

1 April 2021

TRANSACTION UPDATE: Macarthur terminates Letter of Intent with Timeless Capital Corp. following completion of technical assessment and valuation which places higher value on Macarthur's Pilbara Assets

Macarthur Minerals Limited (TSX-V: MMS) (ASX: MIO) (OTCQB: MMSDF) (the "Company" or "Macarthur") announces that Macarthur has elected to terminate the letter of intent between the Company, Timeless Capital Corp (TSX-V: TLC.P) ("Timeless") and Zanil Pty Ltd ("Zanil") dated 26 February 2021 ("Letter of Intent"). The Letter of Intent proposed a vend by Macarthur of its non-iron ore assets in the Pilbara region of Western Australia (Pilbara Assets) and the copper gold assets in the Central Goldfields region of Western Australia held by Zanil (Leonora Assets) into Timeless, in return for an agreed equity allocation in Timeless.

As a publicly listed company, Macarthur is obligated to demonstrate to its shareholders that it is receiving fair value for its Pilbara Assets. Consequently, Macarthur recently commissioned an independent technical assessment and valuation of its Pilbara Assets for internal due diligence purposes. This work has resulted in a higher valuation of Macarthur's Pilbara Assets than was originally contemplated under the Letter of Intent.

The parties to the Transaction have been unable to conclude the terms of the Definitive Agreement within the timeframe set out in the Letter of Intent and have been unable to agree on the terms of an extension to the Letter of Intent for the purposes of negotiating a revised Transaction structure that places a value on the Pilbara Assets which is acceptable to the Board in light of the revised value position. The Letter of Intent was therefore terminated by Macarthur with effect on 31 March 2021.

The Company intends to immediately pivot into an alternative transaction proposal that will allow Macarthur to maximise the value potential of the Pilbara Assets for shareholders, and as a result of Macarthur's continuing option over the Leonora Assets, the Board is enthusiastic that this will include the opportunity to transpose the entire consolidated Pilbara and Leonora Asset package under the new structure.

Further updates will be provided to the market soon.

Joe Phillips, Managing Director of Macarthur Minerals commented:

"Whilst it is regrettable that a transaction could not be concluded with Timeless, this process has delivered a great outcome for Macarthur shareholders. The recent fieldwork and independent geological review have been exceptionally important in reconfirming the Board's view on the value of these assets."

Macarthur will continue to hold an option over the Zanil gold-copper tenements in the Central Goldfields region, and with the improved value potential of Macarthur's Pilbara Assets, this combined tenement offering presents a significant opportunity to deliver material value to Macarthur's shareholders."

Macarthur intends to immediately pivot into an alternative transaction structure which the Board considers will deliver a superior outcome for the Company. It is intended that this new structure will enable a full assessment of the geological potential of the combined tenement portfolio and that it will facilitate an acceleration of the development of these assets to further benefit Macarthur's shareholders. Further details of this strategy will be announced soon."

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

the green iron ore company

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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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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.