

MACARTHUR MINERALS INCREASES ITS INDICATED HEMATITE MINERAL RESOURCE BY 51% AND ITS INFERRED HEMATITE RESOURCE BY 3%.

VANCOUVER, BRITISH COLUMBIA – (Marketwire – January 24, 2011), Macarthur Minerals Limited (TSXV: MMS, OTCQX: MMSDF) (“the Company”) is pleased to advise of a 51% increase in the indicated resource at the Ularring Project (hematite) to 13.01Mt. The inferred resource has also increased to 16.95Mt which represents a 3% increase. The Ularring Project is comprised of the hematite goethite potential direct shipping ore (“DSO”) located on the Company’s tenements in the Yigarn region of Western Australia.

These increases follow the Company’s comprehensive resource definition drilling program at its Snark, Drabble Downs and Central project areas throughout 2011. A total of 70,368 metres of reverse circulation and diamond drilling was completed in these areas during 2011.

Macarthur’s President, Chairman and CEO Alan Phillips stated: *“This 51% increase in the Ularring Project’s indicated resource estimate on top of the 3% increase in the inferred resource estimate is very pleasing especially coming close on the heels of the positive September 2011, resource upgrade announcement. This demonstrates that the geological team is effectively converting the inferred resource potential into indicated as well as improving the in-situ grade and continues to identifying further tonnage. Macarthur has been awaiting these results in order to provide an appropriate Mineral Resource inventory for the completion of the Company’s pre-feasibility study later in 2012”.*

2011 Potential DSO RC Drilling Update

The mineral resource was last updated in September 2011 (refer to press releases dated September 21, 2011¹). Since then independent mining consultancy group CSA Global Pty Ltd (“CSA”) has updated the Mineral Resource estimates based on the Company’s geological interpretations for the Snark, Drabble Downs and Central areas and utilising the additional drilling completed and assay data received since the September 2011 resource statement update.

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

| Category | Deposit | Tonnes | Fe % | SiO ₂ % | Al ₂ O ₃ % | P % | LOI % |
|-----------|--------------------|-------------------|-------------|--------------------|----------------------------------|-------------|------------|
| Indicated | Snark | 7,830,000 | 54.9 | 8.5 | 4.5 | 0.07 | 7.7 |
| | Drabble Downs | 1,640,000 | 54.1 | 7.8 | 5.0 | 0.07 | 8.5 |
| | Central | 3,540,000 | 56.4 | 7.0 | 4.1 | 0.06 | 7.6 |
| | Total | 13,010,000 | 55.2 | 8.0 | 4.4 | 0.07 | 7.8 |
| Inferred | Snark | 4,440,000 | 54.9 | 8.9 | 4.4 | 0.07 | 7.6 |
| | Drabble Downs | 2,130,000 | 56.7 | 5.8 | 4.2 | 0.07 | 8.1 |
| | Banjo - Lost World | 5,500,000 | 55.7 | 8.1 | 4.7 | 0.07 | 7.1 |
| | Moonshine | 600,000 | 52.8 | 13.3 | 3.9 | 0.06 | 5.8 |
| | Central | 4,280,000 | 56 | 7.8 | 4.0 | 0.06 | 7.4 |
| | Total | 16,950,000 | 55.6 | 8.1 | 4.3 | 0.07 | 7.4 |

Notes:

- Figures contained within Table 1 have been rounded.
- Resources estimates were based on block models constructed using three dimensional geological wireframes.
- The CSA Mineral Resources were estimated using constraining wire framed solids based on a lower limit cut-off grade of 50%Fe.
- The resource was estimated using blocks above 50% Fe.

¹ The indicated and inferred resource figures noted in the November 21, 2011 press release did not update the Company’s mineral resource but were the basis for the Preliminary Economic Assessment.

- Part of the January 2012 Mineral Resource has been upgraded to indicated due to the determination of densities of the mineralisation, both from diamond core wet immersion techniques and geophysical probing of selected holes. CSA has used an assigned density of 2.9t/m³ for all mineralised zones.

The mineral resources are classified as indicated and inferred according to the reporting guidelines of NI43-101. The classification level is based upon an assessment of geological and mineralisation continually, quality control results and an analysis of available density information.

Intersections reported have been verified by the Company's quality assurance and quality control protocols. All samples collected from drill holes were prepared by Ultra Trace and ALS Laboratories in Perth, WA and pulverised to 90% passing 75 microns and then analysed for the iron suite using XRF.

At Snark and the adjacent Drabble Downs the latest estimate has resulted in a 10% increase (approx.) in the indicated resource tonnes and a 20% increase (approx.) in the inferred resource tonnes from the previous estimation (Table 2).

Table 2 - Mineral Resource Comparisons – Snark/Drabble Downs

| Date | Category | Tonnes | Fe % | SiO ₂ % | Al ₂ O ₃ % | P % | LOI % |
|---------|-----------|-----------|------|--------------------|----------------------------------|------|-------|
| Current | Indicated | 9,470,000 | 54.8 | 8.4 | 4.6 | 0.07 | 7.8 |
| | Inferred | 6,570,000 | 55.5 | 7.9 | 4.3 | 0.07 | 7.7 |
| Sep-11 | Indicated | 8,630,000 | 54.9 | 8.3 | 4.6 | 0.07 | 7.9 |
| | Inferred | 5,490,000 | 55.3 | 8.0 | 4.3 | 0.07 | 7.9 |
| Jun-11 | Inferred | 9,650,000 | 55.0 | 8.9 | 4.3 | 0.08 | 7.6 |
| Nov-10 | Inferred | 7,070,000 | 55.9 | 7.8 | 4.2 | 0.07 | 7.6 |

At Central the latest resource estimate has delivered a maiden indicated resource of 3.54Mt which is presented in Table 3.

Table 3 - Mineral Resource Comparisons – Central

| Date | Category | Tonnes | Fe % | SiO ₂ % | Al ₂ O ₃ % | P % | LOI % |
|---------|-----------|-----------|------|--------------------|----------------------------------|-------|-------|
| Current | Indicated | 3,540,000 | 56.4 | 7.0 | 4.1 | 0.06 | 7.6 |
| | Inferred | 4,280,000 | 56.0 | 7.8 | 4.0 | 0.06 | 7.4 |
| Sep-11 | Inferred | 4,800,000 | 55.2 | 8.2 | 4.5 | 0.06 | 8.0 |
| Nov-10 | Inferred | 4,800,000 | 55.2 | 8.2 | 4.5 | 0.061 | 8.0 |

The Banjo-Lost World and Moonshine indicated and inferred resource estimates have not changed since the September 2011 announcement.

In 2012 the Company will undertake further drilling programs to convert additional inferred resources to indicated status.

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, in the form and context in which it appears.

Further information on Macarthur Minerals Limited and technical reports on the Macarthur Iron Ore project can be found on the company's website www.macarthurminerals.com or www.sedar.com

ABOUT MACARTHUR MINERALS LIMITED (TSX: MMS, OTCQX: MMSDF)

Macarthur Minerals Limited is an Australian based resource development company currently focussed on developing its Ularring Project (hematite), located in the Yilgarn iron ore district in Western Australia. The Ularring Project is located 110 km from rail infrastructure with a direct connection to the Iron Ore exporting Port of Esperance, Western Australia. A positive Preliminary Economic Assessment was released to the market Ularring Project (press release dated November 21, 2011).

In addition to the Ularring Project (hematite) reported above, Macarthur has the Moonshine Project (magnetite) which, has an inferred resource of 1.3 billion tonnes at 30.1% Fe (press release dated December 15, 2010), that has been reported in accordance with National Instrument 43 – 101.

A positive Preliminary Economic Assessment was released to the market on Macarthur's Moonshine Project (press release dated February 7, 2011)

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

“Alan Phillips”

Alan Phillips, President, Chairman & CEO

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UPCOMING EVENTS

MACARTHUR will be attending the 2012 Prospectors and Developers Association of Canada (PDAC) International Convention and Investors Exchange in Toronto, March 4-7 at the Metro Toronto Convention Centre, South Building.

We invite you to meet the Macarthur team at Booth #2818. The conference will provide current and prospective shareholders an opportunity to speak with management about the Company's recent developments.

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Caution Regarding Forward Looking Statements

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 reliability of information 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 unforeseen technology changes that result 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 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 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.