

NEWS RELEASE
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Symbol: TSX-V: MMS
For Immediate Dissemination

MACARTHUR MINERALS REPORTS POTENTIAL FOR COBALT IN WESTERN AUSTRALIA AT ITS IRON ORE PROJECTS

Macarthur Minerals Limited (TSX-V: MMS) (the “Company” or “Macarthur Minerals”) is pleased to report that it has discovered the potential for cobalt, nickel and chromium at Macarthur Australia Limited’s Iron Ore Projects (“Iron Ore Projects”) in Western Australia.

David Taplin, President, CEO and Director of Macarthur commented:

“Macarthur Minerals is excited about recent analysis of historical drilling and exploration data that indicates the potential to discover cobalt, nickel, and chromium on its Iron Ore Projects. Cobalt is a critical metal for the manufacture of lithium-ion batteries and is complementary to our focus on lithium. Cobalt makes up some 35% of the lithium-ion battery mix. Analysts already report a significant supply deficit for cobalt before an anticipated 500% increase in demand.”¹

Review of Samples for Cobalt

Macarthur Iron Ore Pty Ltd (“MIO”), a subsidiary of Macarthur Australia Limited (“Macarthur Australia”) holds 15 granted mining leases, situated in the Eastern Goldfields region of Western Australia. The Company owns approximately 90% of Macarthur Australia, which is currently undertaking an Initial Public Offering (“IPO”) on the Australian Securities Exchange (“ASX”).

MIO recently commenced a review of the historical drilling data to conduct selected assays for the potential for other minerals, including cobalt, nickel and chromium, to occur at the Iron Ore Projects. Since July 2006, MIO has drilled 1,841 reverse circulation percussion drill holes (for 142,443 metres) and 49 diamond drill holes (for 4,170 metres) targeting iron mineralisation associated with banded iron formation (“BIF”) units.

As previous work on the Iron Ore Projects has mainly focussed on the development of the Ularring Hematite Project and the Moonshine Magnetite Project, only a fraction of drilling samples have been assayed for base metals including cobalt. MIO still holds samples from 1,890 drill holes, which allows for re-assay of other minerals including cobalt. MIO has recently dispatched over 2,600 samples to the lab to be assayed for other minerals including cobalt.

Geological Setting

The Iron Ore Projects are the source of iron overlain by a komatiite ultramafic unit with similarities to the Lake Johnston komatiite system hosting the rich nickel Maggie Hays mine operated by Western Areas Ltd.

The majority of the historical drilling for iron is shallow but has identified upper horizons of a channel flow contiguous with a buried nickel sulphide flow. Wide intersections ending at the base of drill holes have identified grades in excess of 0.2% Cobalt (“Co”), 0.7% Nickel (“Ni”) and 1% Chromium (“Cr”). Table 1 lists the best intersections of Co, Ni and Cr to date, but not all drill holes were assayed for base metals.

¹ Cobalt Frenzy: Prices Surge 150% as Tech Giants Battle For Supply, May 28, 2017.
<http://oilprice.com/Energy/General/Cobalt-Frenzy-Prices-Surge-150-As-Tech-Giants-Battle-For-Supply.html>

Table 1: Best intersections from historical drilling at Iron Ore Projects

Hole ID	m From	Depth	Co ppm	Cr ppm	Cu ppm	Ni ppm
LGRC_0959	19	29	323	8897	63	3559
including	27	1	1960	14295	140	7530
LGRC_1197	44	3	1963	616	113	630
LGRC_1233	19	24	305	4574	95	1855
including	37	1	2080	6190	100	4250
LGRC_1300	24	19	230	4434	137	1525
including	42	1	1340	2579	130	2790
LGRC_1309	18	2	1420	130	340	1070
LGRC_1330	52	2	1085	435	205	1290
LGRC_1385	9	21	347	6181	40	3109
including	19	1	1100	6874	50	4590
LGRC_1387	12	29	219	8283	56	2463
including	26	1	1500	9234	40	4360
LGRC_1391	5	25	272	9327	81	3522
including	27	1	680	4836	40	4620
LGRC_1525	33	2	1400	318	310	610
LGRC_1540	8	22	203	5976	66	2053
LGRC_1540	16	1	1080	6505	30	4090
LGRC_1670	38	2	1585	418	385	1025
LGRC_1682	55	2	1535	260	635	965
LGRC_1692	49	3	1433	212	373	783
LGRC_1882	46	2	1160	121	265	405
LGRC_1888	32	2	1250	33	200	205
LGRC_1888	38	2	3675	142	125	765
LGRC_1900	29	2	1370	314	230	455
LGRC_2094	13	12	1222	6287	241	2208
LGRC_2094	15	6	2203	6735	320	2948

The upper areas of the komatiite flow are fertile with Ni-Co-Cr at a shallow depth, where fresh rock and sulphide minerals are scarce.

From first derivative magnetics the komatiite belt can be traced from the Iron Ore Projects to Lake Johnston with truncations created by massive granite domes and large scale regional faulting (Figure 1).

The Lake Johnston nickel mineralised bodies are a Kambalda style ultramafic komatiite which is an upturned volcanic flow against basaltic basal unit. The komatiite has several flows that hosts massive nickel sulphides in the lower unit of each flow, nominally the adcumulates containing olivine, which is high in magnesium oxide ("MgO") (>40%). In comparison to the Iron Ore Projects, the current drilling has identified the upper unit of meso-cumulates with 15% MgO.

The Company plans to re-assay historical drill holes to establish grade trends and focus on areas of potential massive nickel sulphides. A program of deep moving loop electromagnetics will establish conductors and potential drilling targets.

Sampling Methodology, Chain of Custody, Quality Control and Quality Assurance

The samples were obtained from Diamond Core and Reverse Circulation (RCP) drill holes between 2009 and 2012 for the Ularring Hematite Project and Moonshine Magnetite Project.

RCP drilling collected 1 m samples, which were passed through a cyclone and then passed through a three tier riffle splitter. Samples were dry. A total of 75% of the sample passed through the splitter to be captured in a residue bucket whilst the remaining 25% of the sample was evenly distributed through the primary sample chute and the field duplicate chute. The sample in the residue bucket was made available to Macarthur's geological team who logged the sample for rock type, weathering and other key geological information.

The samples were securely delivered to the analytical laboratory where they were crushed to 3mm fraction, then pulverized to 105 µm (p95). The pulp samples were analysed for a standard suite of iron ore elements (including P, SiO₂, Al₂O₃, LOI and S) and base metals by XRF, which is considered industry standard practise.

Drilling and sampling procedures are considered to be of high quality. Drill hole collars and down hole traces were accurately surveyed to ensure spatial accuracy. QA/QC protocols employed by Macarthur included the use of Certified Reference Materials, field duplicates and pulp duplicates.

The chain of custody from the project to the sample preparation facility was continuously monitored. The samples were analyzed by an analytical laboratory in Perth which is a certified laboratory in compliance with AS/NZS-9001:200 and sufficient commercially prepared standards, blanks, and duplicates were inserted to assure quality analytical results. Data verification of the analytical results included a statistical analysis of the duplicates, standards and blanks that must pass certain parameters for acceptance to ensure accurate and verifiable results. The reported intervals may or may not represent true thicknesses and/or widths as there is insufficient data at this time with respect to the shape of mineralization to calculate its true orientation.

QUALIFIED PERSON

Mr Andrew Hawker, a Member of The Australasian Institute of Geoscientists is a Qualified Person as defined in National Instrument 43-101. Mr Hawker has reviewed and approved the technical information contained in this news release.

ABOUT MACARTHUR MINERALS LIMITED (TSX-V: MMS)

Macarthur Minerals Limited is an exploration and development company that is focused on developing its lithium exploration interests in Australia and Nevada. Macarthur Minerals is the majority shareholder of Macarthur Australia Limited, which is intended to be listed on the ASX, which owns significant iron ore and lithium projects in Western Australia.

On behalf of the Board of Directors,

MACARTHUR MINERALS LIMITED

"Cameron McCall"

Cameron McCall, Chairman

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Caution Regarding the IPO and Forward Looking Statements

All offers of shares in regards to the IPO of Macarthur Australia Limited are made pursuant to the Prospectus dated 20 March 2017, the First Supplementary Prospectus dated 28 April 2017, the Second Supplementary Prospectus dated 11 May 2017 and the Third Supplementary Prospectus dated 19 May 2017 prepared in accordance with the Australian Corporations Act 2001 (Cth) and lodged with the Australian Securities and Investments Commission (ASIC). You should consider the Prospectus and the Supplementary Prospectuses in deciding whether to acquire the shares. Anyone who wishes to acquire shares as part of the IPO will only be able to do so by completing an application form which will be in or accompany the Prospectus and the Supplementary Prospectuses.

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 in this press release 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 timely receipt of required approvals, the reliability of information, including historical mineral resource or mineral reserve estimates, 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. Factors that could cause actual results to differ materially from those in forward-looking statements include fluctuations in exchange rates and certain commodity prices, uncertainties related to mineral title in the project, unforeseen technology changes that results in a reduction in iron ore demand or substitution by other metals or materials, the discovery of new large low cost deposits of iron ore, uncertainty in successfully returning the project into full operation, 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.

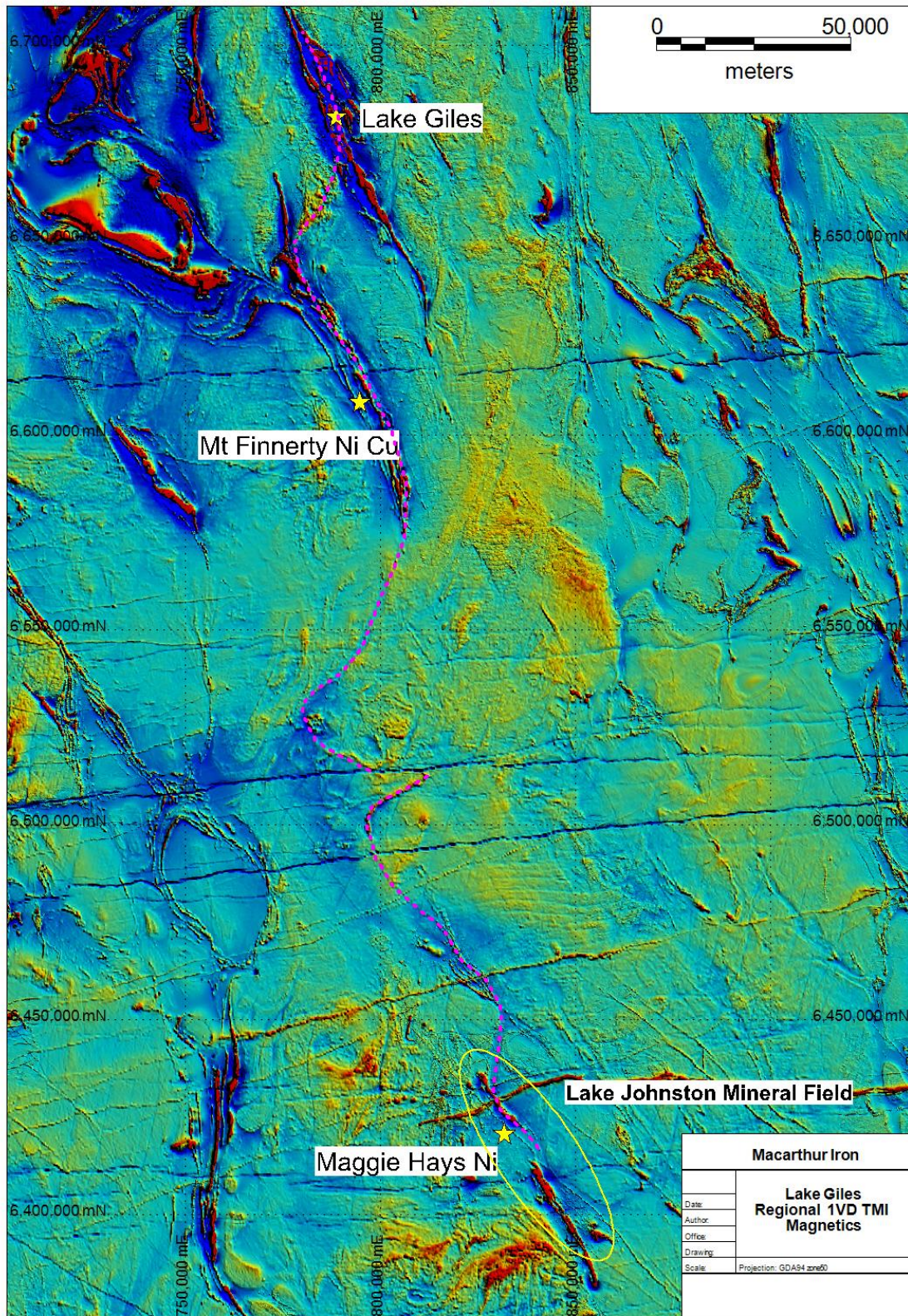


Figure 1: Locations of three known nickel fields traced out from the f1VD magnetics