

PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 5:00 P.M. (TORONTO TIME) ON DECEMBER 12, 2017.

This rights offering circular is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this circular. Any representation to the contrary is an offence.

This is the rights offering circular we referred to in the rights offering notice, which you should have already received. Your rights certificate, relevant forms and if applicable, any other materials, were enclosed with the rights offering notice. This rights offering circular should be read in conjunction with the rights offering notice and our continuous disclosure prior to making an investment decision.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. This rights offering circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements as described herein. "United States" and "U.S. persons" are as defined in Regulation S under the U.S. Securities Act.*

Rights Offering Circular ("Circular")

October 23, 2017

Macarthur Minerals Limited

("Macarthur" or the "Company")

We currently have sufficient working capital to last 2 months. We require 50% of the rights offered to be subscribed for to raise sufficient funds to last 12 months.

OFFERING OF RIGHTS TO SUBSCRIBE FOR COMMON SHARES AT A PURCHASE PRICE OF C\$0.06 PER COMMON SHARE

References in this circular to **we, our, us** and similar terms mean to Macarthur. References in this Circular to **you, your** and similar terms mean to holders of Macarthur's common shares ("**Common Shares**"). Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars.

SUMMARY OF THE RIGHTS OFFERING

Why are you reading this Circular?	We are issuing to the holders of our outstanding Common Shares of record at the close of business on October 30, 2017 (the " Record Date ") and who are resident in a province or territory of Canada (the " Eligible Jurisdictions "), rights to subscribe for Common Shares on the terms described in this Circular (the " Offering "). The purpose of this Circular is to provide you with detailed information about your rights and obligations in respect of this Offering. This Circular should be read in conjunction with the rights offering notice and any other materials which you should receive by mail.
What is being offered?	Each holder of Common Shares on the Record Date who is resident in an Eligible Jurisdiction will receive one (1) right for each Common Share held (" Right ").
Who is eligible to receive Rights?	The Rights will be offered to shareholders resident in Eligible Jurisdictions (the " Eligible Holders "). You will be presumed to be resident in the place shown on our records as your registered address, unless the contrary is shown to our satisfaction.

Neither the rights offering notice nor this Circular is to be construed as an offering of the Rights, nor are the Common Shares issuable upon exercise of the Rights offered for sale, in any jurisdiction outside of Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions (the “**Ineligible Holders**”).

Instead, Ineligible Holders will be sent a letter advising them that their Rights will be held by Computershare Investor Services Inc. (the “**Depository**”), which will hold such Rights as agent for the benefit of all such Ineligible Holders and information on how to participate in the Offering. See “*Can Ineligible Holders participate in the Offering?*”

The Company may, in its sole discretion, determine such holder’s eligibility and may issue Rights to such holders.

What does one Right entitle you to receive?

You are entitled to subscribe for one (1) Common Share for every six (6) Rights held upon payment of the Subscription Price per Unit (the “**Basic Subscription Privilege**”).

Each whole Unit consists of one Common Share and one Common Share purchase warrant (“**Warrant**”). Each whole Warrant entitles the holder to acquire one Common Share for C\$0.20 for a term of 12 months from the date of issue of the Unit. In the event that the closing sale price of the Company’s Common Shares on the TSX Venture Exchange is greater than C\$0.20 per share for a period of 20 consecutive trading days at any time after closing of the Offering, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case, the Warrants will expire on the 20th day after the date on which such notice is given by the Company

No fractional Common Shares will be issued.

If you exercise your Basic Subscription Privilege in full, you will also be entitled to subscribe pro rata for Common Shares (the “**Additional Common Shares**”) not otherwise purchased, if any, pursuant to the Basic Subscription Privilege (the “**Additional Subscription Privilege**”) at the Subscription Price.

What is the subscription price?

C\$0.06 per Unit (the “**Subscription Price**”).

When does the offer expire?

5:00 pm (Toronto time) on December 12, 2017 (the “**Expiry Time**”).

What are the significant attributes of the Rights issued under the Offering and the securities to be issued upon the exercise of the Rights?

You are entitled to subscribe for one (1) Unit for every six (6) Rights held upon payment of the Subscription Price.

A Right does not entitle the holder thereof any rights whatsoever as a security holder of the Company other than the right to subscribe for and purchase the Units on the terms and conditions of the Rights described herein.

We are authorized to issue an unlimited number of Common Shares, of which, as at the date hereof 190,276,380 are issued and outstanding. As at the date hereof the Company has 41,145,297 warrants on issue.

Holders of Common Shares are entitled to: dividends if, as and when declared by our directors; to one vote per Common Share at meetings of our shareholders; and, upon liquidation, to receive such assets of Macarthur as are distributable to the holders of the Common Shares.

What are the minimum and maximum number or amount of securities that may be issued under the Offering? A maximum of 31,712,730 Units will be issued under the Rights Offering.
There is no minimum number of Units that may be issued under the Offering.

Where will the Rights and the securities issuable upon the exercise of the rights be listed for trading? The Common Shares are listed on the TSX Venture Exchange (the **TSXV**) under the trading symbol "MMS". The Warrants will not be listed for trading.
The Rights will not be tradable.

FORWARD-LOOKING STATEMENTS

This circular contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that we believe, expect or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements reflect our current expectations or beliefs based on information currently available to us. Forward-looking statements in this Circular include, without limitation, statements with respect to: our expectations regarding the estimated costs of the Offering and the net proceeds to be available upon completion; the use of proceeds from the Offering and the availability of funds from sources other than the Offering; the listing of the Common Shares on the TSXV; and our ability to continue as a going concern.

The forward-looking statements are based on a number of key expectations and assumptions made by the Company's management relating to the Company including, but not limited to: the completion of the Offering; the estimated costs of the Offering; the estimated amount of funds raised under the Offering; and the anticipated operating expenses of the Company for the 12 month period following the Expiry Time.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the Company's actual results to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, uncertainties relating to the availability and cost of funds; uncertainties related to the closing of the Offering; delays in obtaining or failure to obtain required approvals to complete the Offering; the uncertainty associated with estimating costs to completion of the Offering, including those yet to be incurred; fluctuations in the fair value of the Company's investments which could materially increase or decrease the Company's proceeds of dispositions and available funds; dilution of the shareholdings of shareholders who do not exercise all of their Rights under the Offering; irrevocability of the exercise of rights by a shareholder; the subscription price not necessarily being an indication of value; the possibility of a shareholder to follow the subscription procedure and abide by the subscription deadline; and other risks and uncertainties related to the Company's business and the Offering, including those described in the Company's public disclosure documents on SEDAR at www.sedar.com.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although we believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

Assuming the exercise of all Rights, the maximum net proceeds to the Company from the Offering will be approximately \$1,871,614, after deducting estimated expenses of \$31,150 associated with the Offering.

		Assuming standby commitment and 100% of the Offering
A	Amount to be raised by this offering	\$1,902,764
B	Selling commissions and fees	n/a
C	Estimated offering costs	\$31,150
D	Available funds: $D = A - (B+C)$	\$1,871,614
E	Additional sources of funding required	n/a
F	Working capital deficiency	n/a
G	Total: $G = (D+E) - F$	\$1,871,614

There has been no significant change in the Company's working capital since the most recently filed annual financial statements.

How will we use the available funds?

The net proceeds from the Offering (the "**Available Funds**") will be used for the purposes set out in the table below.

Description of intended use of Available Funds listed in order of priority	Assuming standby commitment and 100% of the Offering
Reconnaissance and initial exploration for lithium and gold	\$1,171,614
Macarthur's iron ore projects care and maintenance costs	\$200,000
Working Capital	\$500,000
Total:	\$1,871,614

We intend to spend the Available Funds as stated. We will reallocate funds only for sound business reasons.

The Company has made exploration licence applications with the intention of identifying high grade lithium and exploring for gold. To do so, the Company will need to conduct initial exploration on its exploration applications to identify exploration targets for drilling following the grant of applications.

Further, the Company requires funds for care and maintenance costs on its iron ore projects.

How long will the Available Funds last?

Management of the Company anticipates that the Available Funds from the Offering will be sufficient for the next twelve months.

INSIDER PARTICIPATION

Will insiders be participating?

As at the date hereof, insiders (as defined in applicable Canadian securities legislation) of the Company, own or exercise control or direction over, directly or indirectly, Common Shares, representing approximately 22.2% of the issued and outstanding Common Shares. Three (3) of these insiders, Cadence Minerals PLC, Cameron McCall (Executive Chairman) and Joe Phillips (Executive Director), holding in aggregate 33,684,261 Common Shares, representing approximately 17.7% of the issued and outstanding Common Shares, to the extent known, after reasonable enquiry, are expected to participate in the Offering. In the event that these participating shareholders purchase 5,614,044 Units pursuant to the Basic Subscription Privilege, these shareholders would

own an aggregate of 39,298,305 Common Shares and 5,614,044 Warrants. If no other Shareholders and the Stand-by Commitment were not to exercise Rights under the Rights Offering, these shareholders would increase their ownership of the Common Shares to approximately 19.92 % of the outstanding Common Shares after completion of the Rights Offering.

Who are the holders of 10% or more of our securities before and after the Offering?

To the knowledge of the directors and executive officers of the Company, as at the date hereof, no person or company beneficially owns, directly or indirectly, or controls or directs more than 10% of any class of voting securities of the Company, other than as set out below.

Name	Common Shares before the Offering	Common Shares after the Offering ⁽¹⁾	Maximum Common Shares after the Offering assuming exercise of Warrants ⁽¹⁾
Cadence Minerals plc	30,000,000 (15.77%)	35,000,000 (15.77%)	40,000,000 (18.02%) ⁽²⁾

(1) Assuming full participation of all other shareholders of their Basic Subscription Privilege and Stand by Commitment and if the holder only exercises Rights under the Basic Subscription Privilege.

(2) Assuming full exercise of warrants held.

DILUTION

If you do not exercise your Rights, by how much will your security holdings be diluted?

If you wish to retain your current percentage ownership of the Common Shares, you should exercise your Rights and pay the Subscription Price for the Units to which you are entitled under the Basic Subscription Privilege. If you fail to do so, your percentage ownership of the Common Shares will be diluted.

As an illustration, if you own 120,000 Common Shares on the Record Date, fail to exercise your right to purchase 20,000 Rights Shares under the Offering, and all other Shareholders fully exercise their Basic Subscription Privilege and Additional Subscription Privilege (i.e., the Company issues 31,715,730 Units), your percentage ownership of the issued and outstanding Common Shares will change from 0.06% to 0.05%.

STAND-BY COMMITMENT

Who is the Stand-by Guarantor and what are the fees?

In connection with the Rights Offering, the Company has entered into a standby guarantee agreement (the "Standby Guarantee") for the full Rights Offering of C\$1,902,764 with Orbit Drilling Pty Ltd (the "Standby Purchaser"). Under the Standby Guarantee, the Standby Purchaser has agreed to subscribe for, and the Company has agreed to issue, all Units offered under the Rights Offering that are not otherwise purchased by the Company's shareholders, up to the amount of C\$1,902,764 ("Maximum Standby Shares"), being the full Rights Offering.

The Standby Purchaser is an unrelated third party.

Have we confirmed that the Stand-by Guarantor has the financial ability to carry out its stand-by commitment?

Yes, we have confirmed that the Stand-by Guarantor has the financial ability to carry out its stand-by commitment.

What are the security holdings of the stand-by guarantor before and after the Offering?

As of the date of this Circular, the Stand-by Purchaser does not hold any issued and outstanding Common Shares. If only the Stand-by Purchaser subscribed for Units under the Offering and the Stand-by Commitment was taken up entirely, then following completion of the Offering, the Stand-by Guarantor would own 14.3% of the issued and outstanding Common Shares.

Name	Holdings before the offering	Holdings after the offering if the stand-by purchaser takes up the entire stand-by commitment	Holdings after the offering if the stand-by purchaser takes up the entire stand-by commitment after the Offering assuming exercise of Warrants ⁽¹⁾
Orbit Drilling Pty Ltd	Nil (0%)	31,712,730 (14.3%)	63,425,460 (28.6%)

(1) Orbit Drilling Pty Ltd will be restricted in exercising their warrants that would take their shareholding over 19.99% of the Company's then issued and outstanding capital without shareholder approval.

HOW TO EXERCISE THE RIGHTS

How does a registered holder participate in the Offering?

If you are a registered holder of Common Shares in an Eligible Jurisdiction, a certificate (the "**Rights Certificate**") representing the total number of transferable Rights which you are entitled to as at the Record Date has been mailed to you with a copy of the rights offering notice. To exercise the Rights represented by the Rights Certificate, you must complete and deliver the Rights Certificate in accordance with the instructions set out below. Rights not exercised at or prior to the Expiry Time will be void and of no value. The method of delivery is at the discretion and risk of the holder of the Rights Certificate and delivery to the Depository will only be effective when actually received by the Depository at its Subscription Office, see "*Appointment of Depository- Who is the Depository?*" below. Rights Certificates and payments received after the Expiry Time will not be accepted.

If you are a registered holder, in order to exercise your Rights you must:

- 1. Complete and sign Form 1 on the Rights Certificate.** The maximum number of Rights that you may exercise under the Basic Subscription Privilege is shown in the box on the upper right hand corner of the face of the Rights Certificate. If you complete the Form 1 so as to exercise some but not all of the Rights evidenced by the Rights Certificate, you will be deemed to have waived the unexercised balance of such Rights, unless you otherwise specifically advise the Depository at the time the Rights Certificate is surrendered to the Depository.
- 2. Additional Subscription Privilege.** Complete and sign Form 2 on the Rights Certificate only if you also wish to participate in the Additional Subscription Privilege. See "*What is the Additional Subscription Privilege?*" below.
- 3. Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc.** To exercise the rights you must pay C\$0.06 per Unit. In addition to the amount payable for any Common Shares you wish to purchase under the Basic Subscription Privilege, you must also pay the amount required for any Common Shares subscribed for under the Additional Subscription Privilege, or contact the Company for alternative payment methods that may be available to you.
- 4. Delivery.**

- a) Deliver or mail the completed Rights Certificate and payment in the enclosed return envelope addressed to the Depository so that it is received by the Subscription Office of the Depository set forth below before the Expiry Time. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery; or
- b) Email a copy of the completed Rights Certificate with proof of payment to communications@macarthurminerals.com, so that it is received by the Company before the Expiry Time.

The signature of the Rights Certificate holder must correspond in every particular with the name that appears on the face of the Rights Certificate.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a company or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Depository. We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription in our sole discretion. Subscriptions are irrevocable. We reserve the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto could be unlawful. We also reserve the right to waive any defect in respect of any particular subscription. Neither we nor the Depository is under any duty to give any notice of any defect or irregularity in any subscription, nor will we be liable for the failure to give any such notice.

How does a beneficial holder participate in the Offering?

You are a beneficial Eligible Holder if you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (each, a “**Participant**”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to CDS and will be deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from its Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither we nor the Depository will have any liability for (i) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such Rights, or (iii) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants.

If you are a beneficial holder:

1. **to exercise your Rights held through a Participant**, you must instruct such Participant to exercise all or a specified number of such Rights, and forward to such Participant, the Subscription Price for each Common share that you wish to subscribe for; and

2. **you may subscribe for Additional Common Shares** pursuant to the Additional Subscription Privilege by instructing such Participant to exercise the Additional Subscription Privilege in respect of the number of Additional Common Shares you wish to subscribe for, and forwarding to such Participant the Subscription Price for such Additional Common Shares requested.

Any excess funds will be returned to the relevant Participant for the account of the beneficial holder, without interest or deduction.

How does an Ineligible Holder participate in the Offering?

Ineligible Holders have been mailed with the Rights Offering Notice, a letter “Residents Outside of Canada” and a “Request for approved eligible holder status” form, please thoroughly read the letter to understand how your Rights are held, how you can participate in the Offering and what happens to your Rights if you can’t participate.

If you are a registered Ineligible Holder:

An Ineligible Holder who wishes to exercise Rights, and who is resident in a jurisdiction where the Offering and the distribution and exercise of Rights is lawful and exempt from any prospectus or similar filing requirement, must notify the Company, by completing the “*Request for approved eligible holder status*” form as soon as possible if such Ineligible Holder wishes to participate in the Offering. In order to participate in the Offering, such Ineligible Holder will be required to satisfy the Company that the Offering and subscription by such Ineligible Holder pursuant to this Offering is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such holder is resident and would not require the Company to file any documentation, make any application, or pay any payment of any nature whatsoever. Such assurances may require delivery of an opinion of counsel.

The Company may, in its sole discretion, determine such holder’s eligibility and may issue Rights Certificates to such holders.

If you are a beneficial Ineligible Holder:

1. Beneficial Ineligible Holders must immediately contact their Participant if they wish to participate in the Offering, to ensure that the requirements to participate in the Offering can be, and are satisfied, prior to the above deadline, as per the below.
2. A beneficial Ineligible Holder who wishes to exercise Rights, and who is resident in a jurisdiction where the Offering and the distribution and exercise of Rights is lawful and exempt from any prospectus or similar filing requirement, must notify the Company, by completing the “*Request for approved eligible holder status*” form as soon as possible, if such Ineligible Holder wishes to participate in the Offering. In order to participate in the Offering, such Ineligible Holder will be required to satisfy the Company that the Offering and subscription by such Ineligible Holder pursuant to this Offering is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such holder is resident and would not require the Company to file any documentation, make any application, or pay any payment of any nature whatsoever. Such assurances may require delivery of an opinion of counsel.

Unless otherwise agreed and acknowledged by the Company, payment of the Subscription Price to the Depositary along with the completion of Form 1 on the Rights Certificate will constitute a representation to the Depositary and the Company that the Offering to and subscription by the subscriber of Common Shares pursuant to this Offering is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such subscriber is resident and would not require the Company to file any documentation, make any application or pay any payment of any nature whatsoever.

Can I combine, exchange or divide my Rights Certificate?

Rights Certificates may be combined, divided or exchanged by delivering such Rights Certificates, accompanied by appropriate instructions or a completed Form 4 on the Rights Certificate, to the Depositary. Rights Certificates must be surrendered for division, combination or exchange by such date as will permit new Rights Certificates to be issued and used by the holder thereof prior to the Expiry Time.

Who is eligible to receive Rights?

No offering outside of Eligible Jurisdictions. The Rights are being offered to Shareholders in each of the provinces and territories of Canada. Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to the satisfaction of Macarthur. This Circular is not to be construed as an offering of the Rights, nor are the Common Shares issuable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to shareholders who are residents of any jurisdiction other than the Eligible Jurisdictions.

Ineligible Holders may not acquire Rights or the Common Shares issuable upon exercise of the Rights. Rights Certificates will not be issued or forwarded to Ineligible Holders, their Rights Certificates will be issued to and held by the Depositary who will hold such Rights as agent for the benefit of such Ineligible Holders. An Ineligible Holder that satisfies the Company that such Offering and subscription by such holder is lawful and in compliance with applicable securities and other laws may have its Rights Certificates issued and forwarded by the Depositary upon direction from the Company (refer to “How does an Ineligible Holder participate in the Offering?” above).

What is the Additional Subscription Privilege and how can you exercise this privilege?

Registered holders of Rights

If you exercise all of your Rights under the Basic Subscription Privilege, you may subscribe for additional Common Shares that have not been subscribed and paid for pursuant to the Basic Subscription Privilege (the “**Additional Common Shares**”) pursuant to the Additional Subscription Privilege.

If you wish to exercise the Additional Subscription Privilege, you must first exercise your Basic Subscription Right in full by completing Form 1 on the Rights Certificate for the maximum number of Common Shares that you may subscribe for and also complete Form 2 on the Rights Certificate, specifying the number of Additional Common Shares desired. Send the Subscription Price for the Additional Common Shares under the Additional Subscription Privilege with your Rights Certificate to the Depositary. The Subscription Price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc. These funds will be placed in a segregated account pending allocation of the Additional Common Shares, with any excess funds being returned by mail without interest or deduction. Interest, if any, earned on such funds will be for our benefit.

Additional Common Shares subscribed will be allocated from those Common Shares, if any, available as a result of Rights that are unexercised by the Expiry Time. A holder who exercises the Additional Subscription Privilege will be entitled to receive the number of Additional Common Shares equal to the lesser of:

1. the number of Additional Common Shares subscribed for by the holder under the Additional Subscription Privilege; and
2. the product (disregarding fractions) obtained by multiplying the aggregate number of Additional Common Shares available through unexercised Rights by a fraction, the numerator of which is the number of Rights previously exercised under the Basic Subscription Privilege by the holder and the denominator of which is the aggregate number of rights previously exercised under the Basic Subscription Privilege by all holders of rights who have subscribed for Additional Common Shares under the Additional Subscription Privilege.

As soon as practicable after the Expiry Time, the Depositary will mail to each holder of Rights who completed Form 2 on the Rights Certificate, a certificate for the Additional Common Shares which that holder has purchased and shall return to the holder any excess funds paid for the subscription of Additional Common Shares by such holder under the Additional Subscription Privilege, without interest or deduction.

Beneficial holders of Rights

If you are a beneficial holder of Rights through a Participant in CDS and you wish to exercise your Additional Subscription Privilege, you must deliver your payment and instructions to the Participant sufficiently in advance of the Expiry Time to allow the Participant to properly exercise the Additional Subscription Privilege on your behalf.

How does a Rights holder sell or transfer Rights?

Registered holders of Rights

The Rights will not be tradeable, however will be transferrable.

If you wish to transfer your Rights, complete Form 3 (the “**Transfer Form**”) on the Rights Certificate, have the signature guaranteed by an “eligible institution” to the satisfaction of the Depositary and deliver the Rights Certificate to the transferee. For this purpose, eligible institution means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), or a member of the Stock Exchange Medallion Program (SEMP). Members of these programs are usually members of a recognized stock exchange in Canada or members of the Investment Industry Regulatory Organization of Canada.

It is not necessary for a transferee to obtain a new Rights Certificate to exercise the Rights or the Additional Subscription Privilege, but the signature of the transferee on Forms 1 and 2 must correspond in every particular with the name of the transferee shown on the Transfer Form. If the Transfer Form is properly completed, the Company and the Depositary will treat the transferee as the absolute owner of the Rights Certificate for all purposes and will not be affected by notice to the contrary. A Rights Certificate so completed should be delivered to the appropriate person in ample time for the transferee to use it before the expiration of the Rights.

Beneficial holders of Rights

If you hold Common Shares through a Participant, you must arrange for the exercise or transfer of Rights through that Participant.

When can you trade securities issuable upon the exercise of your Rights?

The Common Shares comprising the Units, issuable upon the exercise of your Rights will be listed on the TSXV under the trading symbol “MMS” and will be available for trading following the Expiry Date.

The Warrants will not be listed or quoted for trading on any recognized stock exchange.

Are there restrictions on the resale of securities?

Rights, and the Common Shares issuable upon exercise of such Rights, and Common Shares issuable upon the exercise of the Warrants, each distributed to shareholders and warrant holders in the Eligible Jurisdictions may be resold without hold period restrictions under the applicable securities laws of the Eligible Jurisdictions provided that: (i) the sale is not by a “control person” of the Company; (ii) no unusual effort is made to prepare the market or create a demand for the securities being resold; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (iv) if the selling security holder is an insider or officer of the Company, the selling security holder has no reasonable grounds to believe that the Company is in default of securities legislation.

The Rights, the Common Shares issuable on exercise of the Rights, and the Common Shares issuable upon the exercise of the Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States. Accordingly, the Rights, Common Shares and Warrants issuable upon exercise and the Common Shares issuable upon the exercise of the Warrants thereof may not be offered, sold, pledged or transferred, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, absent an exemption from United States federal and state registration requirements. “United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act.

Each holder is urged to consult their professional advisor to determine the exact conditions and restrictions applicable to the right to trade in securities.

Will we issue fractional Common Shares and Warrants upon exercise of the Rights?

No. Where the exercise of Rights would appear to entitle a holder of Rights to receive a fractional Common Share and Warrant, the holder’s entitlement will be reduced to the next lowest whole number of Common Shares and Warrants.

APPOINTMENT OF DEPOSITARY

Who is the depositary?

Computershare Investor Services Inc. is the Depositary for the Offering. The Depositary has been appointed to receive subscriptions and payments from holders of rights and to perform the services relating to the exercise and transfer of the rights.

The Depositary's address is: 8th Floor, 100 University Ave. Toronto, Ontario M5J 2Y1, Attn: Corporate Actions (**Subscription Office**).

What happens if we do not proceed with the Offering?

The Company has entered into an agreement with the Depositary under which the Depositary will return the money held by it to holders of Rights that have already subscribed for Common Shares under the Offering if Offering is terminated.

FOREIGN ISSUERS

How can you enforce a judgment against us?

Macarthur is incorporated in Australia and registered in the state of Queensland, as such it is continued or otherwise organized under the laws of a foreign jurisdiction. It may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.

MATERIAL FACTS AND MATERIAL CHANGES

There is no material fact or material change about the Company that has not been generally disclosed.

RISK FACTORS

An investment in the Rights or Common Shares issuable upon exercise of the right is subject to certain risks, including those described below, as well as in our continuous disclosure documents.

You can access our continuous disclosure documents filed with Canadian securities regulators under our issuer profile at www.sedar.com.

Uncertainties Relating to the Availability and Cost of Funds

The Company may need to raise additional capital by way of an offering of equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity. If the Company needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Company, or that any future offering of securities will be successful.

Uncertainties Relating to Closing of the Offering

The closing of the Offering is subject to certain risks and uncertainties, including but not limited to, the ability of the Company to obtain applicable regulatory approvals.

Delays in Obtaining or Failure to Obtain Required Regulatory Approvals

The Offering is subject to the approval of various regulators and the TSXV. A substantial delay in obtaining satisfactory approvals or the imposition of unfavourable terms or conditions on the regulatory approvals could prevent the Company from completing the Offering.

Costs to completion of the Offering

There is uncertainty associated with estimating costs to completion of the Rights Offering, including those yet to be incurred.

Fluctuations in Value of Company's Investments

Fluctuations in the fair value of the Company's investments could materially increase or decrease the Company's proceeds of dispositions and available funds.

Dilution

If you do not exercise all of your Rights pursuant to the Basic Subscription Privilege, your current percentage ownership in the Company will be diluted by the issuance of Common Shares upon the exercise of Rights by other holders of Rights and the issuance of Common Shares upon exercise of Warrants.

No Trading Market for Rights

The Rights will not be listed for trading.

Exercise of Rights Irrevocable

You may not revoke or change the exercise of your Rights after you send in your subscription form and payment. The Common Share trading price could decline below the Subscription Price for the Common Shares, resulting in a loss of some or all of your subscription payment.

Subscription Price Not Necessarily Indication of Value

You should not consider the Subscription Price to be an indication of the Company's value, and the Common Shares may trade at prices above or below the Subscription Price.

Responsibilities of Holders of Rights

If you fail to follow the subscription procedures and meet the subscription deadline your subscription may be rejected. None of the Company, the Depositary or any Participant undertakes to contact you concerning, or will attempt to correct, an incomplete or incorrect payment or subscription form. Whether a subscription properly follows subscription procedures is solely within our discretion.

ADDITIONAL INFORMATION

Where can you find more information about us?

You can access our continuous disclosure documents filed on SEDAR, by visit Macarthur's profile on the SEDAR website or visiting our website www.macarthurminerals.com.