



For Immediate Dissemination
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POTENTIAL MAGNETITE IRON ORE PROJECT LAKE GILES, WESTERN AUSTRALIA PROJECT UPDATE

Vancouver, BC - Macarthur Minerals Limited (TSXV-MMS) is pleased to provide the following update on its exploration activities at its 100% owned 1155 km² Lake Giles magnetite iron ore and base metals project in Western Australia.

Highlights from this release include:

- Further high grade drill results from Stage 3 drilling including Hole 41 which achieved 191 meters 62.07% Fe and 5.98% SiO₂
- Scoping study on magnetite project due June 07
- Initial JORC resource estimation due in May 07
- Mining lease to be granted in May 07
- Discussions with strategic partners progressing

The Lake Giles Project is located in the Yilgarn iron ore province, an emerging area that is attracting substantial interest from Asian markets.

The Yilgarn province is not a significant producer of magnetite at this time but there exists a number of large magnetite iron ore projects in the area that are in the early development stage.

Magnetite iron ore projects have largely been overlooked because of the preference for hematite, a close mineral cousin.

In Australia, there is emerging a new interest group in these projects by Asian steel companies seeking to establish long-term supply arrangements.

Over the past 12 months, a number of Australian Stock Exchange (ASX) listed junior companies have entered into supply and funding agreements with large Asian steel companies over exploration and early stage development magnetite iron ore projects.

Location

The Lake Giles Project is well located and within 125 km of a major rail line that is linked to port facilities that currently exports iron ore to Asian markets.

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The Company is currently in negotiations with the holders of a railway siding at the nearby rail head with the view of utilizing this siding to direct ship ore to the port.

The Company has now completed its Stage 3 Drilling Program and has received all results. To date, a total of 41 RC drill holes for 7,002 meters have been completed and approximately 1,500 composite samples have been analyzed for multi elements, and approximately 250 composite samples have been submitted for Davis Tube analysis.

Summary

The Company has now evaluated its Stage 1, 2 and 3 drilling and (in consultation with its advisors) determined that there is sufficient information available on the Lake Giles Project to warrant the commencement of a new phase of studies aimed at determining the economics of potential development.

Mining Lease Applications

The Company further advises that the following mining leases have been lodged and no Native Title objections have been received. These mining leases are now in the process of being granted by the Department of Mineral Resources.

- **M30/0206, M30/0207, M30/0208.**
- **M30/0215, M30/0216, M30/0217.**
- **M30/0219, M30/0227, M30/0228, M30/0229.**

Initial Resource Estimation

Industry leading independent expert Hellman & Schofield have been contracted to conduct an initial resource estimate over the area covered by the first three drilling programs.

This report may require further infill diamond core and RC drilling which would comprise the Company's Stage 4 Drilling Program.

Initial Scoping Study

Independent expert mining engineers Hardrock Mining have been contracted to undertake an initial scoping study to determine the economics of the Project and this report will be available in early June 2007.

Technical Report

Independent consulting geologist, Cooper Geological Services Pty Ltd, has been contracted to undertake a technical report in compliance with National Instrument 43-101 to update the original report lodged. This report has now been filed with regulatory authorities, and is available at www.sedar.com.

Strategic Development Partners

The Company has entered into discussions with potential development partners from the Asian region.

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Significant Results from Stages 3.2.1

Table 1 - Significant Intersections from Stage 3 Drill Holes

HOLE	FROM (m)	TO (m)	INTERVAL (m)	CONCENTRATE GRADE DTC %		
				Fe %	SiO2 %	Al2O3%
LGRC_028	185	220	35	62.87	10.27	0.20
LGRC_029	82	105	23	66.20	6.90	0.13
LGRC_029	165	185	20	60.85	4.23	0.27
LGRC_030	75	105	30	60.90	14.41	0.23
LGRC_031	95	195	100	51.15	12.05	0.41
LGRC_033	275	300	25	61.76	7.11	0.25
LGRC_033	315	355	40	60.22	10.34	0.34
LGRC_034	105	160	55	60.63	14.83	0.20
LGRC_035	75	100	25	62.50	12.75	0.13
LGRC_036	60	96	36	62.04	13.09	0.13
LGRC_037	65	195	130	60.50	10.50	0.25
LGRC_040	130	145	15	67.47	4.06	0.38
LGRC_041	70	261	191	62.07	5.98	0.28
NOTES:						
1) DTC = Davis Tube Concentrate						
2) Future metallurgical test work which would include bulk-sample grinding, concentrating and flotation will be needed to be undertaken to determine the ultimate concentrate, grade and quality.						

Table 2 - Significant Intersections from Stage 2 Drill Holes

HOLE	FROM (m)	TO (m)	INTERVAL (m)	CONCENTRATE GRADE DTC %		
				Fe %	SiO2 %	Al2O3%
LGRC_011	130	235	105	68.4	4.72	0.13
LGRC_013	90	108	18	70.5	2.88	0.11
LGRC_014	90	192	102	65.9	7.41	0.20
LGRC_015	120	160	40	60.3	2.43	0.34
LGRC_016	126	150	24	62.2	12.70	0.18
LGRC_018	175	235	60	61.7	12.23	0.12
LGRC_022	65	126	61	64.4	9.77	0.10
LGRC_024	110	174	64	64.6	9.77	0.12
LGRC_025	60	108	48	65.7	8.08	0.09
LGRC_026	72	160	88	66.3	7.28	0.14

Table 3 - Significant Intersections from Stage 1 Drill Holes

HOLE	FROM (m)	TO (m)	INTERVAL (m)	CONCENTRATE GRADE DTC %		
				Fe %	SiO2 %	Al2O3%
LGRC_001	80	147	67	64.8	8.54	0.26
LGRC_002	125	163	38	64.2	9.80	0.12

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Qualified Person

Mr. Nick Revell BSc is 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

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