

23 September 2021

## DSO UPDATE: Macarthur takes another step forward on DSO with arrangements to support rail task to Kwinana

Macarthur Minerals Limited (ASX: MIO) (TSX-V: MMS) (OTCQB: MMSDF) (the Company or Macarthur) is pleased to announce that it has secured access to 190 half height shipping containers to support DSO rail haulage services to Kwinana Bulk Terminal (KBT). Macarthur has a confirmed reservation of access to sufficient half height shipping containers with Seaco Australia Pty Ltd (Seaco) to support rail capacity under a recently announced binding rail haulage agreement with Aurizon.

Macarthur intends to negotiate and finalise a formal container lease for the containers with Seaco, subject to confirmation by Macarthur of port access through KBT on terms that are commercially acceptable to Macarthur.

### Highlights

- On 5 August 2021, Macarthur announced that it had entered into a binding rail haulage agreement with Aurizon for the transport of iron ore at a rate of up to 500,000 tonnes per annum between West Kalgoorlie and Kwinana (see 5 August 2021 announcement [here](#)).
- The Aurizon rail haulage agreement provides an opportunity to export direct shipment ore (DSO) lump and fines products.
- The Aurizon rail task is intended to facilitate the transport of DSO products secured from GWR Group (ASX: GWR) under the recently announced mine-gate sale agreement (see 14 July 2021 announcement [here](#)).
- Macarthur intends to proceed with shipping GWR DSO products subject to recommencement of mining operations following the temporary pause at GWR's C4 Deposit (see GWR announcement, 22 September 2021 [here](#)).
- Macarthur also continues to advance a second DSO export pathway to Esperance Port in order to utilize the recently announced rail deal with Pacific National along the Kalgoorlie to Esperance rail line (see 8 July 2021 announcement: [here](#)).
- Subject to securing port capacity and to stabilization of iron ore prices over the balance of Q4 2021 and into Q1 2022, Macarthur aims to take the lead in continuing to open up export pathways in the Yilgarn region so that it can deliver increased value for its shareholders.

Macarthur intends that leased half-height shipping containers will be loaded with iron ore and transported on a flat-bed rail freight service from Aurizon's West Kalgoorlie rail siding to KBT at a rate of up to 500,000 tonnes per annum.

Subject to securing port capacity and an anticipated stabilisation of iron ore prices through Q4 2021 and into Q1 2022, Macarthur is targeting commencement of DSO exports via KBT by as early as February 2022. Initial shipments are anticipated to comprise DSO produced by GWR Group from its C4 deposit at Wiluna West under the terms of the mine gate sale agreement announced in August this year. At the same time, Macarthur is continuing to advance work that can accelerate the development of DSO mining operations at Ularring, Lake Giles, Western Australia.

**the green iron ore company**

*'Walk with us, and discover something big.'*

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Figure 1: Half height shipping container (example only)

**Andrew Bruton, CEO of Macarthur Minerals commented:**

*“In the current tight freight market, access to suitable shipping containers that are constructed to allow end-tipping of iron ore onto stockpiles is challenging. Reserving access to these containers is an important component of the transport logistics solution and it will enable Macarthur to utilise the Aurizon rail task to KBT for DSO products.*

*The reservation of containers will provide an opportunity for Macarthur to continue to target early revenue generation by commencing shipments of DSO secured from GWR Group under the recently announced mine-gate sale agreement subject to finalisation of port capacity and stabilisation of iron ore prices through Q4 2021 and into Q1 2022. At the same time, the Company continues to simultaneously advance plans to bring its Ularring project into operation.*

*Management is maintaining a business as usual approach to advancing both the GWR mine gate sale and Ularring DSO revenue strategies so that it remains ready to advance at the earliest available opportunity. The Seaco agreement evidences this intention, and both of these revenue strategies are aimed at supporting the development of the Company’s planned high grade magnetite Lake Giles Iron Project and are anticipated to support a re-rating of the Company for the purposes of funding that project.*

*The Company is observing the current market but remains generally unperturbed about the recent iron ore price corrections. Although the recent price correction is sharp, it is not unexpected, and the Company does not anticipate that this correction will alter the trajectory for the delivery of its magnetite project at Lake Giles. The Lake Giles Iron Project is targeting a high-grade magnetite concentrate which will benefit from the premium gap between 62%Fe fines and 65%Fe fines products. The Company’s approach to the delivery of that project is factoring in very conservative long-term iron ore price forecasts to withstand the rigour of due diligence by financiers.”*

**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). The JORC reporting tables and Competent Person statement for the magnetite and hematite mineral resources have previously been disclosed in ASX market announcements dated 12 August 2020 and 5 December 2019. Macarthur has prominent (~721 square kilometre 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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