

**NEWS RELEASE**  
September 16, 2015

**Symbol: TSX-V: MMS, OTCQX: MMSDF**  
For Immediate Dissemination

## **MACARTHUR MINERALS AND TULSHYAN GROUP TO ACQUIRE DEBT FACILITIES SECURED OVER WESTERN DESERT RESOURCES LIMITED'S ROPER BAR IRON ORE PROJECT**

**Macarthur Minerals Limited (TSX-V: MMS, OTCQX: MMSDF)** (the "Company" or "Macarthur") is pleased to announce that it will acquire the debt facilities of Macquarie Bank Limited ("Bank") that are secured over the assets of Western Desert Resources Limited's (receivers and managers appointed) (in liquidation) ("WDR") Roper Bar Iron Ore Project (the "Project") located in Australia through a joint venture with the Tulshyan Group.

### **MACARTHUR TULSHYAN JOINT VENTURE**

Macarthur, through its wholly owned subsidiary Macarthur Minerals NT Pty Ltd, will enter into a joint venture agreement with the Tulshyan Group, through its associated entity, New Finley Assets Limited, to establish the Macarthur Tulshyan Joint Venture (the "JV"). The JV is expected to be a contributing joint venture such that the Tulshyan Group and Macarthur have a 51% and 49% participating interest, respectively, in the JV.

Macarthur will be appointed as exclusive manager and operator of the JV. The Tulshyan Group will be appointed exclusive operator for shipping, sales and marketing under the JV.

### **TULSHYAN GROUP**

The Tulshyan Group (Singapore), which has been in business for 33 years, is established in three businesses; ship owning, ship recycling and diversified real estate. The Tulshyan Group operates a fleet of over 30 ships, which consists of tankers, bulkers and off-shore vessels. Tulshyan is one of the largest recyclers of ships in the world.

Tulshyan brings to the joint venture expertise in shipping, sales and marketing, which will be integral to recommencement of operations for the Project.

### **ACQUISITION OF DEBT FACILITIES**

The JV has entered into an exclusive letter of agreement with the Bank, the primary secured debt holder, to purchase the Syndicated Project Facility Agreement between WDR Iron Ore Pty Ltd ("WDRIO") as borrower and WDR as guarantor (the "Debt Facilities") and all related security and collateral agreements, over the assets of the Project (the "Transaction"). Currently the balance of the debt outstanding under the Debt Facilities is approximately A\$78 million.

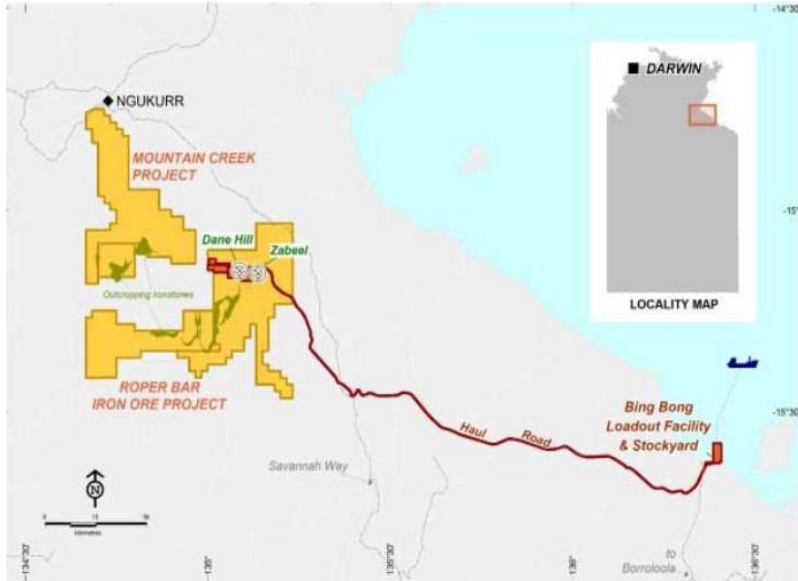
In accordance with the letter of agreement, the JV and the Bank will negotiate the entering into of a purchase agreement, together with other related documentation to affect the transfer of the Debt Facilities and registration of the security interests from the Bank to the JV. In connection with the Transaction, the JV is required to replace environmental bonds for the Project with the Northern Territory Minister for Mines and Energy for approximately A\$6.5 million. No finder's fees are to be paid in connection with the Transaction.

Financial close of the Transaction is expected to be on or before 31 October, 2015. Until the date of financial close, the JV will contribute 50% of the care and maintenance costs with respect to the Project, up to a maximum of A\$300,000. Financial close of the Transaction is subject to satisfactory legal due diligence, entering into certain formal agreements and the approval of both the TSX Venture Exchange ("TSX-V") and the Australian Foreign Investment Review Board. The Transaction constitutes a "reviewable transaction" pursuant to the policies of the TSX-V, and as such, the Transaction will be subject to review by the TSX-V.

The intention of the JV is determine the best strategy to recover the secured debt while the Project remains under care and maintenance. It is expected that this could include initially recommending low cost, small scale project operations, with a longer term view to returning the Project into full operation.

## THE ROPER BAR IRON ORE PROJECT

The Project is a hematite iron ore mine that is located inland from the Gulf of Carpentaria and approximately 760km south-east of Darwin, the capital of the Northern Territory in Australia. The Project area covers more than 1,861km<sup>2</sup> including the adjacent Mountain Creek tenements.



WDR reported that in excess of A\$250 million has been invested in bringing the mine into production and constructing the fully integrated 'pit-to-port' logistics solution. Open cut mining operations commenced in September 2013 and ship loading commenced in December 2013 followed by the first shipment in January 2014. Since commencement of operations, WDR reported in June 2014 that the Project exported approximately 765,000 tonnes of iron ore.

Schedule 1 sets out a historical estimate of the Mineral Reserve and the Mineral Resource, which was reported to the Australian Stock Exchange by WDR in the Roper Bar Ore Reserve Statement, dated 17 July 2014. For Macarthur's purposes, these estimates for the Project are considered to be historical estimates under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") as they were prepared by WDR prior to Macarthur's involvement with the Project. In addition, these historical estimates do not conform to NI 43-101 for reporting purposes and use categories other than those set out in NI 43-101.

There are no material differences between the definitions of Measured, Indicated and Inferred Mineral Resources under NI 43-101 (as defined in the Canadian Institute of Mining, Metallurgy and Petroleum) and the equivalent definitions in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code'). Other than as reported by WDR's news release on 17 July 2014, the key assumptions, parameters, and methods used to prepare the historical estimate are not known. There have not been any more recent estimates or data available to the Company with respect to the Project. A review of the geological information needs to be conducted in order to verify or update the historical estimate.

A Qualified Person for the purposes of NI 43-101 has not done sufficient work to classify the historical estimate as a current Mineral Resource or Mineral Reserve and Macarthur is not treating the historical estimate as a current mineral resource or mineral reserve. As such, the historical estimates should not be relied upon.

## QUALIFIED PERSONS STATEMENT

Mr Ian S Cooper, B.Sc., A.R.S.M., F.G.S. FAusIMM, who is a Fellow of the Australasian Institute of Mining and Metallurgy (membership number 107348), has reviewed and approved the technical information contained in this news release. Mr Cooper is the Consulting Geologist and is an employee of Macarthur and is a Qualified Person as defined by NI 43-101.

## **ABOUT MACARTHUR MINERALS LIMITED (TSX-V: MMS, OTCQX: MMSDF)**

Macarthur Minerals Limited is an Australian based resource development company currently focused on projects located in the Yilgarn iron ore district in Western Australia. Macarthur's projects are located 110 km from rail infrastructure with a direct connection to the iron ore exporting Port of Esperance, Western Australia.

Macarthur has been actively:

- evaluating its core tenement portfolio and actively seeking a joint venture partner to offset the holding costs of its projects;
- pursuing alternative development scenarios; and
- identifying counter cyclical investments that complement Macarthur's capabilities.

On behalf of the Board of Directors,

## **MACARTHUR MINERALS LIMITED**

*"Earl Evans"*

Earl Evans, Chairman

### **Company Contact:**

Joe Phillips, CEO

[jphillips@macarthurminerals.com](mailto:jphillips@macarthurminerals.com)

Tel: +61 448 899 247

[www.macarthurminerals.com](http://www.macarthurminerals.com)

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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, including whether the Transaction will be completed. 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. With respect to forward-looking statements contained in this press release, assumptions have been made regarding, among other things, the timely receipt of required approvals, the reliability of information, including historical mineral resource or mineral reserve estimates, prepared and/or published by third parties that are referenced in this press release or was otherwise relied upon by the Company in preparing this press release. 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 fluctuations in exchange rates and certain commodity prices, uncertainties related to mineral title in the Project, unforeseen technology changes that results in a reduction in iron ore demand or substitution by other metals or materials, the discovery of new large low cost deposits of iron ore, uncertainty in successfully returning the Project into full operation, the Company's ability to bring the Project out of receivership and have the liquidation process cease with respect to WDR and the general level of global economic activity. 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.

## Schedule 1

As reported by WDR in the Roper Bar Ore Reserve Statement, dated 17 July 2014 as released to Australian Stock Exchange the Project contained Mineral Reserve of 14.4 million tonnes ("Mt") with a grade of 59% Fe and 10.3% silica as follows:

Proved	Product Tonnes	5.7Mt
Probable	Product Tonnes	8.7Mt
<b>TOTAL</b>	<b>Proved &amp; Probable</b>	<b>14.4 Mt</b>

The Project has the following Mineral Resources as reported by WDR in the Roper Bar Ore Reserve Statement, as of 17 July 2014:

### WDR Mineral Resource at 30% Fe cut-off (inclusive of Ore Reserves)

Deposit	Classification (Mt)			Fe	SiO <sub>2</sub>	P	Al <sub>2</sub> O <sub>3</sub>	LOI
	Measured	Indicated	Inferred	%	%	%	%	%
Area D			90.7	37.2	31.5	0.008	3.20	9.6
D-North			116.5	40.3	26.3	0.002	2.20	11.0
E-South		75.8		38.7	29.9	0.005	2.62	9.9
E-South			17.5	36.1	30.8	0.003	2.35	12.4
E-East	3.8			45.5	23.9	0.006	2.00	7.5
E-East		37.5		41.6	26.5	0.004	2.10	9.0
E-East			47.7	39.8	27.2	0.004	2.18	10.0
Area F	8.7			49.4	22.0	0.008	3.09	2.7
Area F		17.7		48.0	23.5	0.005	2.80	3.2
Area F			213.8	41.3	31.0	0.004	2.91	4.9
<b>TOTAL</b>	<b>12.5</b>	<b>131.0</b>	<b>486.2</b>					

### WDR Mineral Resource at 54% Fe cut-off (inclusive of Ore Reserves)

Deposit	Classification (Mt)			Fe	SiO <sub>2</sub>	P	Al <sub>2</sub> O <sub>3</sub>	LOI
	Measured	Indicated	Inferred	%	%	%	%	%
D-North			0.7	55.0	10.5	0.001	0.67	8.2
E-South		2.6		55.1	16.8	0.004	0.99	2.8
E-East	0.8			57.6	13.0	0.005	1.02	3.1
E-East		5.3		57.0	12.7	0.003	1.04	3.5
E-East			3.7	55.3	14.2	0.003	1.35	4.1
Area F	3.9			61.4	6.9	0.007	2.30	1.9
Area F		7.0		60.6	8.4	0.005	2.02	1.8
Area F			20.1	58.8	10.3	0.005	2.52	2.0
<b>TOTAL</b>	<b>4.7</b>	<b>14.9</b>	<b>24.4</b>					

Note: Differences may occur due to rounding errors.

For Macarthur's purposes, these Mineral Resource and Mineral Reserve estimates for the Project are considered to be historical estimates under NI 43-101 as they were prepared by WDR prior to Macarthur's involvement with the Project.