

30 October 2020

2020 ANNUAL GENERAL MEETING

Macarthur Minerals Limited (ASX: MIO) (TSX-V: MMS) (OTCQB: MMSDF) (the “Company” or “Macarthur”) held its 2020 Annual General Meeting today.

Attached are copies of the Chairman’s address and Shareholders questions and responses.

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

For more information please contact:

Joe Phillips
CEO & Director
+61 7 3221 1796
communications@macarthurminerals.com

Investor Relations – Australia
Advisir
Sarah Lenard, Partner
sarah.lenard@advisir.com.au

Investor Relations - Canada
Investor Cubed
Neil Simon, CEO
+1 647 258 3310
info@investor3.ca

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.

This news release is not for distribution to United States services or for dissemination in the United States

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.

CHAIRMAN'S ADDRESS

1. Welcome

Good morning Ladies and Gentlemen.

I have pleasure in welcoming you to the Macarthur Minerals Limited 2020 Annual General Meeting.

My name is Cameron McCall, Executive Chairman of Macarthur Minerals Limited, and I preside as the Chairperson of today's meeting in accordance with the constitution.

I am disappointed that current circumstances have dictated that we need to hold this meeting as a hybrid virtual meeting and that we will not have the subsequent informal discussion between directors and shareholders which we, and you enjoy. I look forward to returning to normality next year and in the meantime, we will continue to make the best of our current circumstances.

2. Format of Meeting

In a moment, I will make some remarks about the results of the last 12 months and about other matters. We will then attend to the formal business of the meeting.

But before I do that, there are several matters that I would like to mention with regard to the format of this year's meeting which will be different from previous years. Every effort has been made to ensure that today's meeting runs as smoothly as possible. Having said that, if you encounter any technical issues which preclude you from attending the meeting live, a transcript of my Chairman's address will be made available on the Company's website after the meeting.

As set out in the Company's Notice of Annual General Meeting, due to the uncertainty and potential health risks posed by the COVID-19 pandemic, shareholders have been encouraged NOT to attend the meeting in person. Today's meeting has been established as a "hybrid" AGM such that it is linked with online facilities which allow Shareholders attending via the online platform an opportunity to participate by viewing the proceedings and asking questions.

Shareholders have been asked to register their attendance for the meeting and to submit questions in advance wherever possible. We have received a number of advance questions from shareholders which I will endeavour to respond to later in the proceedings and during the course of my Chairman's address.

If you are a shareholder or proxy, or an attorney or representative of a shareholder and wish to ask a question about an item of business, then please click on the ["Chat"] function on the lower section of your screen, type your question and then click the "return" key to submit it once you have typed your question. If you have a question already prepared, then please identify the relevant agenda item upfront when you type your question (so that it is clear) and submit it as early as possible on the online platform to enable me to respond to it when I come to the relevant agenda item. You do not need to wait for the relevant item of business to do so. If you elect to do so, then I would like to ask you to keep your questions brief (and on point with regard to the relevant item of business) so that we can respond to pertinent questions as they arise.

Questions sent via the online meeting platform will be moderated to avoid repetition and if questions are particularly lengthy or require more time for detailed consideration and response, then we may need to summarise them in the interests of time. Where we receive a number on a similar topic, I will endeavour to respond as best as we can in the context of the subject matter.

To assist with the smooth running of the meeting, Andrew Bruton, Executive General Manager (Corporate) and Company Secretary, will read out the name of the shareholder and their question. We will give all shareholders present a reasonable opportunity to ask questions, but it is possible that not all questions will be able to be answered today.

3. Open of Meeting

It is now the appointed time for the Meeting and the quorum is present. I formally declare the Meeting open.

I would like to start the meeting by acknowledging the traditional owners of the land on which I am chairing this meeting from today, the **Jagera** people, and pay our respects to their elders past, present and emerging. Some shareholders are listening in and are doing so from other ancestral lands. I also pay my respects to the traditional owners of those lands and their elders past, present and emerging.

4. Introductions

I would now like to introduce my fellow Directors who are joining us today, either in person or via the online platform. They are:

- Joe Phillips (Executive Director and CEO);
- Andrew Suckling (Non-Executive Director, who is joining us from New York);
- Alan Phillips (Non-Executive Director); and
- Daniel Lanskey (Non-Executive Director).

Also attending this meeting today are:

- Andrew Bruton (Executive General Manager and Company Secretary);
- Ian McCall (Chief Financial Officer);
- Mima Wirakara (Assistant Company Secretary),

as well as other members of the Macarthur Minerals Management Team.

Macarthur's external Auditors, Nexia are also attending this meeting. Nexia Brisbane CEO, Ken Roberts and Director, Gavin Ruddell, are available to answer any relevant questions that you may wish to ask later in the meeting and I thank them for attending today.

There are a number of people and organisations who have assisted us with today's meeting:

- I would like to acknowledge and thank Mr Brian Moller, Partner Hopgood Ganim and his firm for facilitating this venue for our AGM today. I would like to thank them for allowing us to access the increased space afforded by their Boardroom to hold this COVID safe event.

- I would also like to acknowledge and thank both Computershare (particularly Kristen Jiear), and our Australian investor relations consultants, Advisir (including Sarah Lenard, Jaxon McCaulliffe, Jag and the whole Advisir team), for their assistance with the set-up and conduct of today's AGM;
- And of course, I would also like to thank Mr Neil Simon from Investor Cubed for his continued invaluable assistance from the Canadian side.

We have a number of shareholders who have registered to attend today's meeting in person. We are very pleased to have them in attendance. As this is Macarthur's first AGM since becoming dual listed on ASX, it is pleasing to have the opportunity to interact with new shareholders who are domiciled in our country of operation.

Finally, to all of our valued shareholders around the world who are joining us online from Canada, North America, Europe and South East Asia – welcome, and thank you for your attendance and interest in today's meeting.

5. The Year in Review

There is no doubt that 2020 has been an extraordinarily challenging year. Yet despite the overlay of these very challenging global conditions which are upon us all, the last 12 months has been a truly transformational period for Macarthur.

I am particularly proud of the way that the entire Macarthur team has responded during the COVID-19 pandemic, seamlessly adopting new ways of working remotely and continuing to achieve all of the critical milestones set by the Company late last year.

Your Company has had a very active twelve months, as we continue our exciting journey to become one of Australia's next big iron ore producers.

I would like to take the opportunity to recount some highlights from this period.

- **September 2019:**

September 2019 saw the appointment of Andrew Bruton as Executive General Manager (Corporate) and Company Secretary. This was a newly created role within the Company and Andrew joined Macarthur following a successful career spanning more than 2 decades in corporate, mining, energy and infrastructure law. Together with the rest of the Macarthur Management team, he has been instrumental in delivering many of the important commercial goals of the Company which I will mention shortly.

- **October to December 2019:**

In October 2019, the Company commenced an Infill drilling program at Lake Giles to upgrade the resource classification for the Moonshine magnetite deposit to the Indicated and Measured categories that are necessary to underpin the current Bankable Feasibility Study process.

During that same period, exploration commenced on the Company's gold and base metal tenements in the Pilbara region of Western Australia, with anomalous gold, copper and base metals identified along a 14 kilometre strike on the Hillside Properties. The Company also identified iron ore mineralisation that may extend from the Atlas Iron's Abydos Leighton Pit at Strelly's Gorge. The results of that work has given the Company confidence in the potential of its Pilbara assets.

- **December 2019**

- In December 2019, Macarthur confirmed the completion of the Infill drilling program at Lake Giles;
- The Company simultaneously completed a share consolidation in Canada and an official listing of the Company on the Australian Securities Exchange, commencing official quotation on ASX on 6 December 2019; and
- The Company also closed a \$5 million offer under the replacement Prospectus for its ASX listing.

- **January 2020:**

- In January 2020 Macarthur secured the acquisition from Arrow Minerals of a package of tenements covering approximately 5,000 hectares adjacent to Moonshine magnetite deposit which is needed to accommodate supporting infrastructure including the magnetite processing plant, camp, waste and rock dumps and tailings storage;
- A drilling program was also completed on the Hillside prospect in the Pilbara, targeting the previously identified mineralisation along the 14 kilometre Gossan line;
- The Company appointed Eddie Sugar and his New York based EAS Advisory as corporate advisors to assist Macarthur Minerals in its long-term funding strategy development; and
- Northland Securities Inc. were appointed to act as the Company's OTCQB sponsor and advisors in the United States of America.

- **March 2020**

- In March 2020, Macarthur implemented a detailed action plan to meet the challenges of the COVID-19 Pandemic. Management met the task head-on and took decisive steps to manage the Company's cashflows, as well as implementing careful measures to ensure that all employees and consultants could continue to work safely, productively and with appropriate support and supervision to continue the delivery of the Company's key milestones. And if you look at the subsequent milestones that have been achieved over the period since lock-down first occurred in March, I think that you will agree that this has indeed been an exceptionally productive and successful period for Macarthur.

- **June 2020:**

- In June 2020, the Company achieved a significant project milestone, announcing a Resource upgrade at Lake Giles which was completed by CSA Global. The upgrade moved approximately 300 million tonnes of magnetite into the Measured and Indicated JORC categories, with a further 1 billion tonnes of magnetite remaining in the Inferred category.

- **August 2020:**

In August 2020 the key highlights were:

- The re-commencement of trading on the OTCQB, giving the Company improved access to North American markets;
- The commissioning of RCR Mining Technologies (which is a subsidiary of ASX listed NRW) to design a hi-tech hybrid rail unloading solution at the Port of Esperance;
- The announcement that the Company had received a Proposal from Arc Infrastructure for the allocation of below rail paths and indicative track access pricing which is necessary to support a pathway to a fully contracted Commercial Track Access Agreement. In the opinion of the Board and Management, this signalled the most material development in the Company's route to market aspirations for over a decade;
- The advancement of negotiations with above-rail service providers for necessary above rail paths and indicative pricing that can support a decision on above-rail service provision and eventual entry into a rail haulage agreement;
- The lodgement of a land access application to develop a 93 km haul route from Lake Giles Iron Project to the rail line and the lodgement of an application to develop a rail siding to enable the project to access the Kalgoorlie to Esperance rail network;
- The finalisation and lodgement of the Company's completed NI43-101 technical report on the magnetite resource upgrade; and
- The appointment of Mr Richard Moon in Korea as the Company's International Sales and Marketing General Manager. (Mr Moon comes with an impressive background in international iron ore marketing and trading, having previously been the Head of Hyundai Steel in Australia, and also having held senior positions globally within both POSCO and Glencore).

Richard's appointment is a real coup for the Company as it focuses on its financing phase and in particular, opportunities to secure high quality strategic partners who can form part of a multi-faceted financing approach aimed at controlling debt and also minimising equity dilution. We are grateful for Richard's expertise and the value that we are confident he can bring.

- **September 2020**
 - In September 2020, on the back of material share price growth during the year, the Company announced that all convertible notes from the convertible note raise in 2019 had been converted, resulting in the Company extinguishing all debt and commencing the process to lift security over the Lake Giles tenements.
- **October 2020**
 - And of course, in October 2020, the Company continued to strengthen its position financially by announcing and completing a financing package comprising a Private Placement to sophisticated and institutional investors for AUD 6.25 million, plus and a Controlled Placement Facility for AUD 20 million which can be drawn on the discretion of the Company. The Controlled Placement Facility provides balance sheet flexibility in a manner which is intended to minimise near-term dilutionary impacts. With this package, the Company is well placed going into 2021, and to meet the next period for delivery of its objectives and add further value for shareholders.

This is only a brief snapshot of our progress over the 2020 Financial Year and the more recent period, leading up to this AGM. The 2021 Financial Year brings with it an even busier period, and our Management Team will now be working on delivering against a number of material milestones that they have set for themselves as we transition from explorer to producer.

Chief amongst these will be completing the route to market for the Lake Giles Iron Project, advancing and delivering the Bankable Feasibility Study, and working with our financial advisers to put in place project finance to construct our high grade magnetite mine.

I can assure all of our loyal shareholders that Macarthur's strategy remains acutely focused on transitioning to production within the shortest possible timeframe. Work on the Company's proposed rail unloading solution will continue to advance, and the Board remains optimistic that, (with the continued positive co-operation of the Southern Ports Authority) Macarthur can achieve, before the end of this year, a clear pathway to securing an eventual allocation of capacity at the Port of Esperance.

With our BFS targeted for completion by mid-next year (and subject to closing of finance) Macarthur is currently still on track for commencement of commercial production of magnetite mining operations at Lake Giles by Q1 2024.

Macarthur's progress since our last AGM has been achieved on the back of incredible focus and massive effort from our small and dedicated team. In that regard, I would like to acknowledge the efforts of our hardworking Board and the whole Team, as we look forward to another value-filled 12 months.

I would particularly like to thank Joe Phillips for his fantastic leadership over the last 12 months. His steady hand and strategic contribution to Macarthur has been invaluable, and his collaborative and supportive leadership style commands respect from the whole Macarthur team and from the Board.

We will now move to the formal business of the meeting.

SHAREHOLDERS QUESTIONS AND RESPONSES

Q1	Due date of BFS completion
<p>RESPONSE</p> <p>COVID-19 has introduced some complexities to the BFS process over the course of the last 6 months. One of the key complexities is navigating travel restrictions between State borders within Australia which has had an impact on timelines for (amongst other things) the conduct of seasonal environmental surveys that are necessary to extent existing approvals over the magnetite resource.</p> <p>Despite the impacts of COVID, the Company has continued to advance its route to market negotiations and the delivery of its Measured Resource Statement, which are both key components of the BFS. The Company has already gone to tender on the main packages of work for the BFS – namely the Metallurgy, Infrastructure and Mining packages and will be commencing its seasonal environmental survey work.</p> <p>The Company had previously foreshadowed a target date for completion of the BFS by mid next year (ie., mid-2021). Management is not currently foreshadowing a material shift from that target. If the BFS is delayed by a few months (for example due to the impact of access restrictions), then Management does not consider that this will necessarily result in a corresponding delay to the proposed date for commencement of commercial mining operations which is presently targeted for Q1 2024.</p>	

Q2	Plans to develop the hematite iron ore deposit, or farm out?
-----------	--

RESPONSE

Macarthur remains focused on the delivery of its high grade magnetite project at Moonshine but will consider options that can deliver early revenue flows and other benefits from its Ularring hematite resource where that supports the story for our transition to production on the higher value magnetite.

Macarthur is looking at a number of options. Whilst there is potential for Macarthur to mine Ularring itself, it has also received expressions of interest from a number of third parties to mine it. Macarthur will examine all options and proceed with the option that presents the best outcome for Macarthur's shareholders and fairly values the hematite resource.

Q3	Plans of Au and Ni deposit
-----------	----------------------------

RESPONSE

The Company has been encouraged by some initial results indicating Gold and Nickel bearing potential at its tenements in the Pilbara region of Western Australia. The Company is looking to advance further exploration with a high quality joint venture partner and is in discussions with a number of interested parties at present. The Company intends to maximise the potential of those tenements for our shareholders under a joint venture structure so that it can focus its attention on nearer-term cashflow potential from its Lake Giles Iron Project. Macarthur will provide a further update to the market on its Pilbara strategy in due course.

Q4	Prolongation of warrants due on 15 December 2020 @ CAD0.80?
<p>RESPONSE</p> <p>The CDN\$0.80 warrants which had an expiry date of 15 December 2020 were recently extended for a further 12 months. With the Company’s share price tending positively in recent months, the Board and Management considered that it was appropriate for an extension to be sought. The extension (subject to Exchange approval) was announced to the market on 14 September 2020, and Exchange approval was subsequently received on 16 September 2020. The extended expiry date is now 5:00pm Australian Eastern Standard Time on 15 December 2021.</p>	
Q5	When will you start working the mine “date”? Who will come up with the money to start the mine? Glencore?
<p>RESPONSE</p> <p>Subject to the successful completion of our bankable feasibility study and securing project finance on acceptable terms, the Company is presently targeting commencement of commercial mining operation for magnetite at its Moonshine and Moonshine North deposits at Lake Giles in Q1 2024.</p> <p>The financing for the Project will be layered. It is currently expected to be comprised of the following:</p> <ol style="list-style-type: none"> 1. a high yield debt facility for up to 70% of the project development costs; and 2. a combination of: <ol style="list-style-type: none"> a. EPC funding under a “Build Own Operate (BOO)” or “Build Own Operate and Transfer (BOOT)” structure; b. a portion of financing under a royalty pre-payment mechanism; c. a portion of equity investment at the Project level (to minimise dilutionary impacts for our shareholders). <p>The Company will be working closely with its Financial Advisers in New York – EAS Advisers to structure our financing package which we intend to build and (ideally) close out at the time that the BFS is delivered.</p>	

Q6	Given the limited capacity at the Port of Esperance, with a generational magnetite iron ore inventory at Moonshine, which other ports may come into consideration in the future?
-----------	--

RESPONSE

The Port of Esperance does have capacity limitations, but Macarthur has every confidence that a solution can be implemented to get our modest 3.4 million tonnes per annum through.

The existing ship loader has adequate capacity, and Macarthur is working with Southern Ports, Arc Infrastructure and RCR to design a hi-tech “Helix” rotary car dumper and conveyor that Macarthur can utilise for its rail unloading system. If implemented, the Helix RCD has the potential to provide increased throughput capacity for the Port, and there would be up to an addition 12 to 13 million tonnes of additional capacity in that infrastructure. It therefore provides expansion potential for our Lake Giles Iron Project. The Port is also conducting a master-planning process with a view to expanding the potential for more products to be exported from Esperance over the course of the next 15 to 30 years.

Other ports such as Kwinana (owned by Fremantle Ports) have iron ore export potential and could be considered, but, Macarthur believes that the Port of Esperance has the best and most cost effective potential for the long-term export of our Lake Giles magnetite product.