



Middle Island
RESOURCES LIMITED

Middle Island Resources Limited
ACN 142 361 608

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QUARTERLY REPORT

For the period ended 31 March 2016

HIGHLIGHTS

- Cash position of \$361,000 and no debt as at 31 March 2016.
- No exploration was undertaken during the March quarter in line with the previously detailed corporate strategy.
- The Company's focus during the period under review has been on finalising due diligence and documentation on a potential project acquisition, which the Company believes is imminent.

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ASX Code: MDI

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Capital Structure:

251 million shares
800,000 options

Board Members:

Peter Thomas

Chairman

Rick Yeates

Managing Director

Beau Nicholls

Non-Executive Director

Linton Kirk

Non-Executive Director

Dennis Wilkins

Company Secretary

Operating Activities

Corporate

Finance

Middle Island held cash of \$361,000 and no debt as at 31 March 2016.

Aside from expenditure related to due diligence activities and legal documentation on project acquisition opportunities, your Company has continued to implement and consolidate incremental cost savings during the March quarter in order to conserve the Company's cash.

Strategy

Middle Island's strategic focus remains 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 additional shareholder and investor interest.

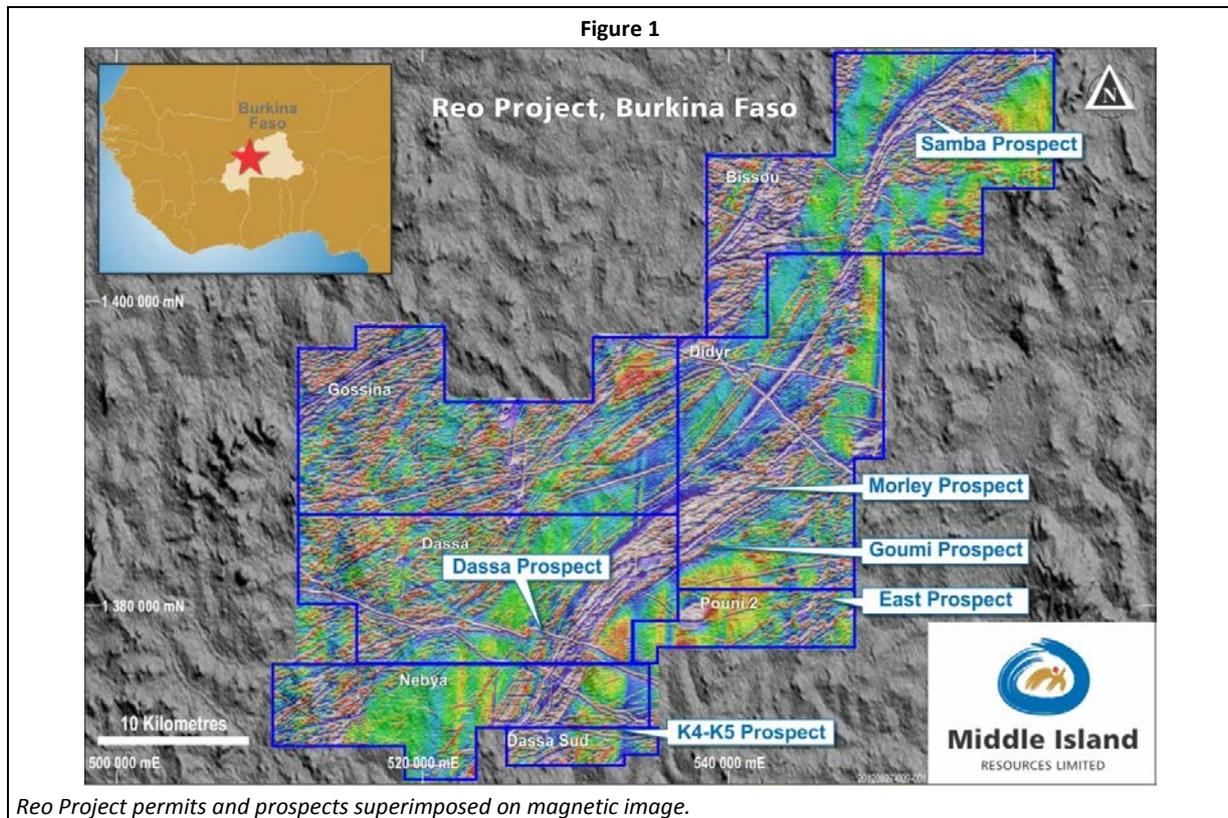
To date, indicative farm-in offers for the Reo Project in Burkina Faso have proved unsatisfactory. Discussions are progressing with two interested parties however, given the recent rejuvenation of interest in the West African gold sector, the Company recommencing exploration in its own right remains a valid option.

Since October 2014, Middle Island has identified and investigated more than 300 new project or corporate opportunities, primarily within Australia and Africa, and is actively pursuing a transaction on at least one of the three priority projects identified.

Although unable to successfully conclude a transaction during the March quarter as anticipated, documentation has been finalised on the acquisition of an advanced gold project. The Company believes this transaction is imminent and we look forward to announcing this acquisition in the June quarter.



Reo Gold Project – Burkina Faso



Exploration

No exploration was undertaken at the Company's 100%-owned Reo gold project in Burkina Faso during the March quarter. A site visit to the project, in the company of Mines Ministry personnel, was undertaken during the quarter to review the exploration status and illegal artisanal mining activities.

The continuing focus has been on identifying an appropriate partner to help fund the project through to feasibility. To date, indicative farm-in offers have proved unsatisfactory, however discussions are progressing with two interested parties and a further site visit is scheduled in May.

The Reo gold project remains highly prospective, with significant unfinished resource definition and exploration activities to be completed. Given the recent rejuvenation of interest in the West African gold sector, the Company recommencing exploration in its own right remains a valid option.

Tenure

Extension and renewal applications for several of the Reo project permits were lodged during the quarter. The Dassa Sud permit has been successfully extended for a further period of three years and progress on the remaining applications is being closely monitored.



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 the hiatus in exploration activity, the Company's community development initiatives at the Reo Project have been curtailed. However, contact with our host communities at the Reo Project is being maintained to ensure they are informed of Middle Island's situation.

COMPANY CONTACTS:

Rick Yeates – Managing Director +61 (0)401 694 313

Kate Manning – Administration Manager +61 (0)418 883 959

MEDIA CONTACT:

Kevin Skinner Field Public Relations +61 (0)8 8234 9555 / +61 (0)414 822 631

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**) advises 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

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	-	Renewal pending	Earning 90%	Niger
Boulkagou	-	Renewal pending	Earning 90%	Niger

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