

21 August 2020

Macarthur's Joint Venture Partner Fe Limited Acquires Advanced Iron Ore Project

Macarthur Minerals Limited (ASX: MIO) (TSX-V: MMS) (the "Company" or "Macarthur") Joint Venture Partner, Fe Limited ("FEL") has announced that it has entered into a binding Heads of Agreement to acquire a 50% interest in the Yarram Iron Ore Project in the Northern Territory.

The consideration is A\$1.5m in cash and shares with a further A\$1.5m in cash and shares payable on achieving a JORC indicated resource milestone. FEL is to cover certain historical and future costs. FEL will operate the Joint Venture and has a casting vote on the majority of key issues, with approval of other matters not to be unreasonably withheld.

Outstanding historical drill intercepts include:

- 108m @ 65.6% Fe, 2.3% SiO₂, 1.8% Al₂O₃, 0.037% P from 18m in hole RJRC0119
- 65m @ 66.4% Fe, 2.0% SiO₂, 1.5% Al₂O₃, 0.022% P from 13m in hole RJRC069 (hole finished in 65.9% Fe)
- 35m @ 62.9% Fe, 4.3% SiO₂, 1.6% Al₂O₃, 0.045% P from 23m in hole RJRC0106

Yarram is located just over 100km by road from Darwin and is adjacent to the Browns Polymetallic project which is presently on care and maintenance. FEL is purchasing its interest from Gold Valley Iron and Manganese Pty Ltd which owns the iron ore rights over the Yarram area, which represents a portion of a mining licence (MLN 1163 and two exploration licences, ELR 125 and ELR 146). The Mining licence is located on Freehold land. The underlying tenure is owned by an unrelated party, Northern Territory Resources Pty Ltd, owner of the Browns Polymetallic project.

Premium Australian iron ore

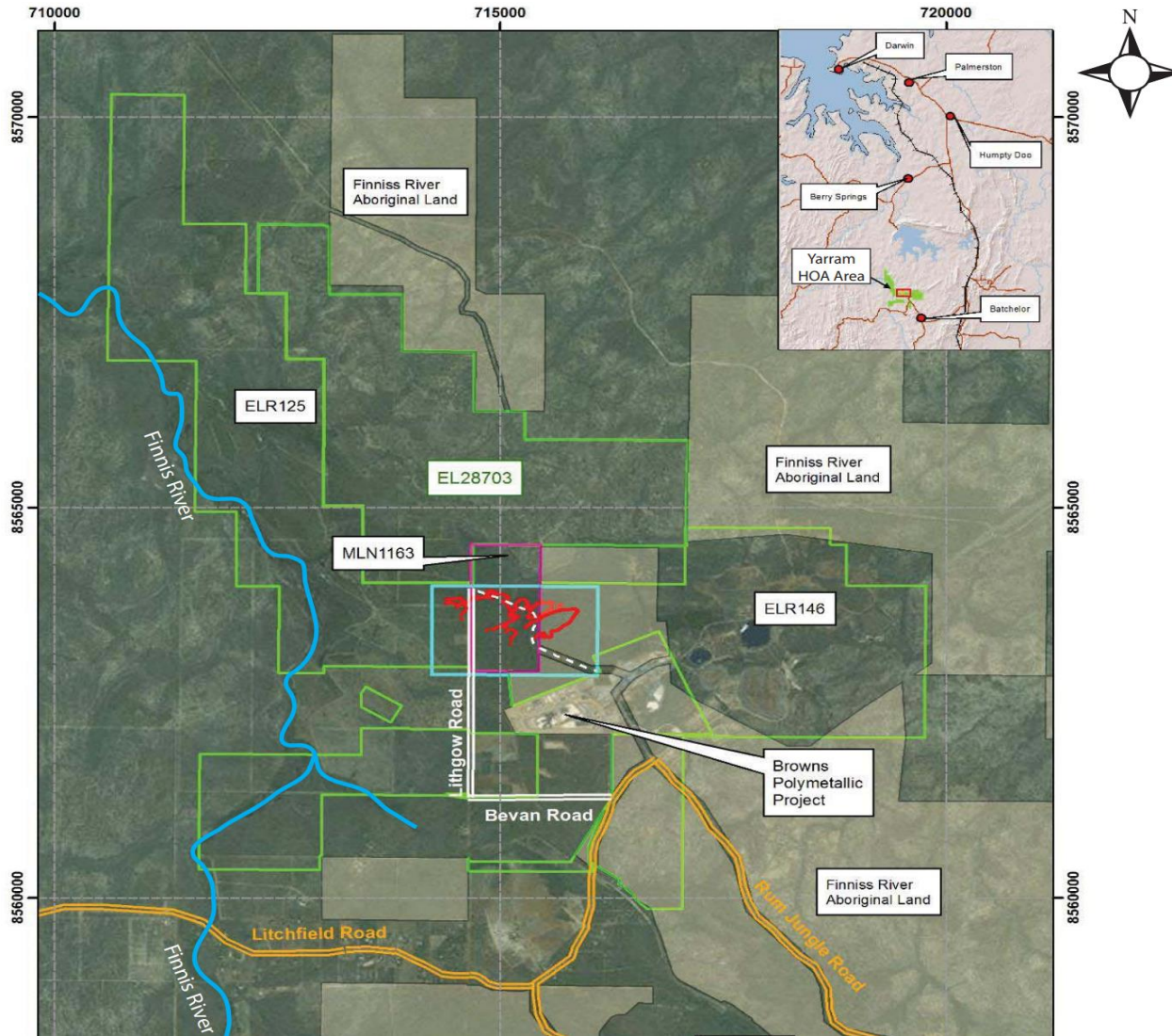


Figure 1. Location and Tenure

A copy of FEL's full news release (including supporting JORC Table 1) is available [here](#).

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

"We are excited by the news that Fe Limited is acquiring a 50% interest in the Yarram Iron Ore Project. With the current robust iron ore market, FEL's play for a mature iron ore asset like Yarram, which is located close to existing port and mining infrastructure, is a smart move. As Macarthur currently holds 26,666,667 Ordinary Shares in FEL (and pursuant to its Joint Venture Agreement with FEL, can earn a further \$500,000 in cash or shares in FEL under the earn-in arrangements), the successful delivery of the Yarram Project by FEL and its joint venture partner, Gold Valley Iron and Manganese Pty Ltd, has the potential to form part of the continuing success story for Macarthur and its shareholders. We wish FEL and its management team well in the pursuit of its objective to bring Yarram into production."

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

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Earn-in with Macarthur

Macarthur Lithium Pty Ltd (“MLi”), a wholly owned subsidiary of Macarthur entered into an exclusive option agreement (“Option Agreement”) with FEL as announced on May 14, 2019, to earn up to 75% in its Pilbara lithium and gold projects in respect of eight tenements in the Pilbara.

About Fe Limited

FE Limited (ASX: FEL) is a listed mineral exploration Company that holds or has rights or interests in various projects and tenements prospective for battery metals, copper, iron ore, gold and base metals located in Australia. The Company is focused on the exploration of battery metal projects. In March 2019, FEL entered into an agreement to acquire the Pippingarra Lithium Project and the Marble Bar Lithium Project from Mercury Resources Group Pty Ltd. These areas complement the tenement portfolio of Macarthur Minerals, establishing a 1,242 square kilometer exploration footprint in the important Lithium and Gold region of Western Australia.

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). 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.