

19 January 2021

Macarthur Minerals Fourth Quarter Update Iron Ore Continues to Surge Higher

Macarthur Minerals Limited (TSX-V: MMS) (ASX: MIO) (OTCQB: MMSDF) (the “Company” or “Macarthur”) is pleased to update shareholders on an active fourth quarter 2020.

2020 Calendar Year Focus

The primary focus during 2020 included:

- Lake Giles Magnetite project in Western Australia;
- Pilbara non-iron ore tenements being explored for lithium, base metals and gold; and
- Reviewing previous studies that outlined opportunity for the early exploitation of the hematite direct shipping iron ore, also at Lake Giles.

2020 Fourth Quarter Highlights

Key highlights during the fourth quarter of 2020 included progress on the following:

Feasibility Study related outcomes

- Filing of NI43-101 Technical Resource Report for Lake Giles with a Measured mineral resource of 53.9 million tonnes, an Indicated mineral resource of 218.7 million tonnes and a further 997.0 million tonnes of Inferred mineral resource (refer news release dated 1 October 2020, [here](#))
- Outlined RCR Mining Technologies completed engineering design of the Helix Dumper unloading solution at the Port of Esperance (refer news release dated 7 October 2020, [here](#))
- Appointment of study/mining consultants to accelerate the study programme.

Non-iron ore tenements

- Repositioning the Company’s 100% owned, 720km² gold, copper, zinc, manganese and lithium exploration tenements in the Pilbara region of Western Australia.
- Repositioning the Company’s 100% owned 210 lithium brine mining claims, covering an area of 7 square miles (18 km²) located in Railroad Valley, in Nye County, Nevada, USA. The 210 claims are located approximately 180 miles (300 km) North of Las Vegas, Nevada, and 330 miles (531 km) South East of Tesla’s new Gigafactory
- Completed the technical work on the Pilbara tenements to support the repositioning of these assets during 2021.

Corporate activities

- Conversion of all Note holders into Macarthur equity effectively removing all debt within this business (refer news release dated 10 September 2020, [here](#))
- Capital raising via a private placement in late October (refer news release dated 22 October 2020, [here](#))

the green iron ore company



- Relisting of the Company on the OTCQB in September 2020.
- Secured up to AUD\$20 million standby Equity Finance Facility to support the Company balance sheet (refer news release dated 13 October 2020, [here](#))
- Completed the Company's first 12 months of trading on the Australian Stock Exchange.

Over the course of the year, 50 news releases were issued, ensuring shareholders have and will continue to be kept informed of the Company's progress.

2021 Calendar Year Goals

Macarthur is well placed to deliver on its stated 2021 goals:

- Completing the Feasibility Study which includes securing a strategic partner for project development;
- Concluding the route to market contract to support export through the Esperance Port; and
- Advancing terms of financing the project commencing 2023.

In addition to the Lake Giles project, the Company will also focus on a series of complementary goals. These will include:

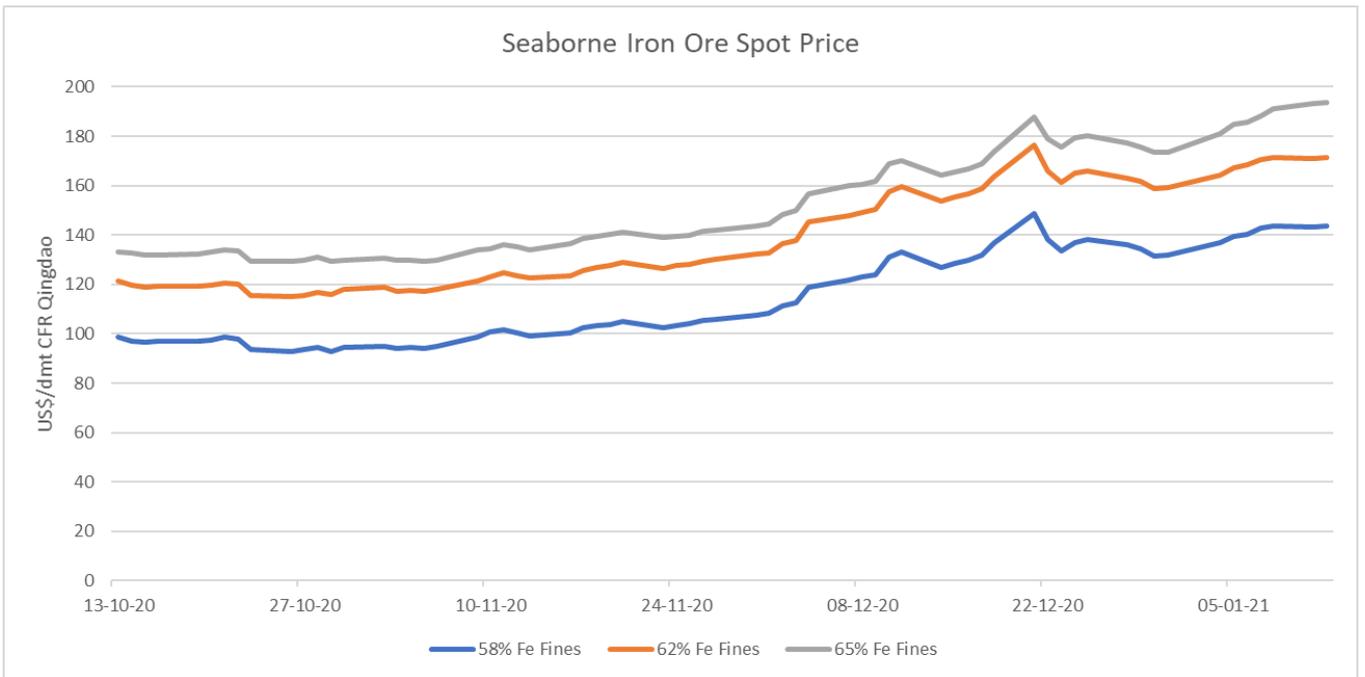
- To take advantage of a commercial early production opportunity for the hematite resource at Lake Giles in light of current strong demand and pricing for iron ore;
- To formalize strategic partnerships for key development and infrastructure needed to commercialise the Lake Giles Iron Project; and
- To reposition the Company's 100% owned, 720km² tenement package of lithium, gold, copper and base metals in the Pilbara region of Australia, and its lithium brine claims in the Nevada region of the USA.

All these stated goals will unlock unrealised value in the Company to the benefit of Shareholders.

Iron Ore Market

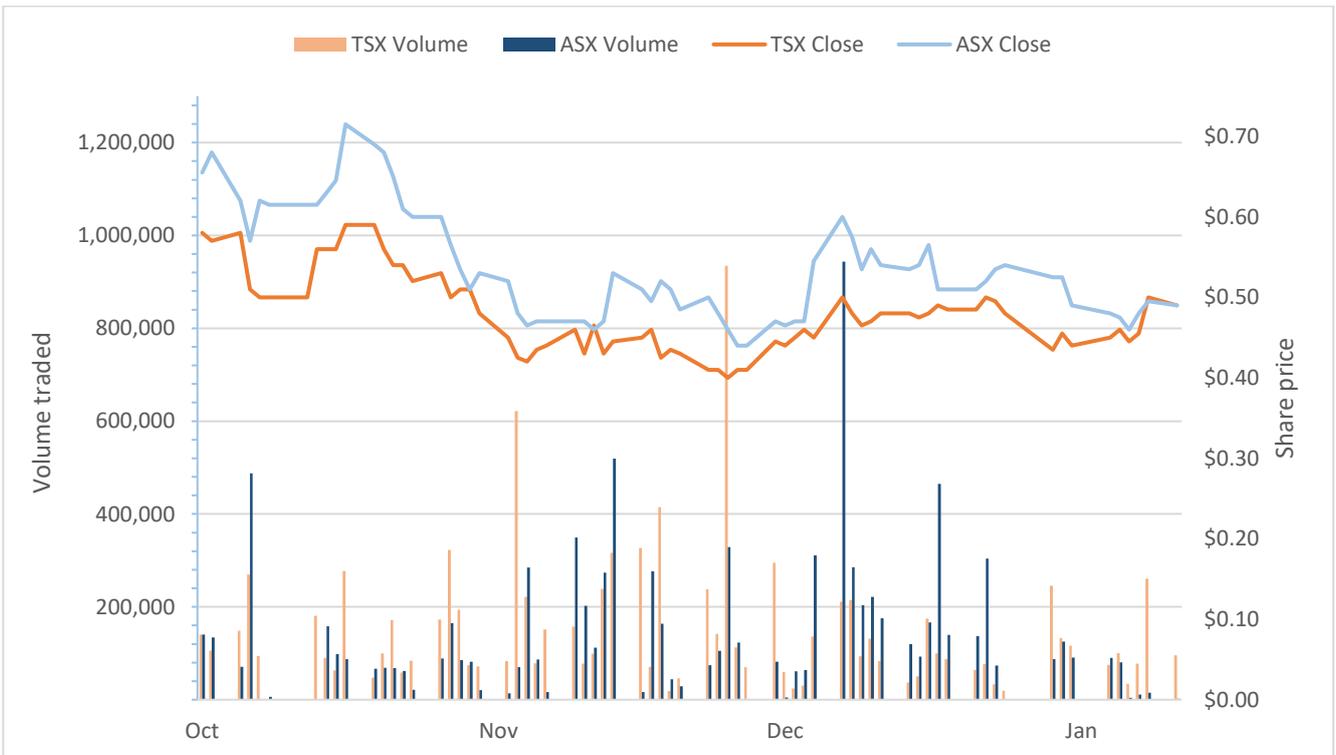
Current iron ore demand is all about China, and recent UBS economics forecast has China's GDP growth rate at 8.2% in 2021. UBS economics comments also pointed to this GDP growth being driven by domestic and export-focused production, with exports of finished products to grow at 11-12% over the 2021 year.

Iron ore pricing is variable and traditionally the Chinese New Year Holidays coincide with annual steel mill shutdown and lower demand for iron ore, but a December 2020 Platts Iron Ore and Steel Outlook reported expectations amongst some analysts that iron ore pricing may be sustained in Q1, 2021.



Source: custeel.com

Share Price



Andrew Bruton, Chief Executive Officer of Macarthur Minerals commented:

“My first 12 months as the incoming CEO of Macarthur will be very busy. The Company has an exciting agenda of value-driving objectives for the 2021 calendar year. Chief amongst that will be focusing on completing the Feasibility Study for our magnetite operations. I anticipate that we can materially progress commercial negotiations for infrastructure location and port access early in 2021, allowing the Company to focus on finalising



the necessary metallurgy test work and process flow for magnetite beneficiation, together with the engineering design works.

The Company's General Manager Projects, Dr Dean Carter, has been tasked with advancing the early DSO production opportunity. Dr Carter's key role in the Feasibility Study for magnetite operations at Lake Giles will also focus on securing the required environmental approvals over impact zones at Moonshine and Moonshine North deposits, and along the haul road tenure areas.

Mr Richard Moon has been busy introducing the Lake Giles opportunity to key Korean and Japanese steel mills, as well as major international engineering groups and key equipment suppliers. Mr Moon's continued focus on progressing the Company's engagement with these groups will be important as we move through funding requirements to support project capital requirements.

Finally, the Company's Managing Director, Mr Joe Phillips, will focus on project development financing and on repositioning the Company's Pilbara and Nevada asset portfolio's, ensuring that the Company can maximise benefits to shareholders and enhancing Macarthur's focus on its objective to transition into iron ore production.

Macarthur has a very active year planned and I will keep shareholders across key developments, including regular updates on the continued progress of our Feasibility Study for Lake Giles throughout the course of the year."

Grant Share Based Compensation

Pursuant to the Company's Share Compensation Plans ("Plans"), the Board of Directors of the Company has granted an aggregate of 2,282,500 restricted share units ("RSUs") to acquire common shares of the Company pursuant to the Plans, to Directors, various Employees and Consultants of the Company. The RSUs vest in the event that the closing share price of the Company's shares on the TSX Venture Exchange is greater than C\$0.70 for 20 consecutive trading days. The RSUs are being issued under the terms of the Company's Share Compensation Plans which were approved by shareholders at the Company's Annual General Meeting on 30 October 2020.

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