

NEWS RELEASE
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For Immediate Dissemination

MACARTHUR MINERALS EXPANDS IT'S MINING TENEMENT INTERESTS AT ITS IRON ORE PROJECT IN WESTERN AUSTRALIA TO 1,050sqkm

VANCOUVER, BRITISH COLUMBIA – (Marketwire – June 16, 2011), Macarthur Minerals Limited (MMS – TSXV) (“the Company” or “Macarthur”) is pleased to announce that it will hold approximately 1,050sqkm of mining and exploration tenements in Western Australia, assuming completion of tenement acquisitions (as detailed below). Currently the Company has reported an Inferred Mineral Resource estimate for 1.3 billion tonnes of magnetite at 30.1%Fe and 18 million tonnes of Direct Shipping Ore (DSO) at 55.5%Fe over the tenements.

The Company has now drilled over 1,000 drill holes and currently has 3 drill rigs on site working 7 days a week. An exploration team consisting of 8 geologists, a mining engineer and an environmental manager are working to complete a pre-feasibility on the potential DSO project to enable production at a rate of 2 million tonnes per annum to commence in early 2013.

Expansion of Tenements

The Company is pleased to advise that it has expanded its 100% owned tenement area from 784sqkm to 992sqkm following grant of exploration tenement E77/1299 by the Department of Mines and Petroleum (DMP) in Western Australia, providing additional area of 208sqkm.

E77/1299 borders the western boundary of the Company's 710mt at 30.6%Fe Moonshine magnetite deposit (refer to news release dated December 15, 2010). The area has not been previously explored.

Acquisition of Tenements

The Company has also entered into an option agreement to acquire exploration tenement E30/317, with an area of 29sqkm, and is also finalising terms to acquire exploration tenements E30/410 and E30/411 with a total area of 29sqkm. Following completion of these acquisitions, the Company's total tenement area will expand to 1,050sqkm.

E30/410 and E30/411 – a total of 29 sqkm

The Company has made formal offers to purchase these tenements from an unrelated third party company (in liquidation). These tenements have not previously been explored but will potentially form an integral part of Macarthur's tenement area.

E30/317 – 29sqkm

The Company has entered into an option agreement with a third party to purchase exploration tenement E30/317, which is located on the eastern margin of its iron ore projects and is contiguous with the same banded iron formation that comprises of the Company's current Sandalwood project, where the Company has already identified 355 million tonnes of magnetite with a Fe grade of 31.1% (refer to news release dated December 15, 2010).

Significant geological work has already been conducted on E30/317 over the past 2 years with a total expenditure of almost AUD1 million. Previous work included a level 1 flora survey by independent environmental consultants, independent geophysical ground surveys, extensive geological mapping, and the completion of 17 RC drill holes. These drill holes have recorded significant widths of magnetite mineralisation and holds potential hematite (DSO) mineralisation. The drill samples are at the laboratory awaiting analysis.

The Company has planned a 12 month work program, which includes the drilling of a further 19 drill holes, surveying of all drill holes, and the completion of a Mineral Resource estimate over the known strike length of 8km of banded iron formation.

The key terms of the option are for a 24 month exercise period to conduct further exploration and due diligence, an immediate payment of AUD 100,000 for exploration data, a AUD 200,000 payment in the second year (if the option is not exercised in the first 12 months) and expenditure of AUD 500,000 on exploration. The exercise price of the option for purchase of the tenement is AUD 10,000,000. The Company's decision to exercise the option is dependent on the delineation of commercial quantities of magnetite iron ore and hematite (DSO), and ministerial approval, which will add to the Company's existing established Mineral Resources.

QUALIFIED PERSON

Mr. Andrew Spinks B.App.Sc, Grad.Dip (Mining), a member of AusIMM, and an independent consultant geologist, 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.

ABOUT MACARTHUR MINERALS LIMITED (TSX-V:MMS)

Macarthur Minerals Limited, is a Perth, Australia based resource development company that is currently focused on developing its Lake Giles Iron Ore project, located in the Yilgarn iron ore district in Western Australia. The Lake Giles project is located 110Km from rail with direct access to the Port of Esperance, Western Australia. The project has a resource of 1.3 billion tonnes of Magnetite mineralization that has been reported in accordance with National Instrument 43-101, and 18 million tonnes of potential Direct Shipping Ore (DSO) Goethite/Hematite at 55.5% Fe.

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

"Alan Phillips"

Alan Phillips, President, Chairman & CEO

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