NEWS RELEASE **Symbol: TSX-V: MMS**
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MACARTHUR MINERALS UPDATE ON DRILLING NICKEL SULPHIDE TARGETS AT MOONSHINE LAKE GILES

Macarthur Minerals Limited (TSX-V: MMS) (the "Company" or "Macarthur") is pleased to provide an update on the progress of its drilling of high priority nickel sulphide targets at its Lake Giles project in Western Australia. The targets were derived from recent geophysical surveys using Moving Loop Electromagnetics ("MLEM"). Surveying at Moonshine successfully delineated two bedrock conductors, MC01 and MC02, with a further bedrock conductor identified at the Snark prospect.

HIGHLIGHTS

- 395 meters of Reverse Circulation "RC" drilling completed at Moonshine North.
- Both holes successfully intersected sulphide minerals at depth.
- Semi-massive sulphide comprising 20% pyrite/pyrrhotite was recorded over 12m in hole 18MRC002 from 185m to end of hole ("EOH").
- Sulphide mineralisation open at depth with hole ending in sulphide mineralisation.

Mr. Cameron McCall, Executive Chairman of Macarthur Minerals commented: "*We are excited by the results of our initial drilling that intercepted the target derived from earlier geophysical surveys. Macarthur is now interpreting the geological data obtained during drilling and has submitted the samples for assay. This will guide the next step of this program which will involve a diamond drill program to penetrate through the extent of the sulphide mineralisation."*

Nickel Targets

A Moving Loop Electromagnetic ("MLEM") survey was conducted across three prospects at the Lake Giles project. The survey targets were derived from previous drilling and soil geochemistry data that indicated potential for nickel sulphide.

Interpretation of data was undertaken by geophysicists from Newexco Services Pty Ltd who are experts in the application of geophysical surveys for the discovery of nickel sulphide deposits. The interpretation was undertaken on the basis of detecting bedrock conductors consistent with accumulations of massive sulphides.

1. Moonshine Conductor

Strong conductance was recorded across all five lines with modelling delineating two bedrock conductors, MC01 and MC02 (**Figure 1**). The two conductors are both coincident with a magnetic high that is faulted and consequently both MC01 and MC02 are likely to be the same geological unit. MC01 extends over a length of 700m with MC02 extending over 650m however the source can be defined as being open to the north and south.

2. Snark Conductor

The survey at Snark identified two bedrock conductors at SC01 and SC02 **(Figure 2)**. These conductors will be drill tested at a later stage.

Exploration Program

An initial Reverse Circulation "RC" drilling program consisting of two holes was undertaken to test the MC01 conductor at Moonshine. Hole locations were planned to intersect the conductor at 176m and 180m, holes terminated at 198 and 197m (Table 1).

Table 1. Drill hole locations at the MC01 conductor at Moonshine.

Hole ID	Target Depth (m)	EOH (m)	Easting	Northing
18MNRC001	176	198	788,035	6,674,937
18MNRC002	180	197	787,947	6,675,113

Coordinates in GDA94 Zone 50

Visual logging of hole 18MNRC001 identified several intersections of disseminated sulphides and also intersections of intense quartz-carbonate veinlets and chlorite alteration. This observation of veining and intense alteration shows hole 18MNRC001 has potential for gold with 11 intervals for a total of 35m intercepting quartz veins including 14m from 139m. The hole finished in 3m of quartz veinlets with the last two meters of pyrite sulphide. Site conditions restricted the ability to extend the hole deeper and consequently, sulphide mineralisation is considered open at depth. These intervals have been submitted to the lab for base metal, PGE and gold assays.

Hole 18MNRC002 successfully intersected the EM conductor from 185m with 20% semi-massive sulphide minerals of pyrite and pyrrhotite visually confirmed over a 12m interval from 185m to EOH (197m). Again site conditions restricted the ability to drill to the end of mineralisation. The sulphide mineralisation transitioned from a dominant ratio of pyrite to pyrrhotite from 185m to 192m to a dominant ratio of pyrrhotite to pyrite from 192m to EOH.

This is suggestive that the formation could be an upside-down komatiite. Additional drilling at depth is required to gain further understanding of the geology and test the extent of sulphide mineralisation.

All RC samples have been submitted to the lab for assay for base metals and gold and will be released when available.

Next Steps

The Company is currently awaiting assay results. The intersections of multiple sulphides zones and semi-massive sulphide at EOH along with the MLEM conductor are very encouraging and confirm the potential for the Moonshine prospect to host further mineralisation at depth. A follow up Stage 2 drilling program is planned to determine the extent and depth of the mineralisation and whether the sulphide mineralisation is an indicator of a nickel sulphide mineralisation system deeper in the succession or close by. The initial holes will be drilled deeper through the sequence with a diamond tail.

QUALIFIED PERSONS

Mr Andrew Hawker, a member of the Australian Institute of Geoscientists, is a full-time employee of Hawker Geological Services Pty Ltd and 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 company that is focused on identifying high grade gold, nickel, cobalt and lithium. Macarthur Minerals has significant gold, lithium, nickel, cobalt and iron ore exploration interests in Australia. Macarthur Minerals has three iron ore projects in Western Australia; the Ularring hematite project, the Moonshine magnetite project and the Treppo Grande iron ore project. In addition, Macarthur Minerals has significant lithium brine interests in the Railroad Valley, Nevada, USA.

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

"*Cameron McCall*"
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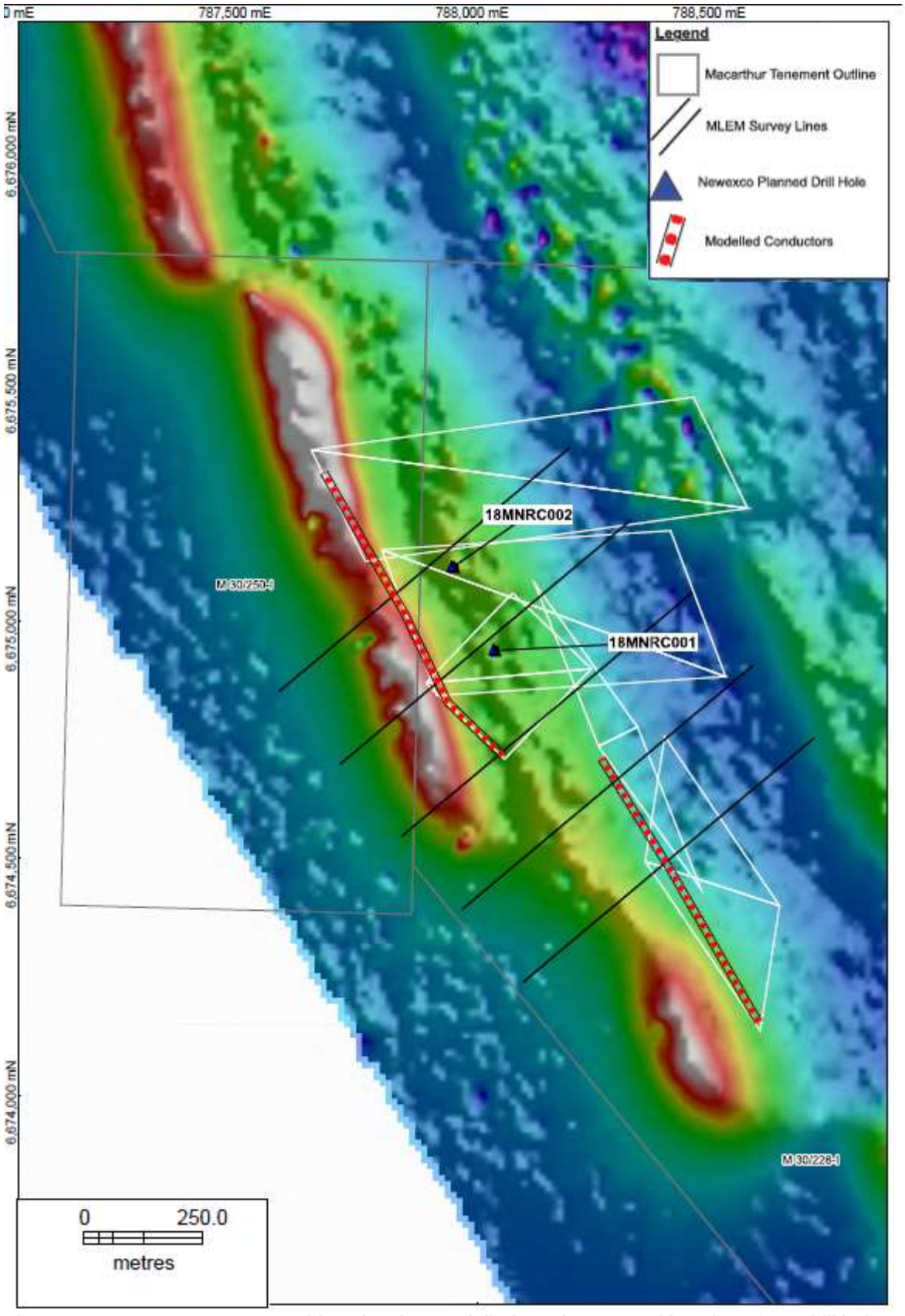

Figure 1. MLEM survey at Moonshine showing modelled conductors and location of RC drill holes. Background image shows magnetic anomalies.

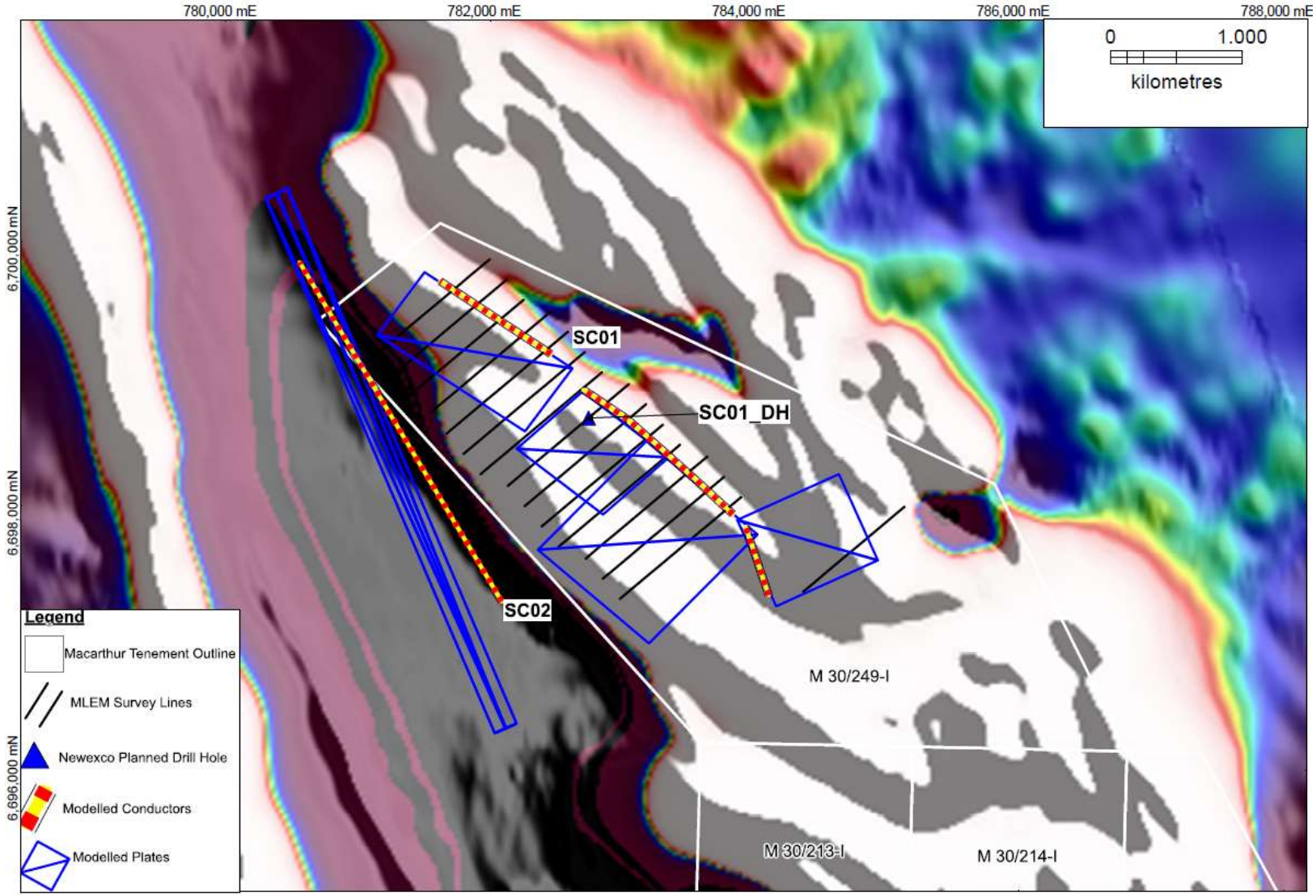

Figure 2. MLEM Survey at Snark showing modelled conductors. Background shows Total Magnetic Intensity anomalies