

NEWS RELEASE

June 27, 2011

Symbol: TSXV: MMS
OTCQX: MMSDF
For Immediate Dissemination**MACARTHUR MINERALS INCREASES THE SNARK
POTENTIAL DIRECT SHIPPING ORE RESOURCE BY 36%
TO 9.7Mt TOTAL RESOURCE NOW STANDS AT 20.6Mt**

VANCOUVER, BRITISH COLUMBIA – (Marketwire – June 27, 2011), Macarthur Minerals Limited (TSXV: MMS, OTCQX: MMSDF) (“the Company”) is pleased to release a 36% increase in the Hematite-Goethite Inferred Mineral Resource estimate for its Snark potential DSO (“potential Direct Shipping Ore”) resource located at its Lake Giles Project in Western Australia. The Inferred Mineral Resource estimate for Snark has increased by 36% to 9.7million tonnes at 55.0% Fe (refer Table 1) compared with the last resource statement of 7.1Mt at 55.9% Fe (Press Release Dated November 25, 2010). In total this brings the Inferred Mineral Resource estimate for potential DSO at Lake Giles to 20.6 Mt at 55.2% Fe (refer Table 1), which is a 14% increase over last year’s 18 Mt at 55.5% Fe (Press Release Dated November 25, 2010).

The increased Mineral Resource estimate is due to the inclusion of recent drilling results for 153 new RC drill holes. This combined with the 67 holes upon which last year’s resource estimate was based brings the total number of holes used for the Snark resource to 220.

The Mineral Resource increase has been based on the first part of the 2011 Snark drill programme and Mineral Resource estimates have been modelled by independent mining consultancy group CSA Global Pty Ltd (“CSA”) using the Company’s geological interpretation. Further results from the remainder of the 2011 programme will be incorporated in to future resource updates.

2011 Potential DSO RC Drilling Update

This year 305 RC drill holes have been drilled into Snark to increase the size and confidence level of the resource of which only 153 have been included in this latest resource estimate. The Company is awaiting the assay results for the remaining 152 holes which shall be included, along with further drilling, in the next Snark resource update.

In addition to these 305 holes, this year has seen a further 49 RC holes drilled at the new Drabble Downs prospect with the aim of carrying out an initial assessment of its DSO potential. This is located approximately 800 metres North East from the central point of the Snark deposit.

The remainder of this year will see considerable further RC and diamond drilling at Snark so that the Company can produce its maiden potential DSO Reserve for Snark. This work will be accompanied by further drilling at Central, Drabble Downs and the as yet untested Snark North with the aim of increasing the size and confidence in the Project’s potential DSO resources.

Table 1 - Goethite/Hematite (Potential DSO) - Inferred Mineral Resource Estimate

Deposit	Tonnes (Mt)	Fe%	P%	SiO2%	Al2O3%	LOI %
Snark	9.7	55.0	0.08	8.9	4.5	7.5
Banjo-Lost World	5.5	55.7	0.07	8.1	4.7	7.1
Moonshine	0.6	52.8	0.06	13.3	3.9	5.8
Central	4.8	55.2	0.06	8.2	4.5	8.0
Total	20.6	55.2				

Notes:

- Figures contained within Table 1 have been rounded.
- A block model was constructed using three dimensional geological wireframes.
- Variograms were generated but were generally very poor due to limited data. 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.

Macarthur Minerals' Director, Mr Alan Phillips stated "this is an outstanding outcome and has far exceeded our original objective of delineating 10Mt. The increased tonnage has reduced the discovery cost per tonne. We are making significant progress in our goal of bringing Lake Giles into initial production through our potential DSO resource".

Quality Assurance and Quality Control (QAQC):

Intersections reported have been verified by the company's QAQC protocols. All samples from drill holes are prepared by Ultra Trace and Amdel Laboratories and pulverised to 90% passing 75 microns then analysed for the iron suite using XRF.

QUALIFIED PERSON

Mr. David Williams, BSc(Hons), a member of the Australian Institute of Geoscientists, who is a full-time employee of CSA Global Pty Ltd and is an Independent Qualified Person, has reviewed and approved the above technical information relating to Mineral Resource estimates contained in this release.

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

Macarthur Minerals Limited, is a Perth, Australia based resource development company that is currently focused on developing its Lake Giles iron ore projects, located in the Yilgarn iron ore district in Western Australia. The Lake Giles projects are located 110Km from rail with direct access to the Port of Esperance, Western Australia. The projects have an aggregate inferred resource of 1.3 billion tonnes of magnetite mineralization and 20.6 million tonnes of potential Direct Shipping Ore (DSO) Goethite/Hematite at 55.2% Fe.

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 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 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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