



For Immediate Dissemination
June 16, 2008

TSXV-MMS
NR2008-10

LAKE GILES, WESTERN AUSTRALIA MAGNETITE IRON ORE RESOURCES ESTIMATE UPDATE, INCREASE OF 40%

Vancouver, BC - **Macarthur Minerals Limited** (TSXV-MMS) today advises that it has received an updated resource estimate from Hellman & Schofield Pty Ltd ("H&S") for the Lake Giles magnetite iron ore project in Western Australia.

Since H&S estimated the resources, and compiled a NI43-101 Technical Report for the project in October 2007, Macarthur has drilled a further 21 RC holes, and five diamond holes in the Clark Hill North area. The diamond holes have not yet been assayed, and are not included in the resource update.

For the resource update, the Company supplied H&S with a drill hole database comprising collar location, downhole survey, and geology logs. Analytical data for mineralised portions of these holes include Davis Tube concentrate results which measure the proportion of sample extractable by magnetic separation. Material concentrated by the Davis Tube test was assayed by X-Ray fluorescence (XRF) for iron and other elements of interest.

Updated resource estimates have been produced for Clark Hill North using a simple polygonal approach, consistent with the 2007 estimates. This estimation methodology was adopted due to the broad and irregular drill spacing. More stringent estimation methodologies such as block Kriging will be considered after future, more closely spaced drilling. Estimates for the other mineralised domains at Lake Giles have not been updated.

The H&S updated resource estimates show an increase in the estimated resource of approximately 40%. (This is an increase of approximate 40% over the original NI 43-101 compliant resource estimate in August 2007 of 82.5 million tonnes of magnetite iron ore). The updated resource estimate is shown in Table 1. Estimates for the Clark Hill South domain include chromium concentrate grades of potential economic interest. Chromium grades are not reported for the other domains or for the total resource. Table 2 compares the current estimates with the previous resource estimate. The resources are reported from estimates within the interpreted magnetite zones, rather than at a nominal iron cut off grade. They are based on drill hole intersections of significant magnetite mineralization as identified by the Company's geologists.

In addition to the Inferred Mineral Resource estimate shown in Table 1, broadly spaced drill holes suggest the presence of mineralisation with exploration potential in the Lake Giles area of

MACARTHUR MINERALS LIMITED

ACN 103 011 436

Vancouver Head Office
Suite 916 – 925 West Georgia St.
Vancouver, BC V6C 3L2 Canada
Tel: (604) 687-0775
Fax: (604) 687-0710
www.macarthurminerals.com

Brisbane Office
Macarthur Minerals Limited
Level 5, Suite 19, 320 Adelaide St.
Brisbane QLD 4000 Australia
Tel: +61 7 3010 9342
Fax: +61 7 3010 9001

25 to 50 million tonnes, representing approximately 7 to 14 million tonnes of magnetic concentrate. This potential mineralisation has had insufficient exploration to define a Mineral Resource, and the estimates of tonnage are conceptual in nature. It is uncertain that further drilling will convert any of the exploration potential to a Mineral Resource.

Drilling has not yet defined the extents of the Lake Giles magnetite mineralization. There is potential for substantial additional mineralization, particularly in the Clark Hill North area which has currently been drill tested by only scattered, very broadly spaced drill holes. Not even conceptual tonnage estimates are currently possible for this mineralization.

Table 1: Lake Giles Inferred Mineral Resource Estimates

Domain	Resource		Magnetic Concentrate							
	Tonnes Million	Fe %	Tonnes million	Fe %	Al ₂ O ₃ %	SiO ₂ %	P %	MgO %	S %	LOI %
Snark	26.3	27.5	5.92	64.3	0.15	9.6	0.03	0.33	0.27	-2.5
Clark Hill North	37.1	26.0	10.4	61.9	0.14	11.9	0.03	0.81	0.25	-2.4
Subtotal: Cr poor	63.4	26.6	16.3	62.8	0.14	11.1	0.03	0.64	0.26	-2.4
Clark Hill South	48.5	21.9	10.1	61.8	0.18	10.7	0.04	1.89	0.22	-2.2
Total	112	24.6	26.4	62.4	0.16	10.93	0.03	1.12	0.24	-2.35

(rounding errors may occur)

Table 2: Comparison of current and 2007 Lake Giles Inferred Mineral Resource Estimates

Estimate	Resource		Magnetic Concentrate	
	Tonnes (Million)	Fe%	Tonnes (Million)	Fe%
2007	82.5	24.6	18.5	63.1
2008	112	24.6	26.4	62.4
Difference	36%	-0.3%	43%	-1.0%

(rounding errors may occur)

Notes:

- Magnetite mineralisation at Clark Hill North is interpreted to comprise steeply north, and east dipping zones associated with banded iron formation (BIF) and ultramafic rocks. The current resource estimates extend from the base of oxidation to generally 180 to 200 metres below surface dependent on local drill hole coverage.
- Drill hole coverage of the Clark Hill North area is widely and irregularly spaced, with spacing between drill holes varying from approximately 25 metres to more than 600 metres.
- Validity of the drill hole database, and quality of the sampling and assaying for pre-October 2007 drilling was assessed and reported in the NI43-101 Technical report. H&S considers this data is suitable for the basis of estimates of Inferred Mineral Resources.
- For the recent drilling, H&S confirmed the validity of database analytical result entries by comparing them to supplied laboratory source files, but have made no other checks of the database validity, or assessment of sampling and assay quality.
- H&S accepts responsibility for classifying the current resource estimates as Inferred. Macarthur accepts responsibility for the quality of the post October 2007 drilling and sampling data, for the geological interpretation used for estimation, and for the project's potential economic viability.

Mr. Jon Abbott, MAusIMM, who is a full-time employee of H&S and is an Independent Qualified Person, has reviewed and approved the above technical information relating to resource estimates contained in this release.

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Project Update

The updated estimates include RC drilling completed up to Stage 4. The Stage 5 drill program, which focused on the Sandalwood Project area, was completed on June 9, 2008, for a further 25 RC holes, totaling 5,653 meters. All samples from this program have now been submitted for Davis Tube testing which will allow for a further resource update.

No assessment of the exploration potential has been made for the unexplored Deep South area. Two drill rigs are expected to commence work on the Deep South area this week.

LPD Holdings (Aust) Pty Ltd acquired 30% of the Lake Giles Project through its C\$10 million investment interest in the Company's wholly-owned subsidiary, Internickel Australia Pty which was formalized in a Shareholder Agreement with the Company on 28th April 2008. LPD now has the option to acquire a further 50% of Internickel if a resource of 500 million tonnes is estimated by September 30, 2008. To satisfy this requirement within the agreement, the tonnage estimate does not have to comply with NI43-101 standards for resource estimates.

Macarthur Minerals remains committed to distributing the majority of the \$C100 million investment by LPD (after income tax), to Shareholders as a special dividend. The due date for LPD to purchase its additional interest is 30th September 2008.

Qualified Person

Mr. Nick Revell, BSc, 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,

MACARTHUR MINERALS LIMITED

"David K. Barwick"

David K. Barwick, President, Chairman & CEO

Investor and Media Inquiries:

North America: Gia Van Tran, Macarthur Minerals Limited

Tel: (604) 687-0775, Email: macmin@telus.net

Australia: David K. Barwick, Tel: + 61 4 488 700 745

Email: dbarwick@macarthurminerals.com

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This news release contains "forward-looking statements" regarding ongoing and upcoming exploration work and anticipated resource estimates. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with mineral exploration and development stage exploration companies. Although management believes that statements contained in this press release are reasonable, actual results may differ materially from those anticipated in these statements.

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