

Exploring Golden Frontiers

Middle Island Resources

May 2017



Middle Island
RESOURCES LIMITED



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Competent Persons' Statement

Information in this report relates to exploration results 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

Capital Structure

ASX Code: MDI



Shares on Issue	~586M
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Unlisted Options	38.3M
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Number of Shareholders	664
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Top 20 Shareholders	~54%
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Institutions	~13%
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Directors	~12%
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Cash (as at 31 March 2017)	~A\$2.8M
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Market Cap (at ~A\$0.02)	~A\$11.7M
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Sandstone Gold Project - Summary

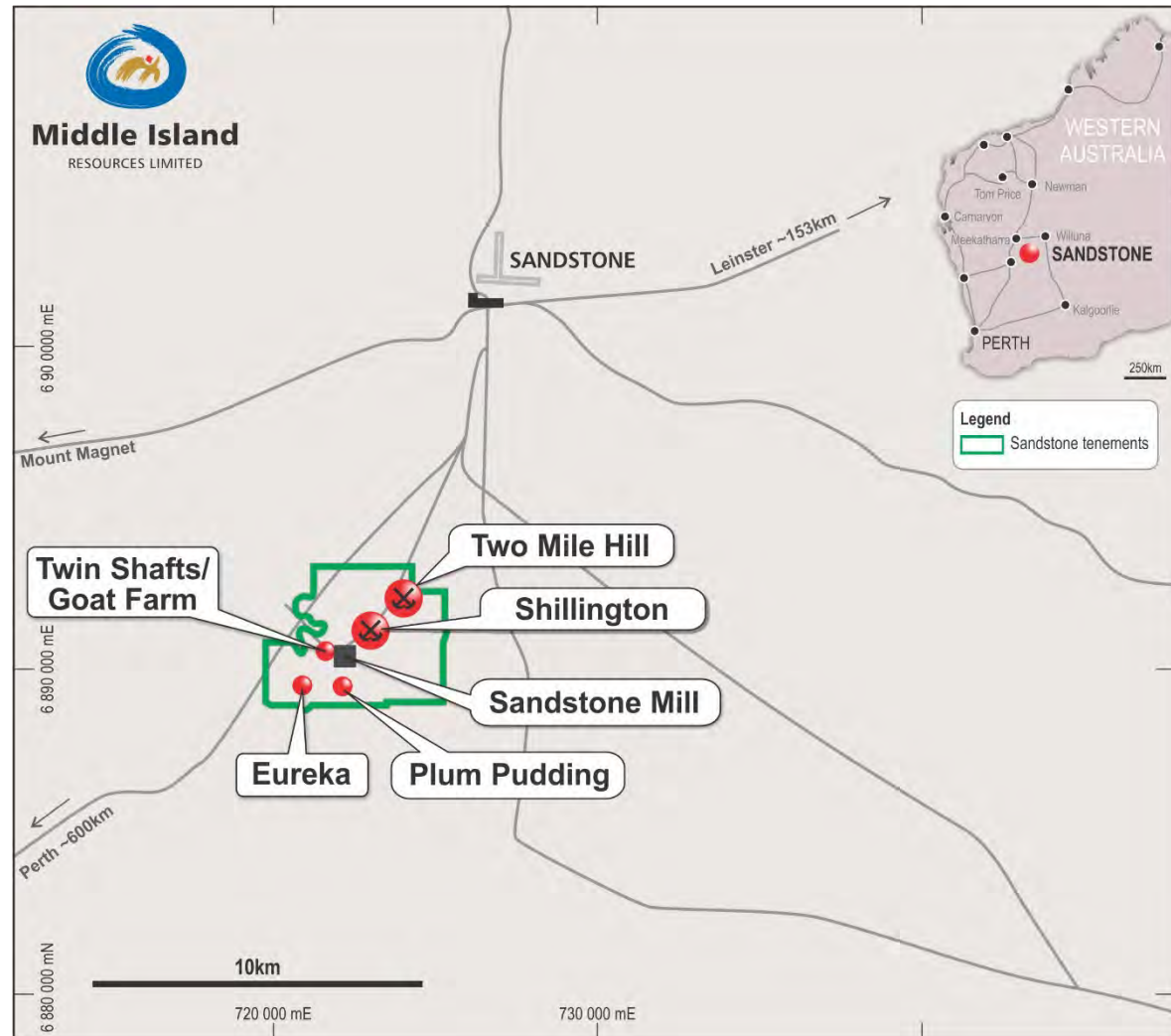


- A **100% interest** in the Sandstone gold project in Western Australia.
- Two adjacent, granted & **fully permitted** Mining Leases collectively covering 20 square kilometres.
- Mineral Resources (JORC 2004) of **~11Mt grading 1.4g/t Au for 480,000 ounces of gold**, plus considerable resource & exploration upside.
- **600ktpa CIP gold processing plant** on care & maintenance, associated infrastructure, spares & camps.
- **Near-term production** potential.
- **Exceptional brownfields targets** associated with the Two Mile Hill tonalite & BIF.
- **Numerous greenfields exploration targets** within project & third-party deposits in the district.

Location & Tenure



- ~11km south of Sandstone, 600km northeast of Perth.
- All-weather, sealed road between Mt Magnet and Leinster.
- Two granted Mining Leases of 20 square km that pre-date Native Title; M57/128 & M57/129.
- Operating licence, permitted tailings storage facility, licenced bore field.
- Mining Proposal approved for Shillington/Two Mile Hill deposits.



Processing Plant



- 600,000tpa CIP plant.
- C&M since 2010.
- Conventional grinding, milling & leach circuits.
- Refurbishment costs of \$8.05M, plus owner's costs of \$1.28M.
- Only processing plant for 150km.



Infrastructure



- Contract diesel-generated power plant.
- Fuel tanks, workshops, laboratory & mine offices.
- Substantial inventory of equipment & spares.
- Permitted in-pit tailings facility & bore field.
- Fully equipped camps (accommodating 100) in nearby Sandstone.
- Exploration Camp and core farm.
- Well-maintained airport to service FIFO operations.



2017 Sandstone Focus

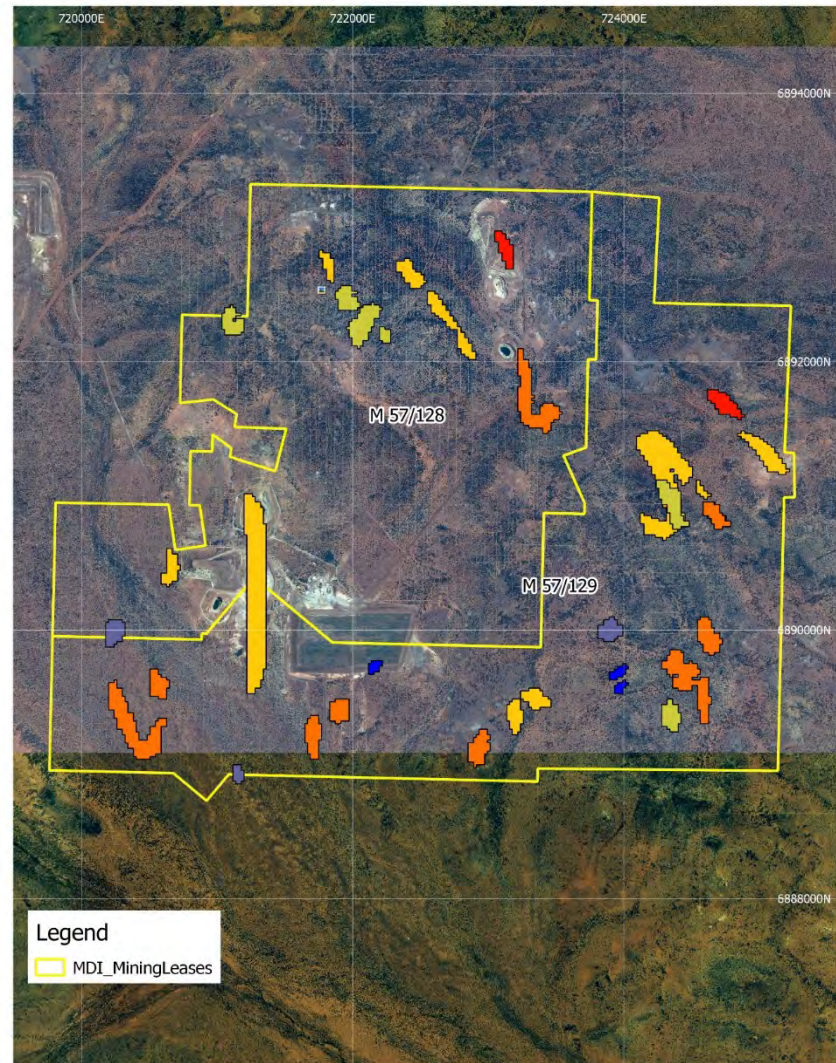


- Temporary deferment of plant recommissioning.
- Enhance & extend mine life and production profile.
- Focus on higher grade, low strip ratio, open pit material that can be incorporated early in the production schedule.
- Targeting study & gravity survey (completed).
- Drilling brownfields targets (in progress).
- Exploring greenfields opportunities (in progress).
- Confirming deeper future resources (in progress).
- Acquiring surrounding resources & exploration potential.
- Reviewing toll-milling or production-sharing on third-party deposits within district.

2017 Progress - Targeting Study



- Weights of evidence targeting study completed.
- North-trending structures & proximity to felsic intrusive bodies identified as key criteria.
- **Larger, higher priority targets identified on Wirramina trend & southeast of Shillington.**
- Former target beneath veneer of transported sediment.
- Initial testing via geochemical auger drilling and RAB drilling respectively.
- Multitude of smaller or lower priority targets identified.



Middle Island Resources
Sandstone Operation
WOE Targeting Study

GDA94 MGA Zone 50

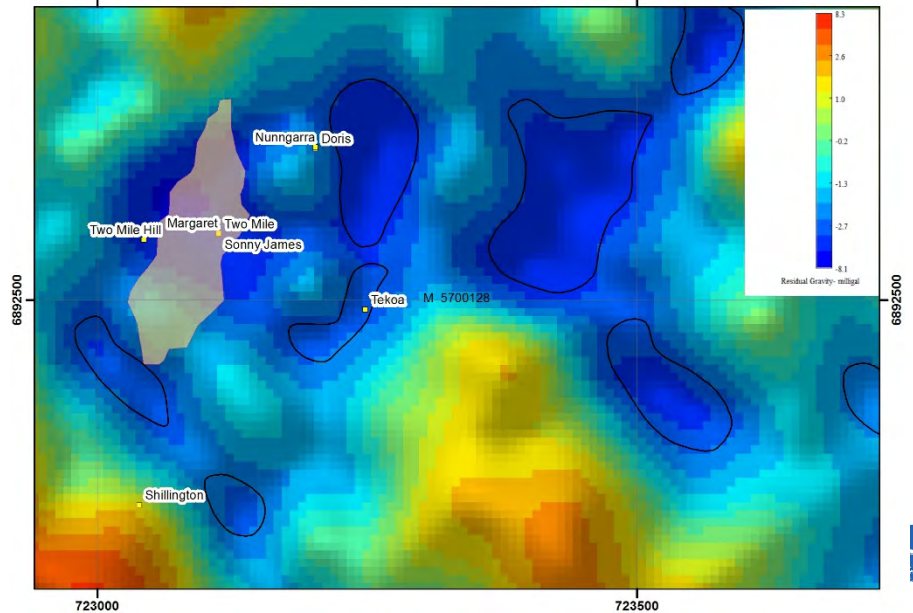
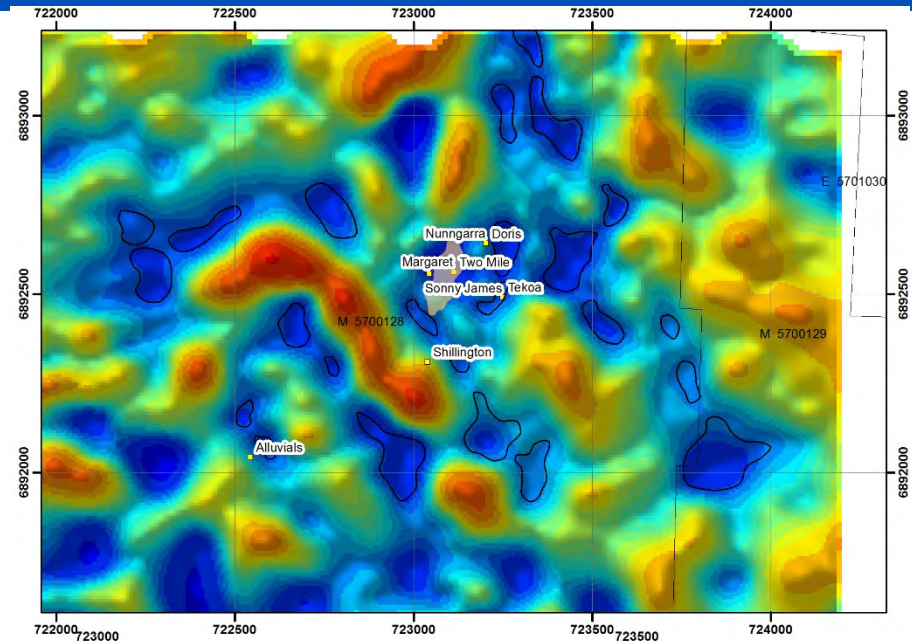
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2017 Progress - Gravity Survey



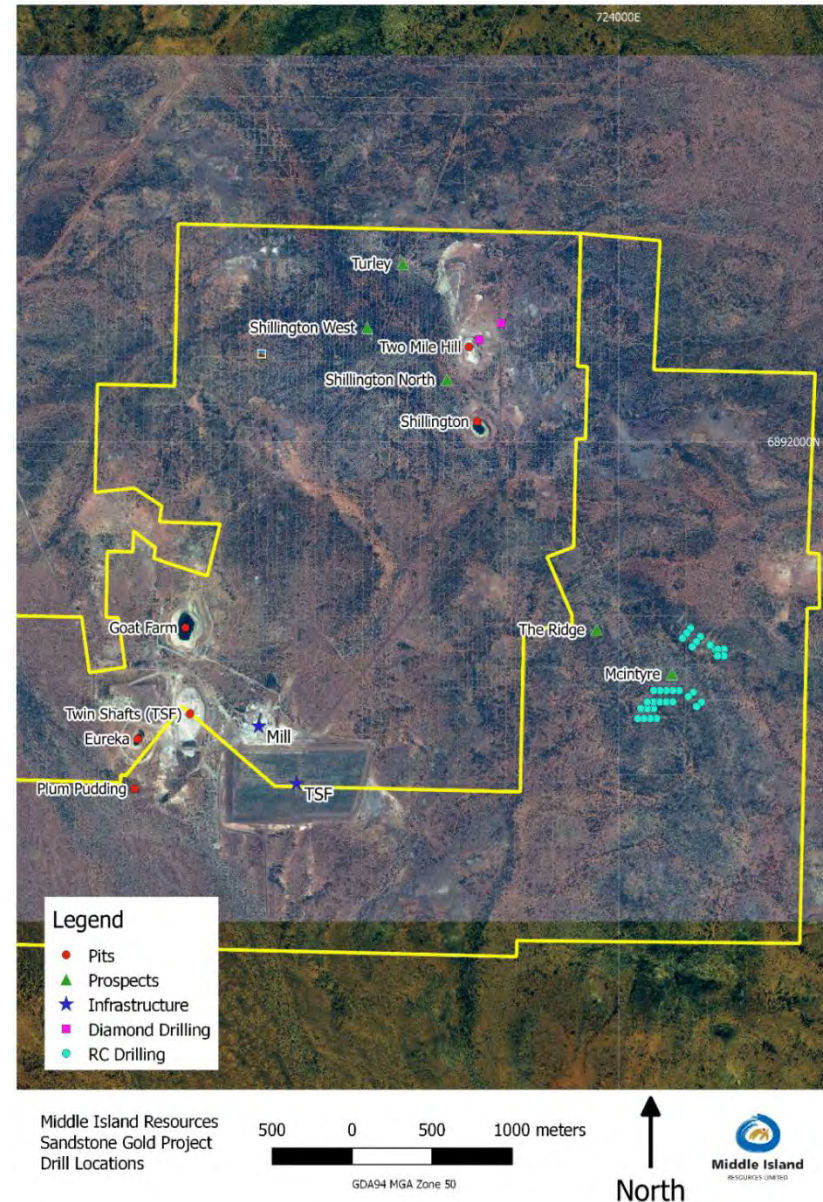
- Infill gravity survey completed as a key recommendation of targeting study.
- Designed to confirm/refine location of felsic intrusive bodies similar to Two Mile Hill tonalite.
- Data processing & interpretation in progress, but results to date very encouraging.
- **Several suspected felsic intrusives identified around Two Mile Hill.**
- Larger, subsurface intrusive complex interpreted to underlie Twin Shafts area.



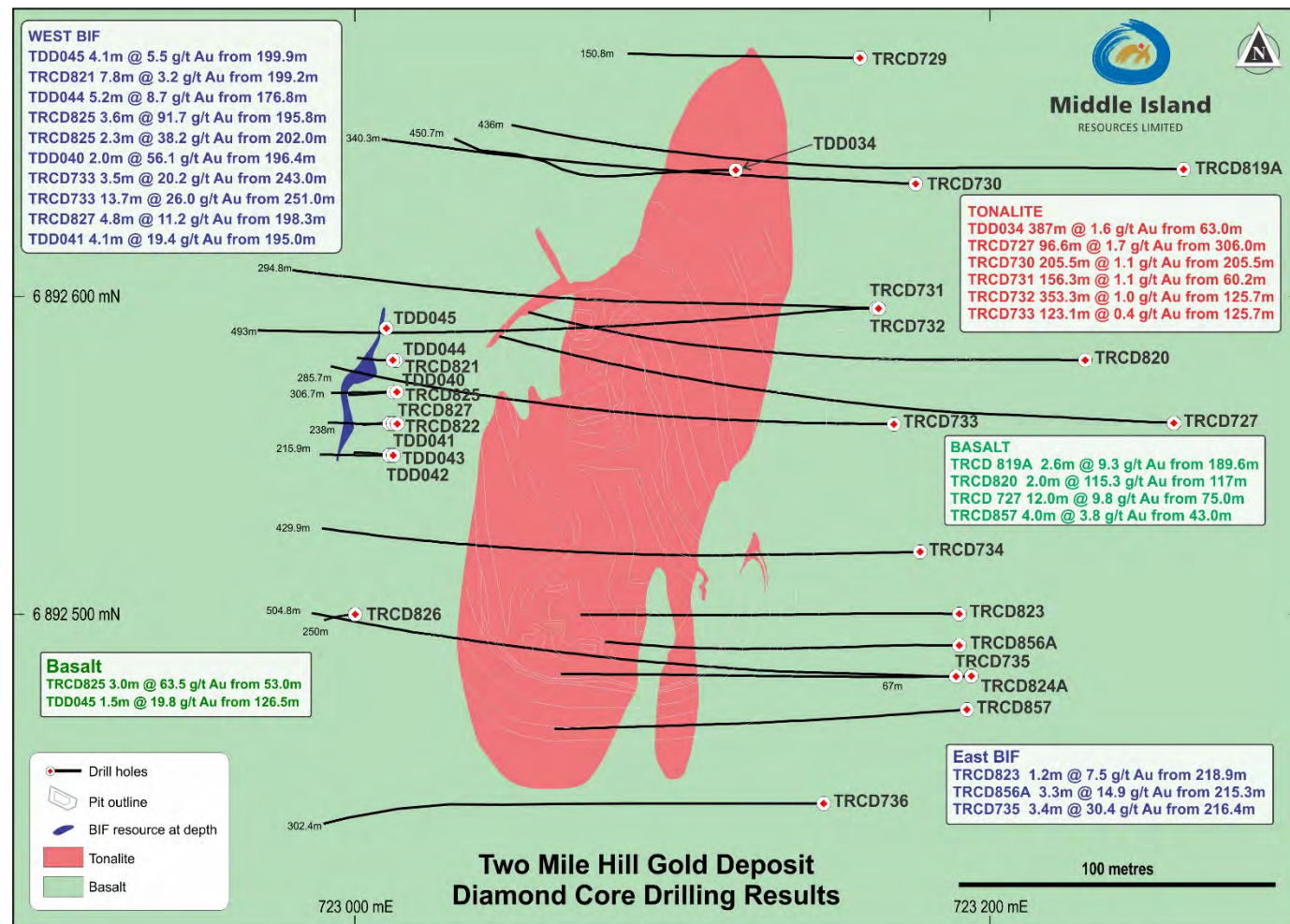
2017 Progress - Greenfields Targets



- Macintyre associated with large, high tenor gold soil anomaly, with significant RAB drilling results of **11m at 3.31g/t & 17m at 2.24g/t Au.**
- Broad zones of near-surface gold mineralisation associated with dislocated BIF along Shillington trend.
- **RC drilling recently completed; results pending.**
- Shillington West - untested zone of demagnetisation where Shillington Thrust traverses BIF sequence.
- Turley - high grade gold (**1m at 161g/t Au**) discovery associated with chert proximal to Two Mile Hill.

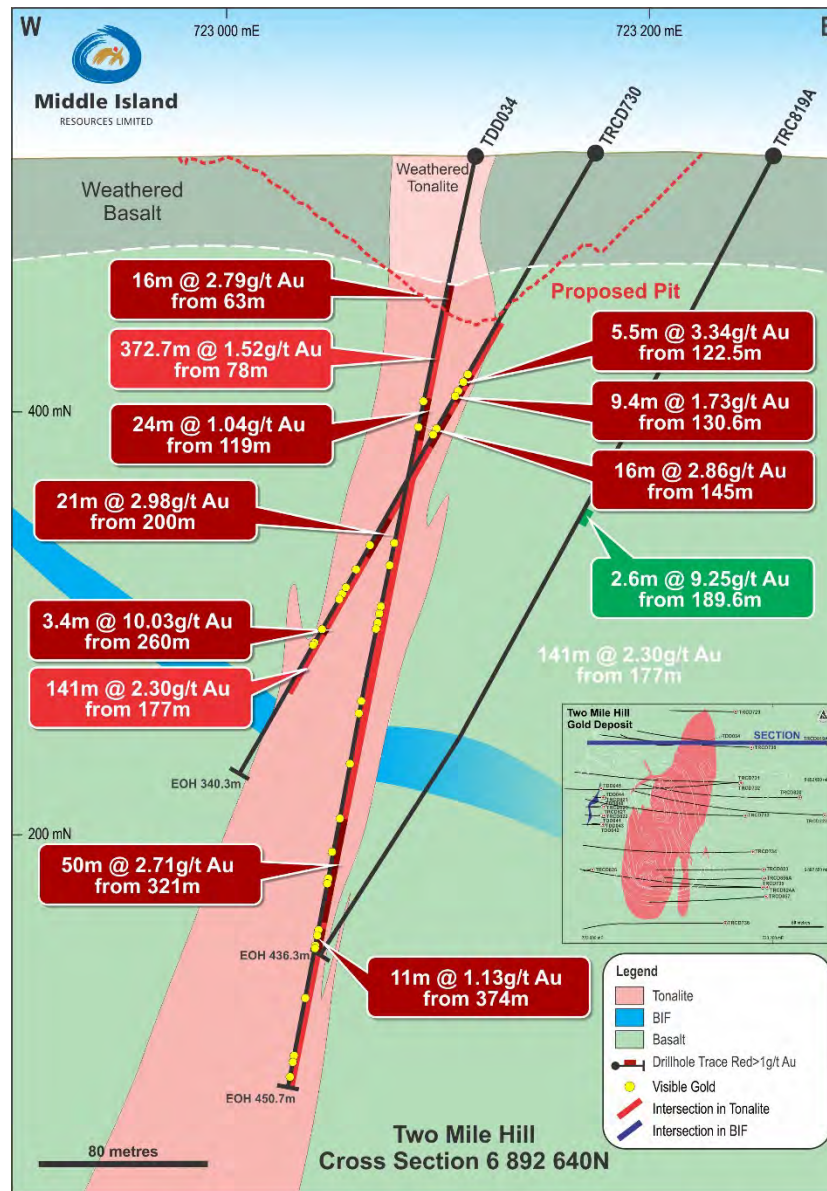
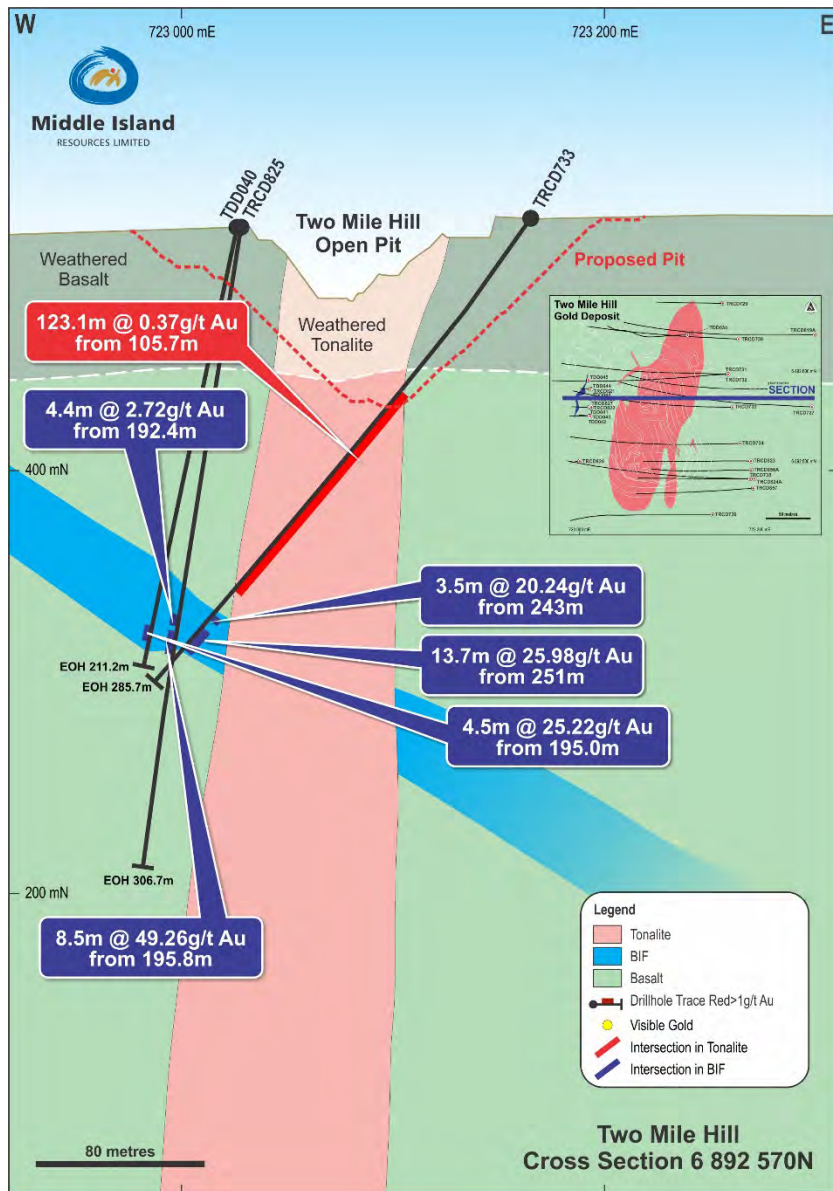


2017 Progress - Brownfields Targets



- Two Mile Hill tonalite;
372.7m at 1.52g/t
230.4m at 1.62g/t
353.3m at 1.04g/t
141.0m at 2.30g/t
156.3m at 1.14g/t
- Adjacent, obliquely intersecting BIF some 200m below surface;
8.5m at 49g/t
13.7m at 26g/t
4.5m at 25g/t
3.4m at 30g/t
3.5m at 20g/t
- Significant drill intercepts in basalt on east side of tonalite;
2m at 115.3g/t
7m at 16.6g/t
12m at 9.8g/t
3.3m at 14.9g/t
2.6m at 9.3g/t

BIF & Tonalite Targets - Two Mile Hill



BIF & Tonalite Targets - Two Mile Hill

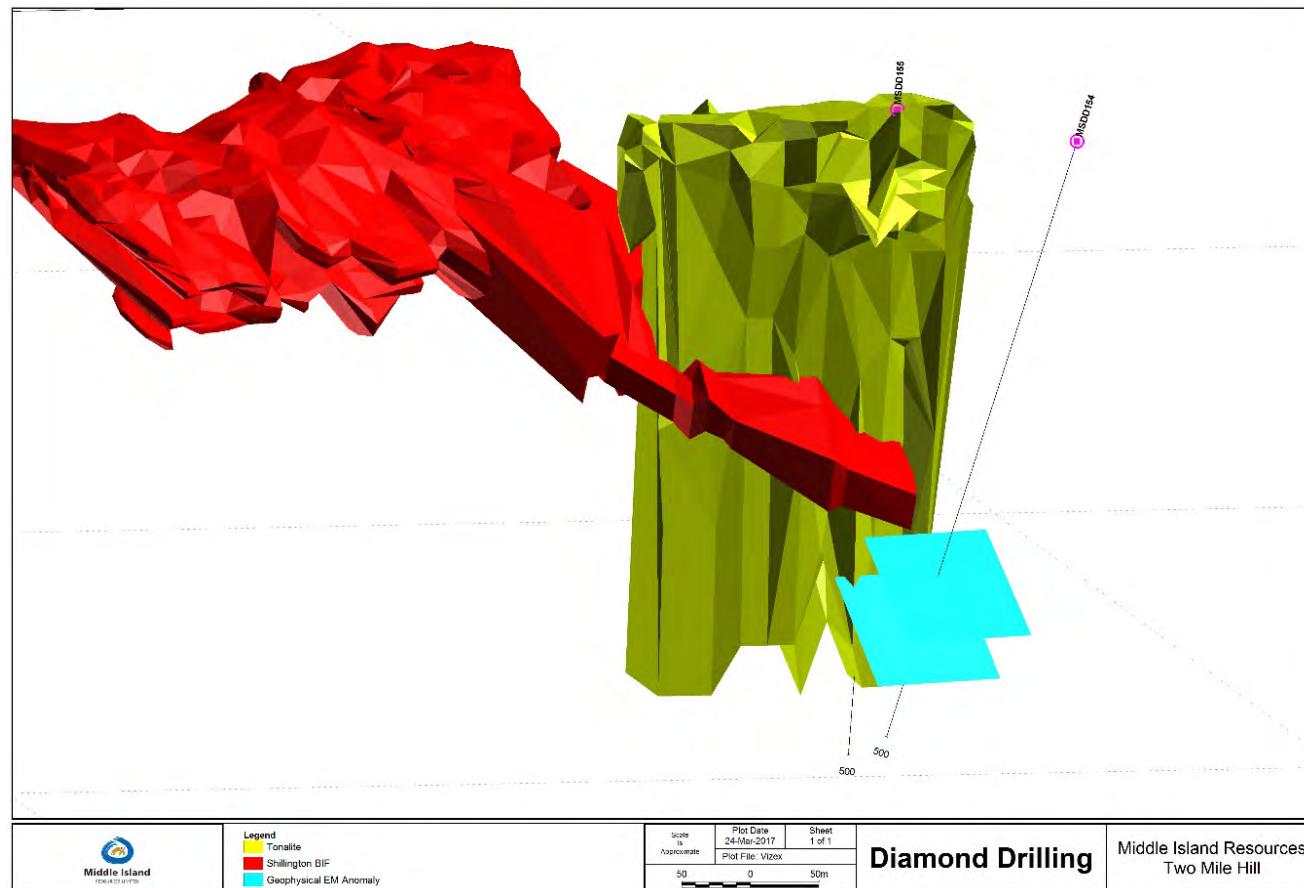
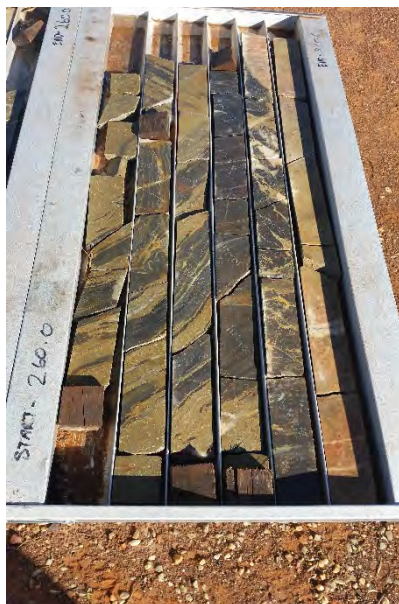


- Two further BIF horizons identified.
- Re-sampling results (true widths) include:

22m at 23.8g/t Au

8m at 56.0g/t Au

5m at 26.5g/t Au

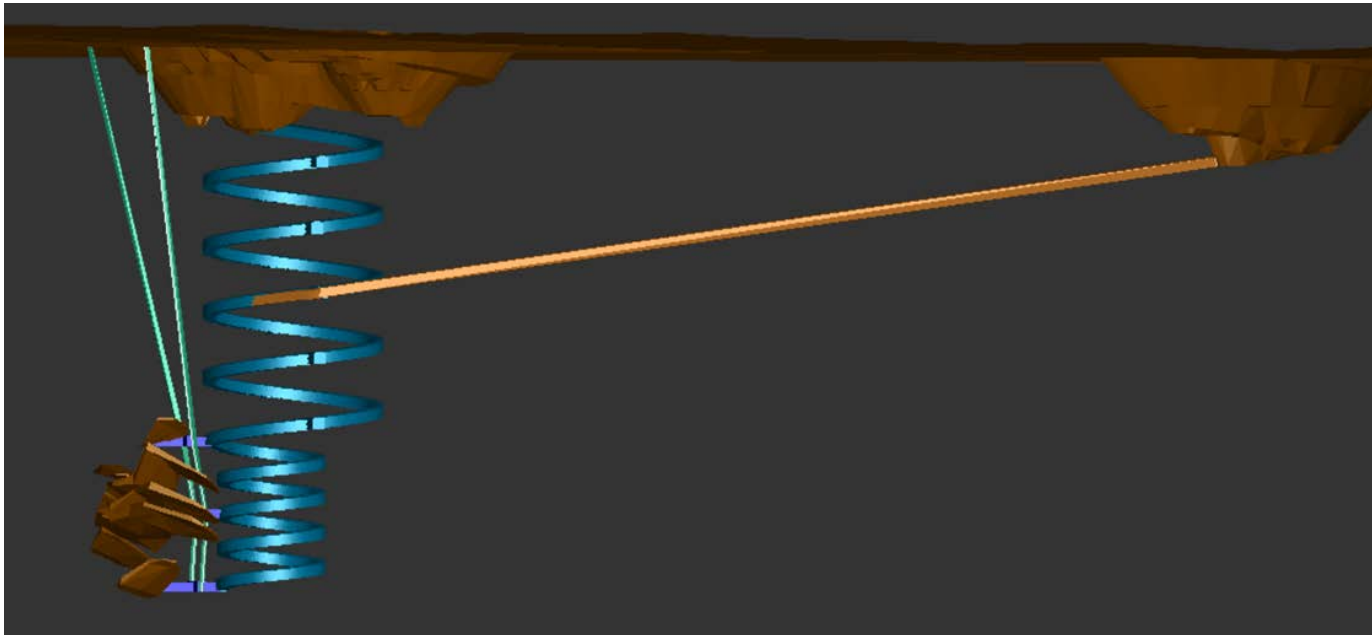


- **2 x ~500m diamond holes recently completed** under EIS grant – assay results pending.
- Testing dual EM plates at depth (BIF-hosted mineralisation) & down-plunge extent of tonalite mineralisation.

Underground Mining Concept Studies



- **Concept studies commenced on underground mining scenarios at Two Mile Hill.**
- **Selective mining of high grade BIF-hosted mineralisation.**
- **Decline access via either Two Mill Hill or Shillington pit cutbacks.**
- **Bulk mining (block or sub-level caving, or open stoping) of deeper tonalite mineralisation.**



2017 Progress - Transactions



- **Documentation well advanced on acquisition of adjacent resources and exploration potential.**
- **Other proximal acquisitions to consolidate tenure under review & negotiation.**
- **Discussions progressing on toll-milling or production-sharing arrangements on proximal, third-party deposits.**

Production Plan

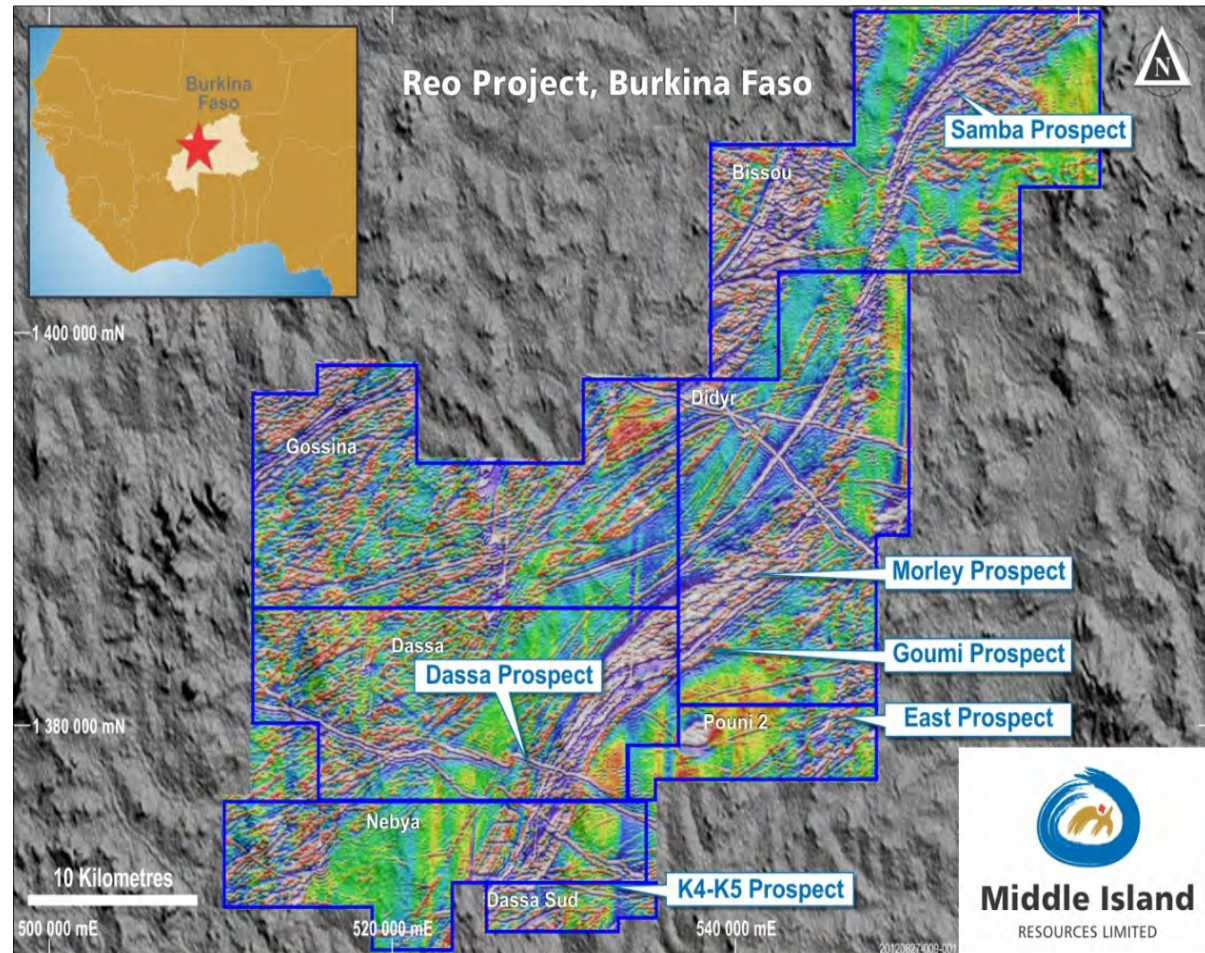


- **2016 PFS outcome insufficient, but a solid basis for enhancement.**
- **Identify & quantify additional (higher grade) deposits.**
- **Complete feasibility study.**
- **Targeting late 2017 recommissioning decision, pending successful exploration, feasibility & financing outcomes.**

Reo Gold Project – Burkina Faso



- **Exploration Target of 1-2Moz gold.**
- Improved market sentiment towards West Africa.
- Permit extension applications progressing.
- Seeking partner to help fund project through to feasibility.
- Or recommence exploration in own right.



Investment Highlights



- **Potential near-term gold production at Sandstone requiring modest capital.**
- **Considerable additional resource & exploration upside.**
- **Opportunity to consolidate or toll-treat third-party deposits within Sandstone district.**
- **Deeper Two Mile Hill potential represents significant project opportunity.**
- **Ideally timed acquisition for an emerging developer in a more buoyant Australian gold market.**
- **Strong, stable, supportive share register.**
- **Highly experienced & credible exploration & project development team.**
- **Optionality of 100%-owned Reo gold project in Burkina Faso.**

Thank you & questions

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