

22 October 2020

Macarthur Minerals Closes Private Placement

Macarthur Minerals Limited (ASX: MIO) (TSX-V: MMS) (OTCQB: MMSDF) (the "Company" or "Macarthur") is pleased to announce it has closed the previously announced private placement (the "Offering" or "Private Placement") of AUD 6,249,440 million with institutional and sophisticated investors with subscriptions totalling 11,362,618 Units.

Each placement unit ("Unit") is comprised of one New Share at a price of AUD 0.55 and one attaching whole option to acquire one fully paid ordinary share in the Company (each, an "Option") at an exercise price of AUD 0.90, with an expiry date 24 months from the date of issuance.

The placement is subject to exchange final approval and acceptance:

- The Placement securities being 11,362,618 New Shares and 5,137,382 Options will be issued within the Company's existing ASX Listing Rule 7.1 placement capacity immediately preceding final exchange approval.
- The balance of 6,225,236 Options will be issued subject to receipt of shareholder approval to be sought at the Company's upcoming Annual General Meeting on 30 October 2020 in accordance with ASX listing rule requirements relating to future placement capacity.

The net proceeds from the Offering will be used for working capital purposes as the Company continues to make progress towards completion of its Feasibility Study for the Lake Giles Iron Project in the Yilgarn region of Western Australia ("Project"), and as it advances discussions on its main round of project financing for the Project.

Following closing of the Offering, Macarthur Minerals will have 136,961,963 common shares issued and outstanding.

Fees for Private Placement

EAS Advisors, LLC, through Odeon Capital Group LLC ("**Odeon**") acted as financial adviser for the Private Placement. Pursuant to a Consulting and Advisory Agreement between Odeon and the Company dated 9 October 2020, Odeon will receive an Equity Placement Financing Completion Fee equal to 6% (six percent) of the gross proceeds raised from investors in the equity capital raising and received by the Company in cleared funds.

On behalf of the Board of Directors, Mr Cameron McCall, Executive Chairman

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Company profile

Macarthur is an iron ore development, gold and lithium exploration company that is focused on bringing to production its Western Australia iron ore projects. The Lake Giles Iron Project mineral resources include the Ularring hematite resource (approved for development) comprising Indicated resources of 54.5 million tonnes at 47.2% Fe and Inferred resources of 26 million tonnes at 45.4% Fe; and the Lake Giles magnetite resource of 53.9 million tonnes (Measured), 218.7 million tonnes (Indicated) and 997 million tonnes (Inferred). Macarthur has prominent (~721 square kilometer tenement area) gold, lithium and copper exploration interests in Pilbara region of Western Australia. In addition, Macarthur has lithium brine Claims in the emerging Railroad Valley region in Nevada, USA.

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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. All statements herein, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future, including but not limited to statements regarding expected completion of the Feasibility Study; conversion of Mineral Resources to Mineral Reserves or the eventual mining of the Project, are forward-looking statements. 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. 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 but are not limited to: 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 magnetite; the general level of global economic activity; failure to complete the FS; inability to demonstrate economic viability of Mineral Resources; and failure to obtain mining approvals. 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.