

NEWS RELEASE
February 17, 2016

Symbol: TSX-V: MMS
For Immediate Dissemination

MACARTHUR MINERALS EXPANDS LITHIUM PROJECTS

Macarthur Minerals Limited (TSX-V: MMS) (the “Company” or “Macarthur Minerals”) is pleased to announce that it has made applications for a further exploration licence in Western Australia to advance potential lithium projects.

The Company has applied for four exploration licenses covering a total area of 383 square kilometres comprised of the following projects:

- Pilgangoora Projects, in the Pilbara region of Western Australia
- Edah Hill Project, in the Mid-West of Western Australia.

Pilgangoora Projects

As announced on February 15, 2016, the Company has made applications for three exploration licences (E45/4693, E45/4694 and E45/4702 – see Figure 1) covering an area of 269 square kilometres across three project areas in the world-class Pilgangoora district, in the Pilbara region of Western Australia that are considered prospective for lithium.

Peer activity in the vicinity of the applications includes Australian Securities Exchange listed companies, Pilbara Minerals Limited and Altura Mining Limited, which have lithium projects in the region. The region is emerging as a world-class lithium district.

Edah Hill Project

The Company has made application for an exploration licence (see Figure 2) covering an area of 114 square kilometres at Edah Hill in the Mid-West of Western Australia. The Edah Hill project lies 50 kilometres east-northeast of Yalgoo in the Murchison province of Western Australia and approximately 250 kilometres from Geraldton Port.

Lithium Market

The global lithium market is growing rapidly due to developments in the technology and energy sectors, especially in the use of lithium-ion batteries for portable electronic devices, hybrid electric motor vehicles and storage battery industries.

Industry experts comment that overall lithium demand may more than double from present levels through to 2025, while incumbent producers of lithium are limited in their ability to bring on additional supply to satisfy growing demand. Industry experts further comment that lithium has been one of the few commodities to enjoy recent price appreciation, and that they expect this pattern to continue over the next 10 years.¹ The price of 99%-pure lithium carbonate imported to China more than doubled in the last 2 months to the end of December 2015, to US\$13,000 a tonne.²

¹ John Hykawy and Tom Chudnovsky, ‘Industry Report//Lithium’, *Stormcrow Capital Ltd*, May 29, 2015.
<http://static1.squarespace.com/static/535e7e2de4b088f0b623c597/t/55689238e4b09f7c8dacebf1/1432916536166/Stormcrow-Lithium+Industry+Report-May2015-Final.pdf>

² ‘An increasingly precious metal’, *The Economist Newspaper Limited (online)*, Jan 16, 2016.
<http://www.economist.com/news/business/21688386-amid-surge-demand-rechargeable-batteries-companies-are-scrambling-supplies>

Global Industrial Mineral (including lithium) Exploration and Mining Experts Appointed

Complementary to the Company's in-house mining and exploration expertise, the Company has appointed Dr Andrew Scogings and Mr Graham Jeffress from CSA Global Pty Ltd ("CSA Global"), who are Western Australia based consultants with substantial experience in the field of industrial minerals exploration, including lithium and graphite. Further details of the expertise of Dr Scogings and Mr Jeffress are contained below.

CSA Global will be initially undertaking technical evaluation of exploration targets for the Company's lithium projects as well as supporting their development over the coming months. The Company will continue to assess and identify further opportunities for potential lithium projects.

Historical Exploration

Pilgangoora district

The broader Pilgangoora district has been the subject of extensive historical exploration for a range of minerals and is known to host many granitic pegmatites such as those discovered for the Pilbara Minerals Limited and Altura Mining Limited lithium projects. The largest concentrations of lithium-containing minerals, such as spodumene, are found in pegmatites. Due to its greater abundance, spodumene is considered the most important lithium-bearing mineral in pegmatites.

The licence areas under application have most recently been explored by Australian Securities Exchange listed Fortescue Metals Group Limited for iron, base metals and gold. Previous soil sampling in the application areas has identified pathfinder elements, such as lithium, rubidium, and caesium, typically associated with lithium-bearing pegmatites.

Edah district

The Edah district lies in the Archean granite-greenstone terrane of the Murchison Province of the Yilgarn Craton. The Edah Hill project is within an extensive area of granitic rocks between the Yalgoo Greenstone Belt (20 kilometres to the west), the Dalgaranga Greenstone Belt (20 kilometres to the north) and the Mount Magnet Greenstone Belt (50 kilometres to the east). The surrounding Murchison region contains occurrences of pegmatites with tantalum, beryl and traces of other rare metals (tin, tungsten, lithium). The most notable deposit is the high-grade Dalgaranga tantalite mine about 50 kilometres to the north.

Previous mapping of the application area and surrounding tenure reports numerous pegmatite dykes.

Follow-up exploration work on the Pilgangoora Projects and the Edah Hill Project will focus on identifying, mapping and sampling the pegmatites to confirm the presence of lithium-bearing minerals.

ABOUT CSA GLOBAL PTY LTD AND DR ANDREW SCOGINGS AND MR GRAHAM JEFFRESS

CSA Global is a leading geological, mining and management consulting company whose staff includes geologists, mining engineers, project managers, data management professionals, and technical personnel. CSA Global has been operating from Perth, Western Australia since 1986. It is an independent company, with origins dating back to 1984 as part of the CSA Group founded in Ireland. CSA Global now has offices in the UK, Indonesia, Johannesburg, Vancouver, Darwin, and Brisbane. CSA has a high level of expertise in most mineral commodities gained from over twenty years' experience within the exploration and mining industry at an international level. It has experience in all stages of the mining cycle from project generation to production. For further information regarding CSA Global, please refer to the company website at www.csaglobal.com.

Dr Andrew Scogings MSc, PhD, MAIG, MAusIMM, has more than 30 years of experience in industrial minerals exploration, geology, mining, product development, and marketing. During his time with CSA, he has undertaken project management and technical advice for a diverse range of industrial minerals exploration and mining projects including lithium, graphite, chromite, potash, mineral sands, silica, and REE in Australia, Africa, Greenland, Indonesia and Norway. Andrew is a regular contributor to Industrial Minerals Magazine (UK), SME Mining Engineering (USA) and Geobulletin (RSA) having published several papers on the requirements of JORC 2012 Clause 49, highlighting the need to report industrial

minerals resources according to market specifications. Andrew was lead author for Industrial Minerals Research's recently published '*Natural Graphite Report- Strategic outlook to 2020*'. He is a member of the AIG and AusIMM and is a Registered Professional Geoscientist (RP Geo.) specializing in industrial minerals.

Mr Graham Jeffress BSc (Hons), FAIF, RPGeo, FAusIMM, FSEG, is a geologist with over 25 years' experience in exploration and management in Australia, PNG and Indonesia. Graham has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine and resource definition), project evaluation and mining in a variety of geological terrains, commodities and mineralisation styles within Australia and internationally. He is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration – sampling, mapping, prospecting and drilling through to resource definition; as well as project management including planning, budgeting, logistics, safety, people management, landowner liaison and project presentation. Additionally, Graham has completed numerous Independent Geologist Reports, Competent Person Reports, and Independent Valuation Reports. Graham was a Federal Councillor of the Australian Institute of Geoscientists for 11 years and joined the Joint Ore Reserves Committee in 2014.

QUALIFIED PERSONS

Dr Scogings, a member of the Australian Institute of Geoscientists and Registered Professional Geoscientist (Industrial Minerals), is a full-time employee of CSA Global Pty Ltd and is a Qualified Person as defined in National Instrument 43-101. Dr Scogings has reviewed and approved the technical information contained in this news release.

Figure 1 – shows Macarthur’s exploration licence applications location relative to Pilbara Minerals’ and Altura Mining’s lithium projects in the Pilgangoora district of Western Australia.

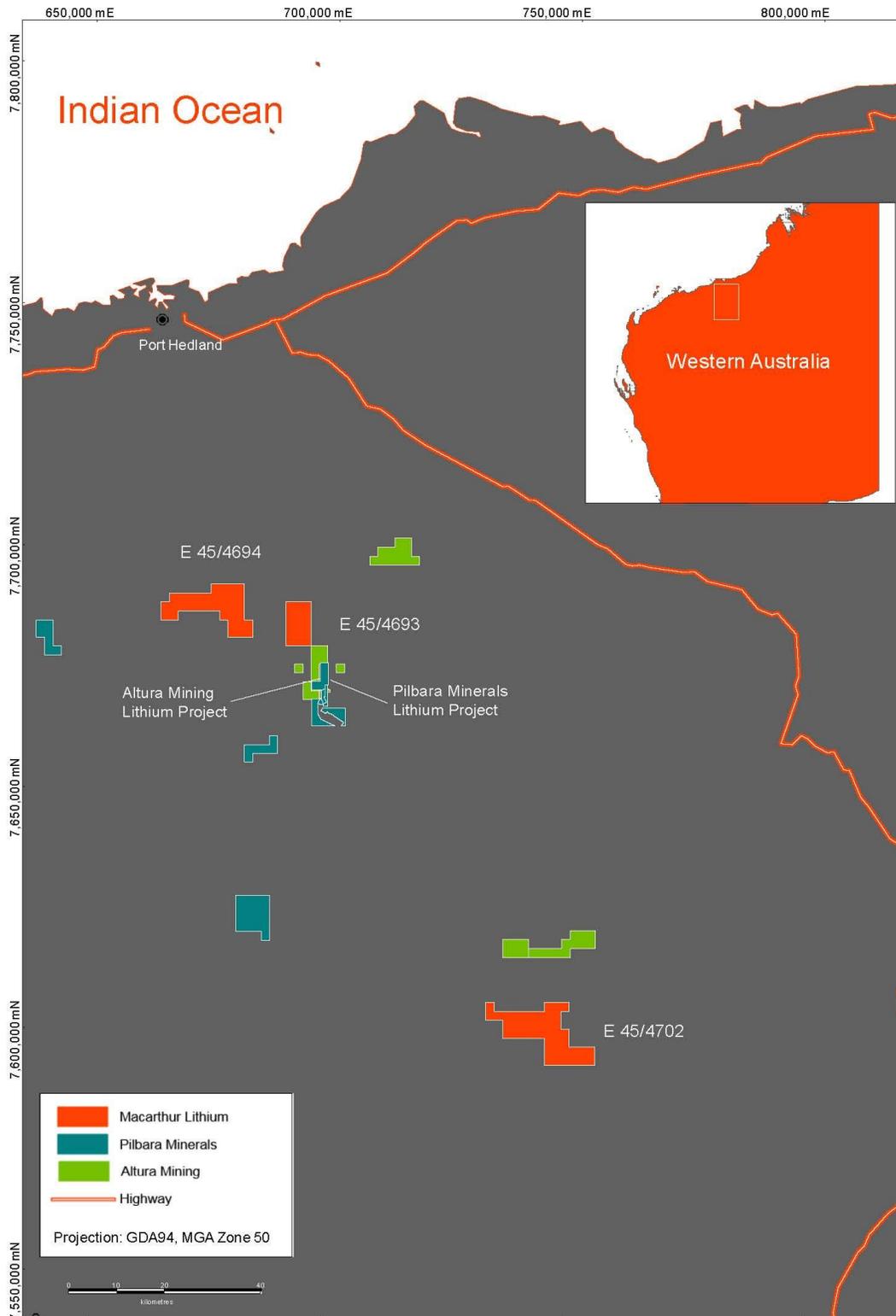
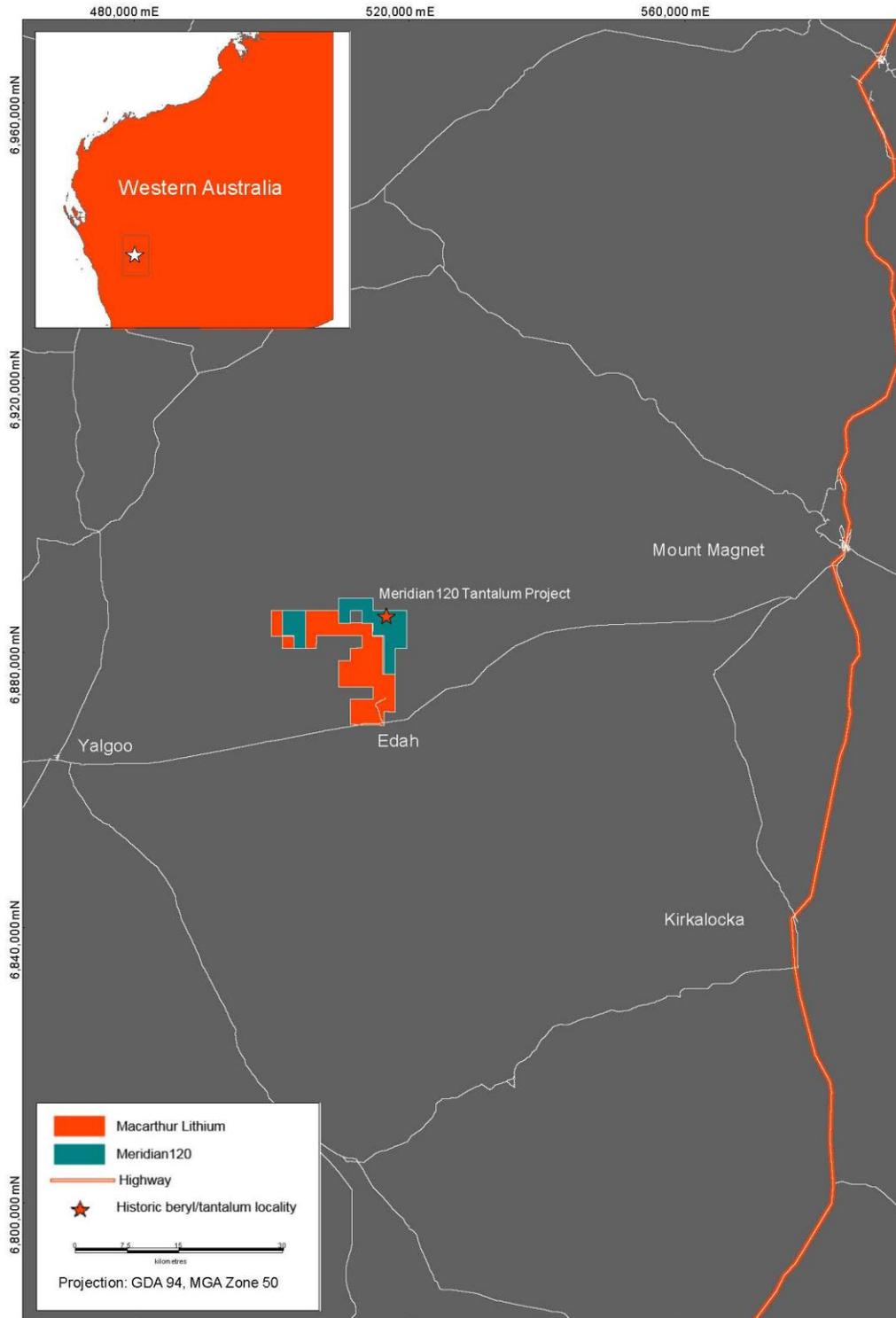


Figure 2 – shows Macarthur’s Edah Hill exploration licence application in the Edah district of Western Australia.



ABOUT MACARTHUR MINERALS LIMITED (TSX-V: MMS)

MacArthur Minerals Limited is an exploration and development company that is focused on identifying counter cyclical investments that complement MacArthur's capabilities.

On behalf of the Board of Directors,
MACARTHUR MINERALS LIMITED

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