



For Immediate Dissemination
June 3, 2009

TSXV-MMS

MMS PROPOSE TO EXERCISE ITS RIGHT TO OWN 100% OF LAKE GILES WITH A SHARE ISSUE AT C\$2.12 PS

Macarthur Minerals Limited (TSXV-MMS) wish to advise that the 3 month period allowed to enable the existing shareholders of Internickel Australia Pty Ltd (IAPL) to mutually divest their interest in the Lake Giles project (following the expiration of the right held by Minmetals Mining Corporation Ltd (MMCL) to acquire an additional 50% of the Lake Giles project) has itself now expired. The deadline for the shareholders of IAPL to enter into an arrangement to collectively sell their share interest in IAPL was 5pm Tuesday the 2nd of June 2009.

MMS now holds an option under its Shareholders Agreement with MMCL and LPD Holdings (Aust) Pty Ltd (LPD) to reacquire the 30% holding in IAPL held by MMCL and LPD and the Board of MMS wish to advise that it is their current intention to exercise those rights by the issue of 4,716,981 shares in MMS at an issue price of C\$2.12 per share, subject to all necessary regulatory approvals being obtained. The new shares would be apportioned 3,144,811 to MMCL and 1,572,170 to LPD, resulting in MMCL holding approximately 13.2% and LPD approximately 6.6% of the expanded capital of MMS. MMS has until 3 September 2009 to exercise its option.

Upon completion of the reacquisition, MMS will hold a 100% interest in IAPL and the Lake Giles project. MMS will continue to seek out strategic partners for the development of the Lake Giles project and/or parties interested in acquiring the project. Mr Barwick said the Company remains in a very strong cash position and is committed to finding a long term partner for the development of its Lake Giles project.

The Company is currently rapidly advancing with its Stage 7 drilling exploration program and it is expected that an updated resource estimate will be completed by September 2009.

The Company has undertaken a peer review of other Magnetite projects in Western Australia which highlights that the Lake Giles project remains one of the few major iron ore investment opportunities that remain available.

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On behalf of the Board of Directors,

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"David K. Barwick"

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