

## **Rights Offering Notice**

Filed pursuant to National Instrument 45-106F14

*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 notice 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. “United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act.*

### **Macarthur Minerals Limited (“Macarthur” or the “Company”)**

#### **Notice to security holders (“Notice”) – October 23, 2017**

The purpose of this Notice is to advise holders of common shares (“**Common Shares**”) of Macarthur of a proposed offering of rights (“**Rights**”) of the Company (the “**Offering**”).

References in this notice to **we, our, us** and similar terms mean to the Company. References in this Notice to **you, your** and similar terms mean to the Company’s shareholders.

**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.**

#### **1. Who can participate in the Offering?**

Each holder of Common Shares as at the close of business (5.00 p.m. Toronto time) on October 30, 2017 (“**Record Date**”) can participate in the Offering.

#### **2. Who is eligible to receive Rights?**

The Rights will be offered to shareholders (the “**Eligible Holders**”) resident in each province and territory of Canada (the “**Eligible Jurisdictions**”) and outside Canada, see Ineligible Holders Participation in 3 below.

You will be presumed to be resident in the place shown in our records as your registered address, unless the contrary is shown to our satisfaction.

This notice 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 (the “**Ineligible Holders**”). However, see Ineligible Holders Participation in 3 below.

#### **3. Can Ineligible Holders participate?**

**Ineligible Holders will find enclosed with this 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.**

Ineligible Holders will not receive a Rights Certificate (as described below), however their Rights will be held by Computershare Investor Services Inc. (the “**Depository**”), which will hold the Rights as agent for the benefit of such Ineligible Holders.

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 Depository or the Company, in writing 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 is lawful and in compliance with all securities and other laws applicable in the jurisdiction where such Ineligible 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 to such holders.

Beneficial Ineligible Holders must immediately contact their Participant (as defined below) 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 deadline as outlined above.

#### **4. How many Rights are we offering?**

We are offering a total of 190,276,380 Rights pursuant to the Offering.

#### **5. How many Rights will you receive?**

We are offering each Eligible Holder one Right for each Common Share held as at the Record Date (refer to point 1, above).

#### **6. What does one Right entitle you to receive?**

A holder of Rights is entitled to subscribe to one (1) Common Share for every six (6) Rights held at a subscription price of C\$0.06 per Unit ("**Unit**") (the "**Basic Subscription Privilege**") until 5:00 p.m. (Toronto time) on December 12, 2017.

Each whole Unit consists of one Common Share and one Common Share purchase warrants ("**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

If you exercise your Basic Subscription Privilege in full, you will also be entitled to subscribe pro rata additional Common Shares at the subscription price (the "**Additional Subscription Privilege**"). The Units available under the Additional Subscription Privilege will be those Units issuable under the Offering that have not been subscribed and paid for under the Basic Subscription Privilege by December 12, 2017.

Any holder of Rights who exercises their Rights must enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of "**Computershare Investor Services Inc.**" or contact the Company for alternative payment methods that may be available to you.

#### **7. How will you receive your Rights?**

**Registered Eligible Holders** – If you are a registered holder of Common Shares, a certificate (the "**Rights Certificate**") representing the total number of Rights which you are entitled to as at the Record Date is enclosed with this Notice.

**Beneficial Eligible Holders** – You are a beneficial holder of Common Shares if you hold your shares through a securities broker or dealer, bank or trust company or other participant (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 and deposited with CDS following the Record Date. If you are a beneficial Eligible Holder, we expect you will receive a confirmation of the number of Rights issued to you from the applicable 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. Please contact you’re your Participant as soon as possible.

**Ineligible Holders** - Rights Certificates will not be issued or forwarded to Ineligible Holders, their Rights Certificates will be issued to and held by the Depository 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 Depository upon direction from the Company (see “3. *Can Ineligible Holders participate?*” above).

## **8. When and how can you exercise your Rights?**

If you are a registered Eligible Holder who receives a Rights Certificate, you must complete and deliver your Rights Certificate on or before 5:00 p.m. (Toronto time) on December 12, 2017.

If you are a beneficial Eligible Holder, you must arrange exercises or transfers of Rights through your Participant on or before 5:00 p.m. (Toronto time) on December 12, 2017 or such earlier time as required by your Participant. We expect that each beneficial Eligible Holder will receive a customer confirmation of issuance or purchase, as applicable, from their Participant through which the Rights are issued in accordance with the practices and policies of such Participant.

## **9. What are the next steps?**

**This document contains key information you should know about the Offering. You can find more details and instructions in the Company’s Rights Offering Circular. To obtain a copy, visit Macarthur’s profile on the SEDAR website, visit [www.macarthurminerals.com](http://www.macarthurminerals.com), ask your Participant for a copy or contact Nicola Ingram, Company Secretary at [communications@macarthurminerals.com](mailto:communications@macarthurminerals.com). You should read the rights offering circular, along with Macarthur’s continuous disclosure record, to make an informed investment decision.**

Date: **October 23, 2017**

“Cameron McCall”  
**Executive Chairman**  
**Macarthur Minerals Limited**