commercial Track Access Agreement ("CTAA") under which Arc would provide sufficient capacity on its Network to support the Macarthur task. The Proposal also includes indicative track access pricing based on an agreed set of operational parameters that would be incorporated into the CTAA.

The successful development of the Lake Giles Iron Project and the export of its high grade magnetite through the Port of Esperance is fully supported by the Western Australian Branch of the Australian Rail, Tram and Bus Union (RTBU) and the Western Australian Branch of the Maritime Union of Australia (MUA).

In expressing support for the progress of route to market negotiations for Macarthur's Lake Giles Iron Project to date, **Craig McKinley, WA Branch Secretary of the RTBU commented:** *"This is great news and a significant advancement on a very exciting project. As a rail union we are proud to have a role in the jobs and prosperity this project offers. Well done to all."*

Jeff Cassar, Assistant Branch Secretary of the MUA also commented: *"The Maritime Union of Australia welcomes this development bringing us one step closer to achieving long-term job security for Esperance port workers, and a much-needed injection into the local economy. This is the most exciting initiative for the Port of Esperance that has occurred in the last twenty years and the potential for stability this represents is absolutely massive for this rural port community."*

Macarthur's progress towards securing a route to market for its Lake Giles Iron Project was recently bolstered by an announcement on 26 June 2020 of the lodgement of applications with the Department of Mines, Industry, Regulation and Safety to develop a haul road and rail siding near Lakes Giles (see full release [here](#))

Premium Australian iron ore



In addition, the Company is continuing to progress discussions:

- to secure an above rail haulage agreement;
- to finalise arrangements for the design, development and funding of unloading infrastructure that will avoid current unloading infrastructure constraints at the Port of Esperance;
- to secure rights to develop a 300kt iron ore storage shed and access ship-loader capacity at the Port.

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

“Today’s announcement is an important one for the Company. The Board considers that the Proposal received from Arc Infrastructure delivers the most substantial step forward for Macarthur in the last decade towards securing fully contracted train paths on the Kalgoorlie to Esperance rail line.

The Company’s shareholders have been patient and loyal, investing in the vicinity of AUD80 million in the Lake Giles Iron Project to date. With a substantial body of exploration work undertaken, and analysis nearing completion to upgrade the magnetite resource to a measured and indicated category, it is pleasing to see that critical pieces of the infrastructure puzzle are also now finally starting to come together for Macarthur.

Following the recent announcement of the lodgement of applications to develop a haul road and rail siding near Lakes Giles, and with above rail discussions well progressed, Management will now turn its focus to furthering the Company’s engagement with Southern Ports to progress unloading infrastructure and ship-loader capacity options at the Port of Esperance.”

Mr McCall also commented:

“This is an important step forward for the region too. Seasoned players understand that despite the current buoyancy in global iron ore prices, the memory of past commodity cycles should leave no doubt that the future of sustainable and secure employment in Western Australia’s Goldfields region must be built upon both product and customer diversity.

Macarthur’s proposal to provide firm take-or-pay commitments for the transport and handling of its iron ore through to the Port of Esperance is underpinned by a belief that our Company can play an important and responsible role in providing a critical counter-balance to potential disruptions to the production, transport and shipment of iron ore products in the more volatile <60% Fe market.

Macarthur’s approach therefore demonstrates the serious commitment that it intends to make to support the future businesses of transport infrastructure service providers in the region (both rail and port). This can only be good for the future of jobs in Western Australia, and for State Government royalties. It is pleasing that both the RTBU and the MUA also strongly support this approach.

This is another positive step forward for Macarthur in what has been a prolific 12 months of important milestones for the Company. We look forward to continuing our productive relationship with Arc as we move forward to delivering this important project for our shareholders and for Western Australia.”



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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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; granting of mineral tenure to facilitate infrastructure proposed; the ability to enter into a commercial rail access agreement 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; future changes in rail network capacity and demand; failure to complete the FS; 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.