

NEWS RELEASE
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For Immediate Dissemination

MACARTHUR MINERALS ENTERS INTO FARM-IN ON ITS AUSTRALIAN LITHIUM ACREAGE WITH CANADIAN LITHIUM COMPANY

Macarthur Minerals Limited (TSX-V: MMS) (the “Company” or “Macarthur Minerals”) is pleased to announce that it has agreed to enter into a farm-in with a Canadian lithium Company for part of the Company’s Australian lithium acreage at Ravensthorpe, covering an area of 91 square kilometres, for minimum expenditure of A\$2 million.

David Taplin, President, CEO and Director of Macarthur commented:

“Macarthur Minerals is excited about the farm-in by a Canadian lithium company into part of its Australian lithium acreage. It allows Macarthur to accelerate its lithium exploration activities over its large lithium acreage package, which is one of the largest for any junior listed company.”

Further details of the Farm-in are set out below:

MEMORANDUM OF UNDERSTANDING (“MOU”)

The Company (through its 100% owned subsidiary Macarthur Lithium Pty Ltd (“MLi”)) and Zadar Ventures Limited (TSX-V: ZAD)(“ZAD”) have entered into a binding MOU for entering into a Farm-in Agreement (“FIA”) for lithium exploration on the Company’s Ravensthorpe lithium acreage.

The key terms of the MOU are:

- the Company and ZAD will enter into a FIA for the Ravensthorpe lithium acreage within 4 months.
- entry into the FIA is conditional upon ZAD conducting due diligence within 3 months to confirm that the Ravensthorpe acreage is prospective for lithium and for the Company to conduct due diligence on ZAD.
- ZAD will initially earn into 51% of the Ravensthorpe lithium acreage by expending a total of A\$2,000,000 within 2 years from the grant of the Ravensthorpe exploration licences.
- ZAD will earn into an additional 24% of the Ravensthorpe lithium acreage taking its total interest to 75% upon completing a positive NI43-101 Preliminary Economic Assessment (“PEA”) within 3 years from the grant of the Ravensthorpe exploration licences.
- MLi have a free carried interest during and after farm-in, for the life of the Ravensthorpe tenure and any related project, of not less than 25%.
- the Company will manage the Ravensthorpe lithium exploration program and will be paid a project management fee of 15% of total expenditure until ZAD has completed a positive NI 43-101 PEA.
- ZAD will pay for all expenditure and project management fees in advance and MLi will be reimbursed all its associated costs in full.
- once ZAD has acquired 75% interest in the Ravensthorpe lithium acreage, ZAD will have the first right to offer to purchase MLi’s remaining 25% interest.
- if ZAD does not meet expenditure of A\$200,000 in the first 3 months after the FIA has been entered into or by the time exploration licences are granted, whichever is later, the FIA will end and 100% of the ownership of the Ravensthorpe lithium acreage will revert back to MLi.

- if ZAD does not complete a positive NI 43-101 PEA, a joint venture will be formed (ZAD 51% and MLI 49%), whereby MLI continues to have free carried interest of 25%, effectively only contributing to 24% of expenditure.

The FIA, although not envisaged, may be subject to regulatory approval.

RAVENSTHORPE ACREAGE

The Ravensthorpe lithium acreage is comprised of two exploration licence applications E74/587 and E74/588, which covers an area of 91 square kilometres, as shown in Figure 1.

The Ravensthorpe acreage, at its closest point, is approximately 7 kilometres from the Mount Cattlin Lithium Project, which is currently mining and processing spodumene and tantalum concentrate near Ravensthorpe in South Western Australia, with targeted production of approximately 150,000 tonnes for 2017. The Mount Cattlin Lithium Project is owned by Australian Securities Exchange listed Galaxy Resources Limited (ASX:GXY), who announced a merger with its joint venture partner, Australian Securities Exchange listed company, General Mining Corporation Limited (ASX:GMM)¹.

The Ravensthorpe lithium acreage is located within the Cocanarup Terrane, which is dominated by intensely sheared and isoclinally folded Archean ultramafic rocks including spinifex-textured komatiite and pelitic metasediments.

EL74/588 is situated near the margin between the Yilgarn Craton granites and the South-West Terrane greenstone and Annabelle Volcanics to the south west and the Youanmi Terrane greenstones to the north. The greenstones in the south-west include amphibolite, basaltic pyroclastic tuff and metamorphosed basalts. The area has been intruded by numerous pegmatites, feldspar dykes, quartz veins and dolerite dykes. Several pegmatites are known from immediately south of the south-western portion of the tenement throughout the Annabelle volcanics.

E74/587 is positioned primarily on the Annabelle Volcanics dominated by metamorphosed basalt and pyroclastic tuff and adjacent to the Manyutup Tonalite in the same setting as the Mount Cattlin Lithium Project, which is 10 kilometres to the north-east. As indicated in Figure 1, a large pegmatite is mapped on the exploration licence application and extends for almost half its length.

COMPANY'S STRATEGY FOR ZADAR VENTURES FARM-IN

The Company holds 20 Exploration Licence Applications and prospective interest in rights to lithium covering a total area of 1,681 square kilometres (415,384 acres) in the Pilbara, and in the Ravensthorpe and the Edah regions of Western Australia.

The ZAD farm-in allows the Company to accelerate its exploration activities over its large acreage package prospective for lithium, which is one of the largest for any junior listed company. This allows the Company to maximise its efforts on its Pilbara acreage.

The Company will manage the exploration program for the Ravensthorpe acreage contributing the resources of its very experienced lithium technical team, comprising Emeritus Professor Ken Collerson, a member of the Company's lithium advisory board, Dr Andrew Scogings, Mr Graham Jeffress and Mr Ralph Porter from CSA Global Pty Ltd, who are independent Western Australia based consultants with substantial experience in lithium.

ABOUT ZADAR RESOURCES LIMITED

Zadar Ventures Ltd. is a Resource Company listed on the TSX Venture Exchange (TSX-V: ZAD) focused on the acquisition and exploration of economically viable green energy resources in jurisdictions favourable to mining and industry.

¹ Galaxy Resources Limited's ASX announcement dated May 30, 2016, <http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01744678>

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 and counter cyclical investments that complement MacArthur's capabilities.

On behalf of the Board of Directors,

MACARTHUR MINERALS LIMITED

"Cameron McCall"

Cameron McCall, Chairman

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Figure 1 – Macarthur’s Ravensthorpe acreage

