

NEWS RELEASE

August 04, 2011

Symbol: MMS-TSXV, OTCQX: MMSDF

For Immediate Dissemination

UPDATE ON IRON ORE EXPORT FACILITIES AT THE PORT OF ESPERANCE

VANCOUVER, BRITISH COLUMBIA – (Marketwire – August 04, 2011), Macarthur Minerals Limited (TSX-V: MMS, OTCQX: MMSDF) (“the Company”) provides an update concerning the Multi-User Facility Access Deed with the Esperance Ports Authority under which the Company has secured commitment to a 2 million tonne per annum allocation, as part of the expansion of iron ore export facilities at the Port of Esperance (“Port”) in Western Australia.

The Port expansion was approved in principle by the Western Australian Minister for Transport in March, 2011. The Port expansion is to be funded and developed by Cashmere Iron Limited (“Cashmere”) through its wholly owned subsidiary Australian Infrastructure Group Limited (“AIG”). Cashmere has executed a Framework Agreement with Esperance Port, Sea and Land in which it is proposed to allow Cashmere to upgrade the port facilities to allow increased overall capacity of 10Mtpa initially, with potential for expansion for a further 10Mtpa later. Completion of the initial expansion project is expected to coincide with commencement of production at Macarthur’s DSO hematite project in 2013.

A Definitive Feasibility Study (“DFS”) for the Port’s expansion is to be completed by Cashmere by the end of September, 2011, and will be followed by an independent engineering review to be conducted by ProMet Engineers which is to be completed by the end of October, 2011.

Following completion of the DFS and independent engineering review, Ministerial approval will be required to allow Cashmere to move to the construction phase of development of the new facilities. In order to meet the requirements of the majority of the Yilgarn resource companies looking to utilise the expanded facilities it is expected that the Stage 1 expansion phase will be completed by 2013.

Macarthur Minerals has a binding agreement with the Esperance Port Authority for a commitment to access the facilities constructed in Stage 1 to export a minimum 2 mtpa on a take or pay basis for up to 20 years. The terms and conditions to be agreed between the parties include access and usage charges and the right to increase the Company’s export capacity allocation over time in further stage development.

The Company’s CEO, Alan Phillips, stated:

“Competing private sector interests by emerging iron ore producers in the Yilgarn region appear to be developing. These emerging iron ore producers appear to be seeking to take a position in the development of the expanded export facilities at the Port of Esperance. Much of this interest has been driven by the continuing strong fundamentals underpinning the iron ore market. Macarthur Minerals sole interest lies in having the contracted export capacity’s available in 2013. The parties to the Framework Agreement (Cashmere Iron Limited and the Esperance Ports, Sea and Land) have been working diligently towards the completion of a Definitive Feasibility Study by the end of September, 2011. It would be disappointing if competing commercial interests result in any delay to the implementation of the Stage 1 expansion project at the earliest opportunity resulting in any delay in the delivery of much needed expanding export infrastructure.”

ABOUT MACARTHUR MINERALS LIMITED (TSX-V: MMS, OTCQX: MMSDF)

Macarthur Minerals Limited, is a Perth, Australia based resource Development Company (listed on the TSX-V and OTCQX exchanges) focused on developing its Iron Ore project, located in the Yilgarn region of Western Australia. A standard gauge railway is in place to Esperance Port and its use will involve upgrades including construction of unloading facilities at the Menzies railhead, which is 110km in from Macarthur Iron Ore Project. The rail is administered and operated by WestNet Rail (WNR) of behalf of the Government of Western Australia. The Company has entered into discussions with WNR and is considering further study work. The project has a resource of 1.3 billion tonnes of magnetite that has been reported in accordance with National Instrument 43-101 and 20 million tonnes of potential direct shipping ore (DSO) goethite/hematite. MMS has completed a positive scoping study on the magnetite and a prefeasibility study for the DSO hematite is well advanced.

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

"Alan Phillips"

Alan Phillips, President, Chairman & CEO

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The forward-looking statements in this document 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 document, assumptions have been made regarding, among other things, the reliability of information prepared and/or published by third parties that is referenced in this document or was otherwise relied upon by the Company in preparing this document. Although the Company believes the expectations expressed in such forwardlooking 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 forwardlooking 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 document are made as of the date of this document. 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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