

For immediate dissemination
October 3, 2006

TSX-V:MMS
NR2006-20

LAKE GILES MAGNETITE PROSPECT UPDATE PHASE 2 DRILLING PROGRAM COMPLETED

Vancouver, BC. – Macarthur Minerals Limited (TSXV – MMS) (the “Company”) is pleased to provide the following update on exploration activities at its 100 % owned Lake Giles project in Western Australia.

The Company has just completed the second phase of drilling that consisted of a further 19 reverse circulation drill holes being completed, consisting of 3,007 meters being drilled. Seven drill holes were drilled at Snark where the Company has previously announced drill intercepts of 67 meters at 64.8 % Fe, and 38 meters at 64.2% Fe.

Drilling at Snark has now been completed on 400 meter spacing and will give the project area length of some 1,400 meters of strike. A resource estimate calculation will commence when Davis Tube Recovery test results are received.

At Volga, the Company completed a further eight holes, of which five of the drill holes logged encouraging geological lithology, similar to the geology located during Stage 1 drilling.

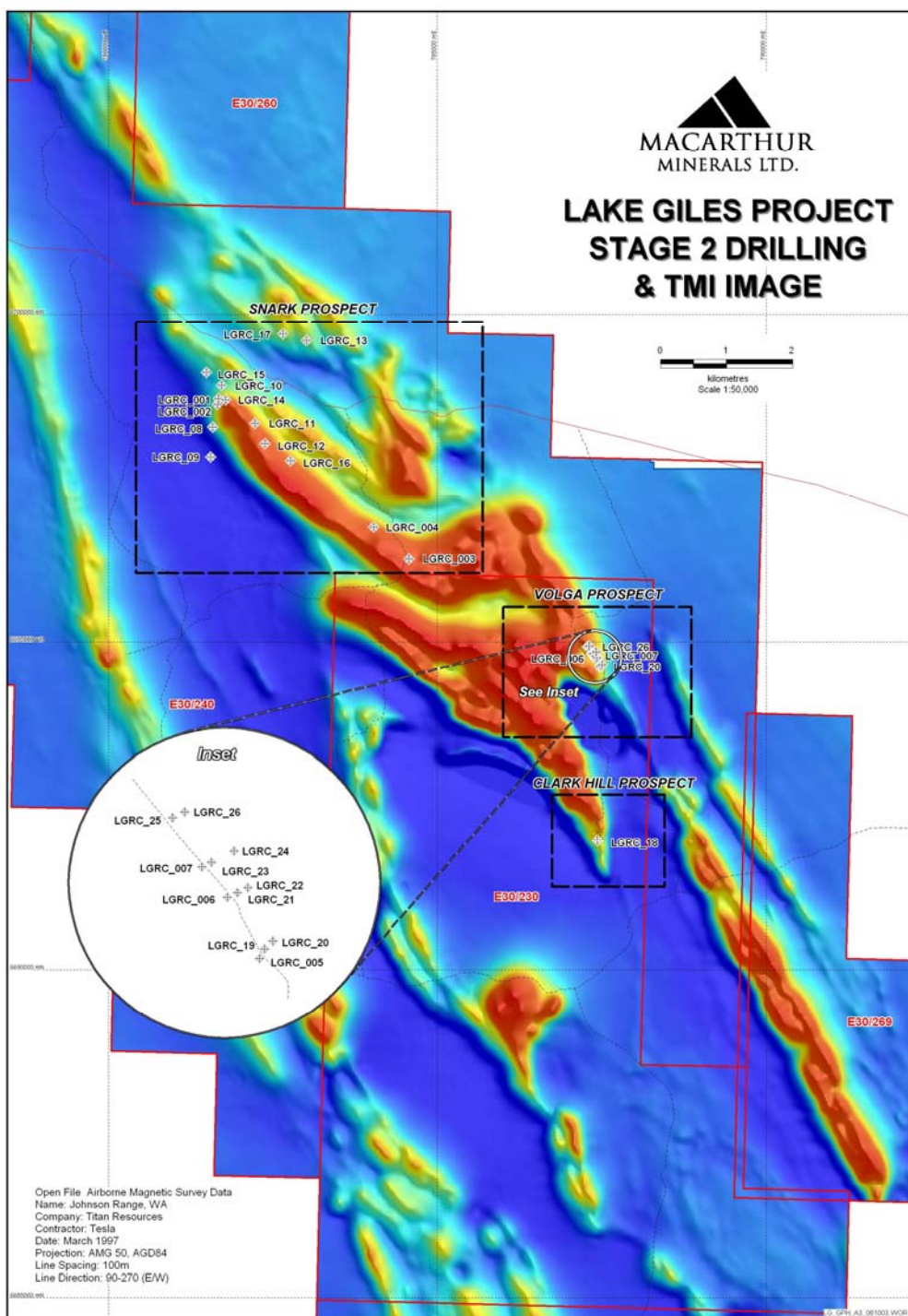
Field mapping has delineated 3 areas in the vicinity of LGRC_018 (identified on the attached image as Clark Hill in memory of Gary Clark, the Company’s former Director and Qualified Person who passed away recently) that covers a drill target zone of a strike length of 1.5 km and on an average width of 500 meters.

Phase 3 drilling will be concentrated in this area and the board has approved a program of 3,500 – 4,000 meters of drilling which will commence in early November.

MACARTHUR MINERALS LIMITED
ACN 103 011 436

1300 – 885 West Georgia Street
Vancouver BC V6C 3E8 Canada
Tel:(604) 628-5002
Fax:(604) 688-3452

13 – 340 Adelaide Street
Brisbane QLD 4000 Australia
Tel: (617) 3831 6104
Fax: (617) 3831 5694



MACARTHUR MINERALS LIMITED

ACN 103 011 436

1300 – 885 West Georgia Street
Vancouver BC V6C 3E8 Canada
Tel: (604) 628-5002
Fax: (604) 688-3452

13 – 340 Adelaide Street
Brisbane QLD 4000 Australia
Tel: (617) 3831 6104
Fax: (617) 3831 5694

The Company has now forwarded 220 five-meter composite samples to the assay laboratory and will release the results to the market as and when they come to hand.

In keeping with industry standards, Macarthur will in future only release DTC% (Davis Tube Concentrates) results.

Qualified Person

Mr. Nick Revell BSc is a member of AusIMM, and a Company director, is a Qualified Person as defined in National Instrument 43-101- Standards of Disclosure for Mineral Projects ("NI 43-101"), in charge of the exploration on the Lake Giles project.
On behalf of the Board of Directors,

On behalf of the Board of Directors,

MACARTHUR MINERALS LIMITED

"David K. Barwick"

David K Barwick, President, Chairman & CEO

Investor and Media Inquiries:

Michael Rodger-Longview Strategies Inc.

Tel: (604) 681-5755

Email: mrodger@lvscapital.com

**THE TSX VENTURE EXCHANGE DOES NOT ACCEPT RESPONSIBILITY FOR THE
ADEQUACY OR ACCURACY OF THIS RELEASE**

MACARTHUR MINERALS LIMITED

ACN 103 011 436

1300 – 885 West Georgia Street
Vancouver BC V6C 3E8 Canada
Tel: (604) 628-5002
Fax: (604) 688-3452

13 – 340 Adelaide Street
Brisbane QLD 4000 Australia
Tel: (617) 3831 6104
Fax: (617) 3831 5694