

NEWS RELEASE
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For Immediate Dissemination

MACARTHUR MINERALS RECEIVES POSITIVE SCOPING STUDY ON THE MOONSHINE MAGNETITE DEPOSIT AT LAKE GILES

VANCOUVER, BRITISH COLUMBIA – (Marketwire – February 7, 2011), Macarthur Minerals Limited (MMS – TSXV) (“the Company”) is pleased to announce the receipt of the Moonshine Magnetite Scoping Study undertaken by Engenium in respect of the Moonshine deposit located within the Company’s Lake Giles project in Western Australia.

The operating costs, direct capital costs, payback period and NPV figures are presented as a range given that the project has a number of transport, logistic and port options available that impact directly on these metrics.

An updated National Instrument (“NI”) 43-101 Technical Report, which includes the results of the NI 43-101 dated 17 December, 2009 drilling program, will be filed on SEDAR within 45 days of this news release.

Highlights:

- Project NPV between AUD 2,525 million to AUD 2,651 million based on a discounted cash flow model:
 - using a real discount rate of 10%;
 - based on a project life of 26 years; and
 - with no terminal value added to the NPV, which assumes no extension to the plant and/or mine life.
- Project is potentially highly profitable with payback (based on NPV) in 3.62 years to 3.95 years.
- Operating costs (AUD/t concentrate) estimated at AUD 52.3 to AUD 59.3 (rounded)
- Total direct costs estimates a range from AUD1,877 million to AUD 2,272 million (rounded)
- Total Project Costs (direct & indirect, including contingency of AUD 300 million) range from AUD 2,459 million to 2,913 million (rounded)

Resource Base and Project Life

As previously reported on December 15, 2010, the Scoping Study utilises the estimated categorisations of Moonshine and Moonshine North being 710 million tonnes at 30.6%Fe. The estimate includes 5 million tonnes at 54.3%Fe (at a 40%Fe cut-off), which has been identified as potentially direct shipping magnetite (refer to news release dated August 23, 2010).

In addition to the Moonshine deposit, the inferred mineral resource estimate for magnetite for the Lake Giles project is 1,316 Mt at 30.1 % Fe (Table 1). For clarity the Scoping Study only included the resource estimates for the Moonshine deposit. Potential exists to extend the resource at Moonshine with further exploration planned for 2011 plus incorporating the magnetite mineralisation from other deposits already identified at Lake Giles.

Table 1 - Lake Giles Project Mineral Resource Estimate (magnetite) as at December 15, 2010 at a 15% Fe cut-off.

Deposit	INFERRED	
	Tonnes (Mt)	Fe %
Snark	75	27.7
Clark Hill North	130	25.8
Sandlewood	335	31.1
Clark Hill South	66	30.3
Moonshine	710	30.6
Total	1,316	30.1

Notes for tables:

- Figures contained within Table 1 have been rounded. % Fe grades are rounded to 1 decimal figure.
- Davis Tube Recovery (DTR) results are the proportion of sample considered extractable by magnetic separation.
- A block model was constructed using three dimensional geological wireframes.
- Variograms were generated and grades were estimated using ordinary kriging.
- Outlines and wireframes honour the actual locations of contacts on drill holes that are off section.
- Density was estimated with a regression from Fe grade based on core and rock samples.

Resource Base and Project Life

The financial highlights for the Scoping Study base case over the first 26 years of the project operation are summarised as follows:

	Option 1
Scoping Study base case financial model	26 Years
Scoping Study parameters	± 30 %
Saleable concentrate per annum	10Mtpa
Operation Cost F.O.B	A\$52.3
Capital direct cost	A\$2,272 M
NPV @ 10% real discount rate	A\$2,651 M
IRR	23%
Magnetite concentrate grade	~68%
Mass recovery	38%

Option 1 is the base case slurry pipeline from mine site to Karara then rail from Karara to Oakajee Port.

Scoping Study Participants

Areas of responsibility in the preparation of this study have been:

Executive Summary	Engenium Pty Ltd
Geology & Mineral Resources	CSA Global Pty Ltd, Engenium Pty Ltd, McMahon Mining Title Services Pty Ltd, Snowden Mining Industry Consultants Pty Ltd
Mining and Processing	Engenium Pty Ltd, Intermine Engineering Consultants
Infrastructure	Engenium Pty Ltd
Transport and Logistics	Engenium Pty Ltd
Port Facilities and Logistics	Engenium Pty Ltd
Approval and Permits	Engenium Pty Ltd
Capital Cost Estimate	Engenium Pty Ltd
Operating Cost Estimate	Engenium Pty Ltd
Forward Work Program	Engenium Pty Ltd
Study Document Preparation	Engenium Pty Ltd

Macarthur Minerals Strategy

To date, the Company has delineated a +1 billion tonne magnetite resource and +18 million tonne hematite/goethite Direct Shipping Ore ('DSO') resource at its Lake Giles iron ore project.

The Scoping Study reveals the availability and access to both rail and port capacity to support the requirements of the Lake Giles magnetite project.

The Company's strategy is to advance the development of the DSO hematite for export late 2012, early 2013. The DSO export program will act as the foundation for the expansion and advancement of the magnetite project to follow. Key economic drivers for the Lake Giles project are the proximity to rail and port as well as to critical mining, city and transport infrastructure. Each of these aspects strengthens the commerciality and timeline of the project.

Mining & Processing

Mining was modelled on conventional drill, blast, load and haul mining methods. Ore produced shall be hauled to the Run of Mine ('ROM') pad for crushing and then ore product conveyed to a concentrate plant. Concentrate product shall be transported to port by rail and/or in slurry form via a pipeline, for export sale.

For the purposes of the study a 38% weight recovery was assumed based on metallurgical test work performed on two RC drill holes from Moonshine. Additionally, a waste to ore strip ratio of 3:1 was used in the study based on earlier resource mapping.

Water sourcing is a major consideration and dewatering the coarser fraction of the tailings from the first two stages of magnetite separation may offer significant advantages in water recycling.

Port and Logistics

Unlike many Western Australian iron ore mining projects the Lake Giles magnetite project has a number of transport logistics and port options. All options considered include a slurry pipeline to a rail head and then rail to port. The base case is a slurry pipeline from the mine site to Karara then rail from Karara to the Oakajee Port. If the Oakajee Port option encounters further delays in its development, other viable options include:

- slurry pipeline to Menzies then rail from Menzies to the Port of Esperance; and
- slurry pipeline to Jaurdi then rail from Jaurdi to Kwinana to either Fremantle Port or to the James Point Port.

Approvals

The environmental approvals process is the critical path for the project. The project would be of sufficient scale that it would require referral from the Department of Mines and Petroleum to the Environmental Protection Authority (EPA) for formal environmental assessment.

Initial desk top studies and flora surveys undertaken by the Company to support the exploration have not discovered any rare or endangered species on the granted mining leases.

Furthermore, there are currently no registered native title claims over the project or any of the granted mining leases.

Summary

The technical and financial evaluation in the Scoping Study has concluded that further project development is justified based on information currently available. However, a considerable amount of further work is required in metallurgical testing and associated studies in order to prove the assumptions made and to verify the preliminary data as presented in the study. The Company cautions that the Scoping Study is preliminary in nature, and it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Accordingly, there can be no certainty that the results estimated in the Preliminary Assessment will be realised.

The Company has already commenced this drill out of the 18 million tonne DSO hematite (refer to press release dated November 25, 2010) and further exploration work is planned for Q1 2011 to extend the Moonshine magnetite resource and increase the JORC classifications of the inferred 710 million tonnes to indicated. In addition to this, the Company will undertake a representative metallurgical program over the hematite resource areas along with additional testing of the Moonshine magnetite material. This program is planned for completion in Q2 2011.

This additional geological and metallurgical testing (assuming it is supportive of the findings of the Scoping Study) open the way for the Company to commence the development of a pre-feasibility study on the Moonshine magnetite resource.

Quality Assurance and Quality Control (QA/QC):

Intersections reported have been verified by the Company's QA/QC protocols. All samples from drill holes are prepared by Amdel and SGS Laboratories and pulverised to 90% passing 45 microns then analysed for the iron suite using XRF.

QUALIFIED PERSONS

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 project.

Mr Neville Dowson B App Sc (Extractive Metallurgy), a member of AusIMM, is a Qualified Person as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Neville was involved with the metallurgical analysis and assessment of the project.

Mr David Sourbutts B Eng (Hons), B Comm(Management), a member of Institute of Engineers Australia, is a Qualified Person as defined in National Instrument 43-101 – Standards of Disclosure

for Mineral Projects ("NI 43-101"). David was the Study Manager and responsible for the coordination technical and financial review of the Scoping Study.

Further information on Macarthur Minerals Limited and technical reports on the Lake Giles project can be found on the company's website www.macarthurminerals.com or www.sedar.com

ABOUT ENGENIUM PTY LTD

Engenium is a Project Delivery company servicing the resource and infrastructure sectors of Australia. Engenium's service offering includes all aspects of project development from early metallurgical testwork programs, scoping/feasibility studies, engineering design and construction management. Founded in 2003, Engenium has assisted numerous junior, mid-tier and major companies in the Australian mining sector with the development of their iron ore projects. Clients include Atlas Iron, BC Iron, BHPBilliton, Brockman Resources, Cazaly Mining, Golden West Resources, Polaris Metals, Reed Resources, Rio Tinto, Sherwin Iron and Warwick Resources. Over the past 8 years Engenium has built up a significant database of knowledge with resource projects, and in particular hematite and magnetite operations. For further information regarding Engenium, please view the company website www.engenium.com.au

ABOUT MACARTHUR MINERALS LIMITED (TSX-V: MMS)

Macarthur Minerals Limited is a Perth, Australia based resource development company 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.

UPCOMING EVENTS

MACARTHUR MINERALS LIMITED (TSX-V:MMS) will attending the 2011 **Prospectors and Developers Association of Canada (PDAC) International Convention and Investors Exchange** in Toronto, March 6-9 at the Metro Toronto Convention Centre, South Building.

We invite you to meet the Macarthur team at **Booth #2818**.

The conference will provide current and prospective shareholders an opportunity to speak with management about the company's recent developments.

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

"Alan Phillips"

Alan Phillips, President, Chairman & CEO

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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. The forward-looking statements 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 reliability of information 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. The term "ore" in DSO is not meant to imply economic viability has been established. Factors that could cause actual results to differ materially from those in forward-looking statements include unforeseen technology changes that results in a reduction in iron or magnetite demand or substitution by other metals or materials, the discovery of new large low cost deposits of iron ore or magnetite 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.

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