

NEWS RELEASE
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For Immediate Dissemination

MACARTHUR MINERALS ACQUIRES LITHIUM PROJECT IN YALGOO REGION OF WESTERN AUSTRALIA

Macarthur Minerals Limited (TSX-V: MMS) (the “Company” or “Macarthur Minerals”) is pleased to announce that it has entered into an agreement to acquire exclusive rights for two granted exploration licenses (E59/2140 and E59/2077) covering an area of 191 square kilometres (47,161 acres) in the Yalgoo region of Western Australia. The acreage on which rights to lithium are acquired is in proximity to the Company’s existing Edah Hill lithium acreage and consists of granted exploration licenses allowing immediate exploration for lithium.

Previous drilling activities by other companies on the Yalgoo Acreage has intersected buried pegmatites in 14 drill holes and buried pegmatites for up to 3.5 kilometres down strike of previously mapped pegmatites^{1,2}. In addition, within five kilometres of the Yalgoo Acreage, another company’s rockchip samples record significant results for Li₂O of up to 1.64% as well as elevated beryllium (Be) (96 ppm), caesium (Cs) (1,840 ppm) and rubidium (Rb) (19,200 ppm)^{3,4}.

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

“Macarthur Minerals is excited about the acquisition of another lithium project, in the Yalgoo region of Western Australia. In addition, the acreage is granted, allowing for immediate lithium exploration. Historic records indicate that the project is highly prospective for lithium with occurrences of up to 1.64% Li₂O on surrounding acreage. The Yalgoo acquisition significantly adds to Macarthur Minerals’ hard rock lithium acreage package, which now exceeds 1,869 square kilometres.”

Further details of the purchase agreement are set out below.

MEMORANDUM OF UNDERSTANDING

Macarthur Minerals (through its 100% owned subsidiary Macarthur Lithium Pty Ltd (“MLi”)) has entered into a Memorandum of Understanding (“MOU”) with a private gold company to purchase exclusive rights for lithium and other rare earth minerals on the private company’s acreage in the Yalgoo region of Western Australia (“Yalgoo Acreage”).

The key terms of the MOU are:

- Macarthur Minerals will enter into a Purchase Agreement, subject to due diligence, to acquire from the private company exclusive rights to explore, mine and extract lithium and other rare earth minerals on the Yalgoo Acreage.
- Macarthur Minerals will pay the private company:
 - A\$30,000 upon satisfaction of conditions precedent in the Purchase Agreement;
 - A\$50,000 upon the first anniversary of the commencement of the Purchase Agreement;

¹ Prosperity Resources Limited (2007). Melville Project Annual Technical Report for the period 1/1/06 to 31/12/06.

² Acacia Resources Limited (1999). Melville J.V Annual Report for the Period 1/1/99 – 31/12/99.

³ Zen Minerals Limited (2009). Yalgoo Tantalum Project Combined Annual Reporting Group C152/2002.

⁴ Jaloro Pty Ltd (2002). Yalgoo Project P59/1490 and E59/937 Annual Report.

- A\$250,000 upon defining a 5 million tonne JORC resource of >1.2% Li₂O; and
- A\$500,000 upon defining a 15 million tonne JORC resource of >1.2% Li₂O.
- Net smelter royalty of:
 - 2.5% for lithium concentrate produced on the Yalgoo Acreage; and
 - 50% of Western Australian Department of Minerals and Petroleum royalty rate for other rare earth minerals,
produced on the Yalgoo Acreage.

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

YALGOO ACREAGE

The Yalgoo Acreage is comprised of two granted exploration licences (E59/2140 and E59/2077) covering an area of 191 square kilometres (47,161 acres). The Yalgoo Acreage is close to the Company's existing Edah Hill exploration licence applications, well serviced by existing infrastructure and only 230 kilometres from the Geraldton Port.

The Yalgoo Acreage sits predominantly on mafic rocks at the northern extremity of the Youanmi Terrane greenstones. The North North-West trending belt is bound to the north, east and west by granitic rocks, predominantly biotite monzogranite. The northern part of the Yalgoo Acreage is a south plunging anticline containing mafic rocks, which have been extensively invaded by granitoids.

The area has been extensively explored for gold and to a lesser extent for industrial minerals from pegmatites. Figure 1 shows historical records for pegmatites, lithium and beryl occurrences and drilling on a portion of the Yalgoo Acreage.

Geological Survey of Western Australia ("GSWA") records identify the Lithium Show Pegmatite and multiple results for beryl minerals on the Yalgoo Acreage⁵. The Yalgoo Acreage was previously held by Prosperity Resources Ltd who mapped two pegmatites, one that extends for one kilometre and the other for two kilometres⁶. GSWA data adjacent to the mapped pegmatites also records historical drilling has intersected buried pegmatites in 14 holes drilled for gold exploration by Prosperity Resources Ltd⁷ and Acacia Resources Ltd⁸. Drilling by Acacia Resources Ltd also intersects buried pegmatites for up to 3.5 kilometres down strike of the mapped pegmatites. In addition, there is also diamond drill core for 22 holes (in excess of 2,300 meters) in storage at the GSWA core storage facility in Perth drilled by various companies on the Yalgoo Acreage that is available for immediate assay for lithium.

Recent drilling and rock chip sampling carried out by another company on its tenement within five kilometres from the Yalgoo Acreage has recorded significant results for Li₂O up to 1.64% as well as elevated beryllium (Be) (96 ppm), caesium (Cs) (1,840 ppm) and rubidium (Rb) (19,200 ppm)^{9,10}. This tenement, held by the other company, has been intermittently mined for lithium minerals.

COMPANY'S STRATEGY FOR YALGOO TENEMENTS

The Company will now hold 20 Exploration Licence Applications and prospective interest in rights to lithium covering a total area of 1,869 square kilometres (461,840 acres) in the Pilbara, Ravensthorpe and the Yalgoo/Edah regions of Western Australia.

The underlying licences on which the rights of lithium are acquired consists of granted exploration licences, allowing for immediate exploration for lithium.

⁵ <http://minedexext.dmp.wa.gov.au/minedex/external/common/appMain.jsp>

⁶ Prosperity Resources Limited (2007). Melville Project Annual Technical Report for the period 1/1/06 to 31/12/06.

⁷ *ibid.*

⁸ Acacia Resources Limited (1999). Melville J.V Annual Report for the Period 1/1/99 – 31/12/99.

⁹ Zen Minerals Limited (2009). Yalgoo Tantalum Project Combined Annual Reporting Group C152/2002.

¹⁰ Jaloro Pty Ltd (2002). Yalgoo Project P59/1490 and E59/937 Annual Report.

Due diligence will focus on a reconnaissance trip to sample pegmatites revealed by historical records and sampling of core stored in the GSWA facility.

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. In addition, MacArthur retains its two iron ore projects in Western Australia; the Ularring hematite project (Indicated 54.46 million tonnes @ 47.2% Fe, Inferred 25.99 million tonnes @ 45.4% Fe - Pre-Feasibility Study) and the Moonshine magnetite project (1.3 billion tonnes @ 30.1% Fe - Preliminary Economic Assessment).

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

"Cameron McCall"
Cameron McCall, Chairman

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Figure 1 – Historical Records for a Portion of the Yalgoo Acreage

