

NEWS RELEASE
August 21, 2017

Symbol: TSX-V: MMS
For Immediate Dissemination

MACARTHUR MINERALS ANNOUNCES UPDATE ON IRON ORE PROJECTS AND PRIVATE PLACEMENT

Macarthur Minerals Limited (TSX-V: MMS) (the “Company” or “Macarthur Minerals”) is pleased to announce that it is in discussions with parties for options for moving the Company’s iron ore projects forward. The Company has also extended closing for Tranche 2 of the non-brokered private placement.

Macarthur Mineral’s President, Director and CEO, David Taplin commented that, *“We are in discussions with parties for options for moving our iron ore projects forward. These parties are particularly interested in our low CAPEX hematite project with an iron ore price today of US\$78 per tonne. Our hematite project is located 80 kilometers from Cleveland Cliffs’ existing iron ore transport infrastructure that export iron ore out of the Port of Esperance.”*

Iron Ore Projects

The Company owns two iron ore projects; the Ularring Hematite Project and the Moonshine Magnetite Project. These projects are co-located on contiguous granted Mining Leases in the Yilgarn Region of Western Australia. The region is a well-established mining district with two existing iron ore producers, one being a global producer. The region is well serviced with infrastructure including iron ore export facilities at the Port of Esperance.

The Company has previously expended approximately \$61 million in exploration, metallurgical test-work, mining studies and environmental surveys on its Iron Ore Projects.

The Ularring Hematite Project’s Mineral Resources are comprised of Indicated Mineral Resources of approximately 54.5 Mt @ 47.2% Fe and approximately 26Mt @ 45.4% Fe Inferred resources. The Mineral Resource estimates were prepared by CSA Global on behalf of Macarthur Minerals (N143-101 Technical Report, 2012¹) and reported in accordance with the JORC Code.

The Company has received approval to develop an iron ore mine for the Ularring Hematite Project and associated infrastructure at the project location under the Environmental Protection Act 1986 and the Environmental and Biodiversity Conservation Act 1999.

The Inferred Mineral Resource estimate for the Moonshine Magnetite Project was initially prepared by CSA Global Pty Ltd (NI 43-101 Technical Report, 2009²) and was updated by Snowden Mining Industry Consultants in 2011 (NI 43-101 Technical Report, 2011³). The Moonshine Magnetite Project has an Inferred Mineral Resource consisting of approximately 1,316 Mt @ 30.1% Fe.

A Preliminary Assessment Report was prepared on the Moonshine Magnetite Project by Snowden Mining Industry Consultants in 2011.

¹ NI 43-101 Technical Report filed 1 October, 2012, titled “NI 43-101 Technical Report, Macarthur Minerals Limited, Pre-Feasibility Study, Ularring Hematite Project, Western Australia.”

² NI 43-101 Technical Report filed December 17, 2009, titled “NI 43-101 Technical Report on Lake Giles Iron Ore Project: Western Australia.”

³ NI 43-101 Technical Report filed March 25, 2011, titled “Macarthur Minerals Limited: Moonshine and Moonshine North Prospects, Lake Giles Iron Project, Western Australia, NI 43-101 Technical Report – Preliminary Assessment”.

Private Placement

The Company has extended closing for Tranche 2 of the non-brokered private placement as previously announced on July 7, 2017 (the “Offering”) and expects to complete the Offering as soon as possible. To date, Macarthur Minerals has issued 1,705,690 units (each, a “Unit”) and 830,110 shares for a total of \$135,091 under Tranche 2 of the Offering.

Each Unit is comprised of one common share in the capital of the Company and one whole warrant to acquire a common share at an exercise price of \$0.06 per common share exercisable until February 16, 2018.

The net proceeds from the Offering will be used for working capital purposes. All securities issued under the Offering, including the common shares underlying the warrants, are subject to a statutory 4 month hold period from the date of issue.

Closing of the Offering is subject to final approval from the TSX Venture Exchange.

Macarthur Minerals currently has 185,744,555 common shares and 36,613,473 warrants issued and outstanding. In the past 12 months, a total of approximately 163 million of Macarthur Minerals’ shares were traded.

The Company confirms that there is no undisclosed material information.

ABOUT MACARTHUR MINERALS LIMITED (TSX-V: MMS)

Macarthur Minerals Limited is an exploration and development company that is focused on identifying and developing high grade lithium, with significant lithium exploration interest in Australia and Nevada. In addition, Macarthur has two iron ore projects in Western Australia; the Ularring hematite project and the Moonshine magnetite project.

QUALIFIED PERSONS

Mr David Williams, a member of the Australian Institute of Geoscientists, is a part-time employee of CSA Global Pty Ltd and is a Qualified Person as defined in National Instrument 43-101. Mr Williams has reviewed and approved the technical information in relation to the Iron Ore Projects contained in this news release.

On behalf of the Board of Directors,

MACARTHUR MINERALS LIMITED

“Cameron McCall”

Cameron McCall, Chairman

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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

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