

NEWS RELEASE
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For Immediate Dissemination

STRATEGIC ALLIANCE WITH ATEC RAIL GROUP

Macarthur Minerals Limited (TSX: MMS, OTCQX: MMSDF) (the “Company” or “Macarthur”) is pleased to announce that it has entered into an agreement with ATEC Rail Group Limited (“ARG”) to review iron ore acquisition opportunities in the Yilgarn region of Western Australia.

Macarthur’s President, Chairman and CEO, Alan Phillips commented that, *“From the ashes of the Australian small iron ore producers, new opportunity is emerging. Since 2010, Macarthur has been pursuing the development of its Ularring Hematite project, but continued:*

- *delays in the Port of Esperance expansion;*
- *depressed equities in the junior mining space;*
- *constrained project financing options; and*
- *major collapse in the spot iron ore price during the course of 2014,*

has constrained delivery of Macarthur’s project.

Acquisition opportunities are emerging as producing iron ore assets are being re-priced on the prevailing spot iron ore price and, for Macarthur, therein lies the opportunity.

As an example, within the Yilgarn region of Western Australia, it is reported that Cliffs Natural Resources’ Asia Pacific operations (located 80 kilometers from Macarthur’s Ularring Hematite project) may be divested. Cliffs’ Asia Pacific iron ore reserves are reportedly, estimated to be exhausted by 2020.

Macarthur’s Ularring Hematite Project may provide extension of resources for operating projects and associated existing infrastructure within the Yilgarn region.

The agreement with ARG is a good fit for Macarthur, as ARG has the appetite and balance sheet to bid for infrastructure/transport and export facility assets and make these available to Macarthur. Macarthur would assume the mining and resource extension through the Ularring Hematite Project and other Yilgarn region iron ore resources.”

ATEC Rail Group Limited

ARG is an Australian based below rail infrastructure company specialising in delivering customised rail infrastructure solutions. ARG has successfully invested in developing open access bulk commodity freight infrastructure. Its focus is on developing, owning, financing and operating the freight infrastructure for bulk commodity clients. ARG is a significant investor in the Surat Basin. ARG’s largest shareholder is the US based The Energy & Minerals Group (“EMG”), which is a specialised private investment firm with regulatory assets under management of US\$17.5 billion. EMG targets equity investments in the energy and minerals sectors with talented and experienced management teams to develop and own hard assets. ARG welcomed EMG as its major shareholder in 2010. ARG has offices in Brisbane, Sydney and Perth.

Memorandum of Understanding

Macarthur and ARG have entered into a Memorandum of Understanding (“MOU”) for the purpose of negotiating agreements for:

1. forming a consortium to assess, and if agreed, make a bid for available assets in the Yilgarn region;
2. carrying out of a transaction with a view to Macarthur acquiring ownership and operating iron ore mining assets and ARG acquiring ownership and operating and maintaining the infrastructure assets associated with transporting iron ore from the mine to port; and
3. MMS and ARG working together to develop new infrastructure assets in the Yilgarn region to connect iron ore projects within the region and in particular connecting Macarthur’s Ularring Project to those assets.

Benefits for Macarthur

A successful acquisition opportunity may provide the following benefits for Macarthur:

1. Macarthur assuming mining operations and introducing a funding/off-take partner to manage the product sales and commodity risk;
2. transforming Macarthur into an immediate producer of iron ore;
3. Macarthur has delineated an iron ore resource that has received Western Australian Minister for Environment and Heritage approval and approval under the *Environmental and Biodiversity Conservation Act 1999* (see News Release dated October 29, 2013), which may extend the useful life of adjacent iron ore operations; processing capacity and rail and port logistics infrastructure;
4. Macarthur may be able to identify new iron ore resources within the Yilgarn region, to further extend the life of mining and logistics infrastructure;
5. Macarthur avoids major capital cost and associated risk through utilising existing logistics infrastructure; and
6. Macarthur may be able to lower operating costs for its Ularring Hematite Project through economies of scale benefits.

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

Macarthur Minerals Limited is an Australian based resource development company currently focused on developing its Ularring Hematite Project, located in the Yilgarn iron ore district in Western Australia. The Ularring Hematite Project is located 110 km from rail infrastructure with a direct connection to the iron ore exporting Port of Esperance, Western Australia.

The Ularring Hematite Project has an indicated Mineral Resource of 54.46 Mt at 47.2% Fe and an inferred Mineral Resource of 25.99 Mt at 45.4% Fe (press release dated June 14, 2012; NI43-101 Technical Report dated June 29, 2012). In addition, Macarthur’s Moonshine Magnetite Project has an inferred Mineral Resource of 1.3 Bt at 30.1% Fe (press release dated December 15, 2010; NI43-101 Technical Report dated March 25, 2011).

A Positive Preliminary Feasibility Study was released to the market on the Ularring Hematite Project in August 2012, which included a probable Mineral Reserve of 42.95 Mt at 47% Fe (press release dated August 16, 2012; Technical Report dated September 27, 2012). A Positive Preliminary Economic Assessment on the Moonshine Magnetite Project was released in February 2011 (press release dated February 7, 2011, Technical Report dated March 25, 2011).

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

"Alan Phillips"

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