



Middle Island
RESOURCES LIMITED

Middle Island Resources Limited
ACN 142 361 608

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QUARTERLY REPORT

For the period ended 31 March 2015

HIGHLIGHTS

Middle Island Resources Ltd

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ASX Code: MDI

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Western Australia

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Capital Structure:

125 million shares

16.8 million options

Board Members:

Peter Thomas

Chairman

Rick Yeates

Managing Director

Beau Nicholls

Non-Executive Director

Linton Kirk

Non-Executive Director

Dennis Wilkins

Company Secretary

- Cash position of A\$820,000 and no debt as at 31 March 2015.
- No exploration was undertaken during the March quarter in line with previously detailed corporate strategy.
- The Company's focus during the period under review has been on continuing to seek an appropriate partner for the Reo gold project in Burkina Faso, and the identification and review of new project opportunities.
- No meaningful offers have been received to date for a partial divestment of the Reo gold project. However, some 12 interested parties continue to review the data and complete site visits.
- Reviews and negotiations continue on highly prospective gold and copper-gold project acquisition opportunities.

Operating Activities

Corporate

Finance

Middle Island held cash of approximately A\$820,000 and no debt as at 31 March 2015.

Your Company has continued to implement incremental cost savings during the March quarter in order to conserve the Company's remaining cash. These measures include a sublease agreement over part of the Company's modest office in West Perth and the further sharing of administrative functions and costs.

Whilst opportunities for further cost savings are continuing to be pursued, Middle Island management considers that these are likely to be incremental only.

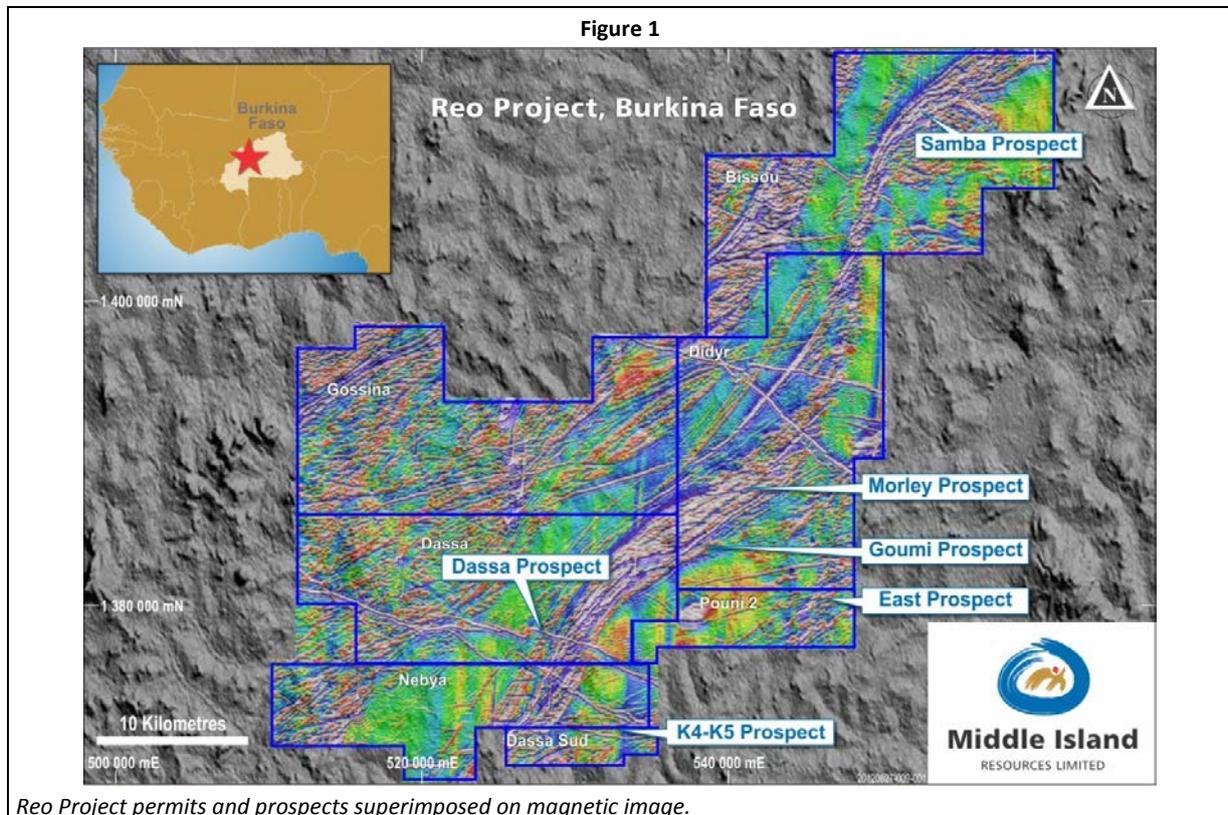
Strategy

Middle Island's strategic focus is two-fold; to identify an appropriate partner to invest in resource definition drilling and feasibility studies at the Reo gold project in Burkina Faso, and to identify a new gold or copper-gold transaction that will generate significant shareholder and investor interest.

Whilst no meaningful transactions on the Reo Project have been forthcoming to date, 12 entities are currently reviewing the data and undertaking site visits.

Since October 2014, Middle Island has identified and investigated over 200 new project opportunities, primarily within Australia and West Africa. While the vast majority of these are inconsistent with the Company's strategy, some 16 project and corporate opportunities have been shortlisted for review, of which two priority transactions are currently the subject of detailed due diligence reviews, site visits and negotiations.

Reo Gold Project – Burkina Faso



Exploration

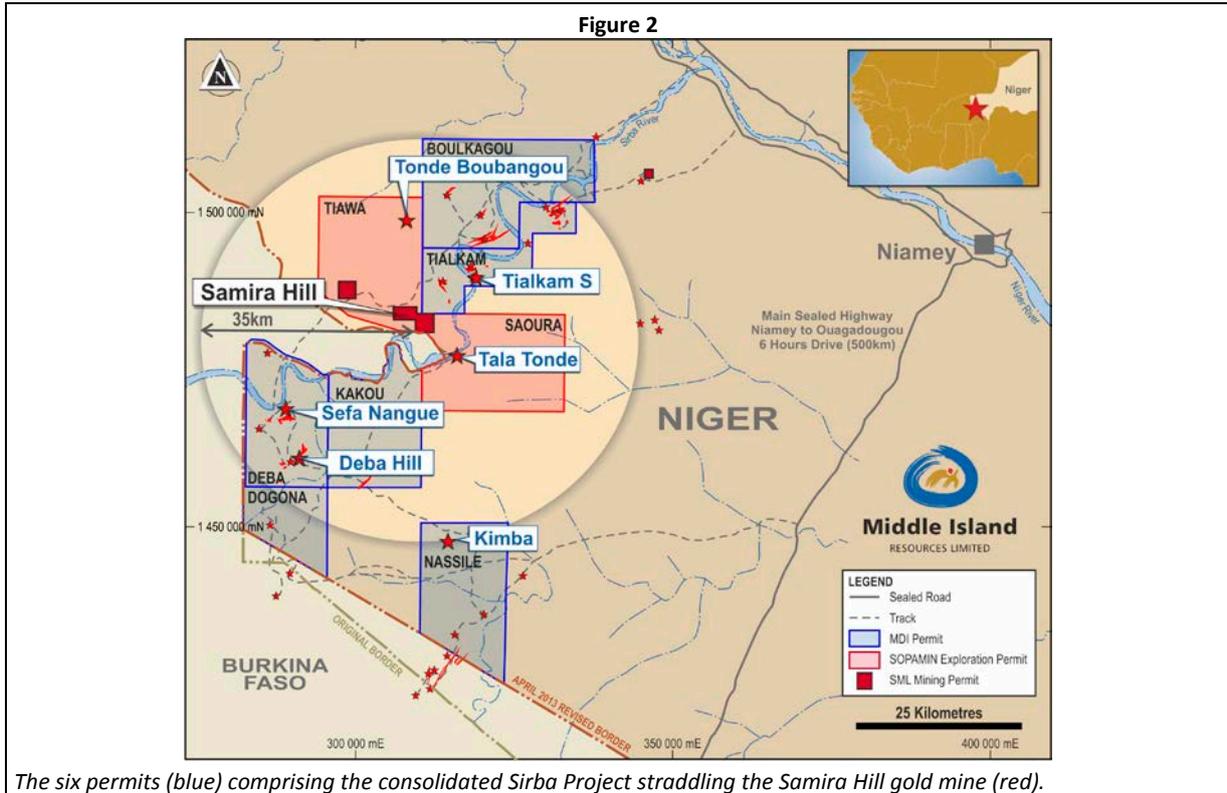
No exploration was undertaken within the Company's 100%-owned Reo gold project during the March quarter, with the focus being on identifying an appropriate partner to help fund the project through to feasibility.

Tenure

All Reo Project permits remain in good standing.



Sirba Gold Project – Niger



Exploration

No exploration has been undertaken within the Sirba Project permits during the March quarter.

Tenure

The status of the Deba and Tialkam permits remains unchanged. No advice was received during the quarter on the outcome of either the Company's request to have the permits reinstated or the new permit applications.

Similarly, renewal applications for the Dogona and Boulkagou permits, lodged on behalf of Cassidy Gold Limited in August 2014, are still pending.



Safety, Environmental & Social

Health, Safety & Environment

No injuries, safety or environmental incidents were recorded at the Company's projects and premises during the March quarter.

Social

Given that the Company's community development initiatives have been curtailed in the absence of exploration, contact with our host communities is being maintained to ensure they are kept appropriately informed of Middle Island's situation and plans.

Comments

After a mildly encouraging start, equity markets showed little or no improvement during the March quarter and conditions for junior explorers remain extremely weak.

Having initiated all possible actions to minimise expenditure, the Company is now primarily focussed on capitalising on the weak sentiment to consummate a project or corporate transaction that will positively enhance Middle Island's fortunes.

In relation to the 100%-owned Reo gold project in Burkina Faso, the Company's preferred position remains a partial divestment to fund the resource definition drilling and feasibility stages of the project, and this process is continuing. In the interim, Middle Island in its own right is still considering recommencing a more measured program toward a staged, lower cost, heap leach development scenario. This approach will, however, be dependent on progress on a new project acquisition and improvements in equity markets.

Your Board is continuing to seek a balance between preserving the integrity and value of your Company whilst also meeting its primary objectives.

COMPANY CONTACTS:

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MEDIA CONTACT:

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WEBSITE:

www.middleisland.com.au

Competent Person's Statement

Information in this report relates to exploration results or mineral resources that are based on information compiled by Mr Rick Yeates (Member of the Australasian Institute of Mining and Metallurgy). Mr Yeates is a fulltime employee of Middle Island and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Yeates consents to the inclusion in the release of the statements based on his information in the form and context in which they appear.

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs and other operating results, growth prospects and the outlook of Middle Island's operations contain or comprise certain forward looking statements regarding Middle Island's exploration operations, economic performance and financial condition. Although Middle Island believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties in foreign countries, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Middle Island undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Middle Island Resources Limited (**Company**) advised the following information required under ASX Listing Rule 5.3.3:

Mining Tenements

Tenements	Mining tenements acquired during the quarter	Mining tenements disposed during the quarter	Mining tenements held at the end of the quarter	Tenements location
Pouni	-	-	100%	Burkina Faso
Dassa	-	-	100%	Burkina Faso
Didyr	-	-	100%	Burkina Faso
Dassa Sud	-	-	100%	Burkina Faso
Nebya	-	-	100%	Burkina Faso
Bissou	-	-	100%	Burkina Faso
Gossina	-	-	100%	Burkina Faso
Nassilé	-	-	100%	Niger
Kakou	-	-	100%	Niger
Tialkam	-	-	Nil (pending appeal)	Niger
Deba	-	-	Nil (pending appeal)	Niger

Farm-in or Farm-out Arrangements

Tenements	Interests in farm-in or farm-out acquired during the quarter	Interests in farm-in or farm-out disposed during the quarter	Interests in farm-in or farm-out held at the end of the quarter	Tenements location
Dogona	-	-	Earning 90%	Niger
Boulkagou	-	-	Earning 90%	Niger

Visit www.middleisland.com.au for further information and announcements.