Middle Island Resources Limited
ACN 142 361 608
Suite 1, 2 Richardson Street
West Perth WA 6005
PO Box 1017
West Perth WA 6872
Tel +61 (08) 9322 1430
Fax +61 (08) 9322 1474
info@middleisland.com.au
www.middleisland.com.au

Middle Island Resources Ltd
ACN 142 361 608
ASX code: MDI
www.middleisland.com.au

Capital Structure:
586 million ordinary shares
38,300,000 unlisted options

Cash
$1.84m (as at 30 June 2017)

Directors & Management:
Peter Thomas
Non-Executive Chairman
Rick Yeates
Managing Director
Beau Nicholls
Non-Executive Director
Dennis Wilkins
Company Secretary

Contact:
Rick Yeates
Mob: +61(0)401 694 313
rick@middleisland.com.au

ASX Release – 11 October 2017

Drilling and mineralogical testwork update Sandstone gold project, WA.

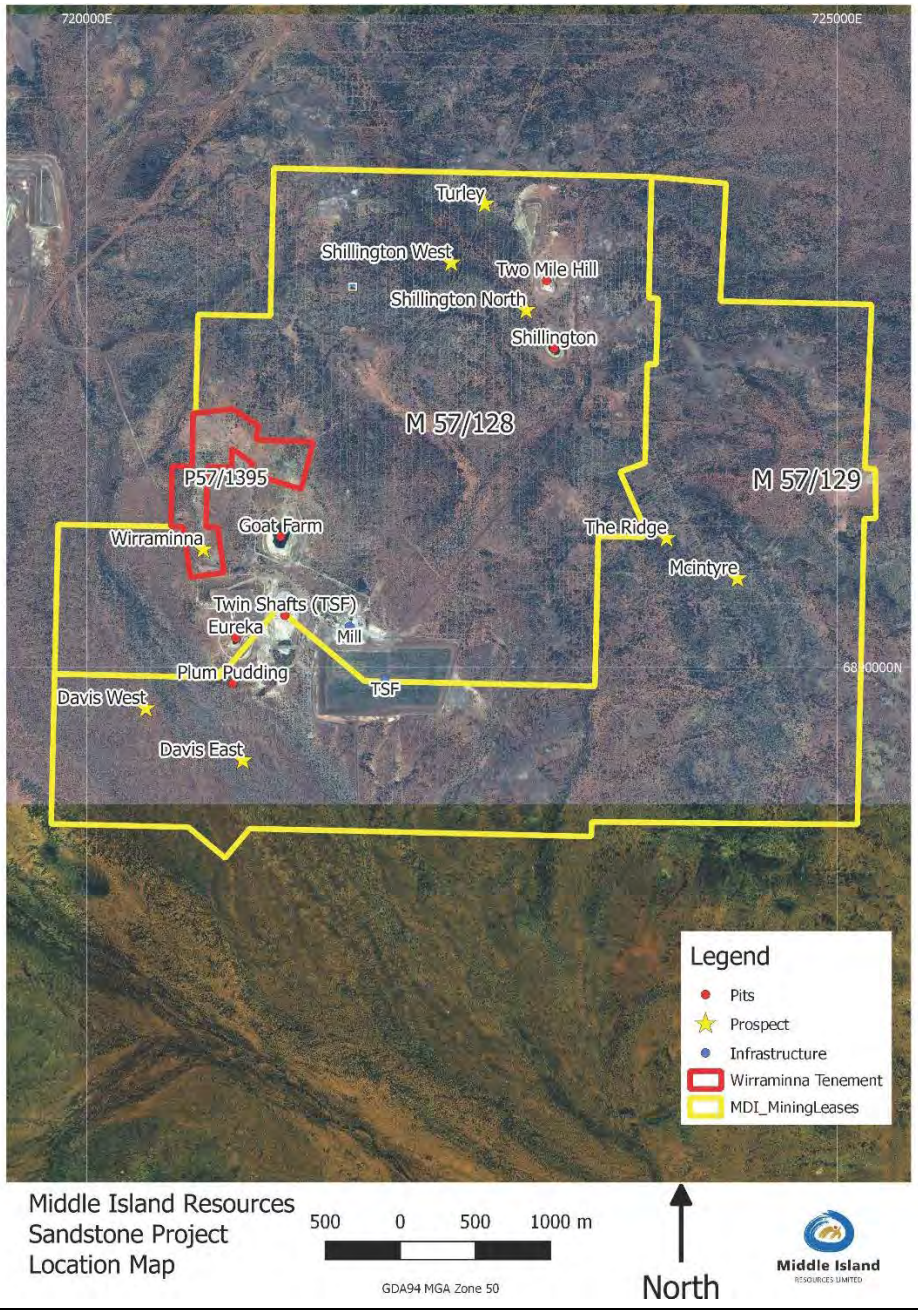
- **Four key drilling programmes at the Sandstone gold project in WA have recently been completed and assay results are awaited.**
- **Diamond drill hole MSDD156, which generated a 2017 intercept of 415.2m at 1.34g/t Au within the project's Two Mile Hill tonalite, was extended to a depth of 730m, utilising the balance of the WA Government's Round 14 EIS grant.**
- **The original MSDD156 hole ended in mineralisation at 498.9m depth with an intercept of 66.9m at 3.27g/t Au. A further ~105m (to ~604m depth) of strongly mineralised tonalite with visible gold was encountered in the recent hole extension.**
- **Three reverse circulation (RC) pre-collared diamond drill holes have been completed to assess possible up-dip extensions of high grade, BIF-hosted gold mineralisation adjacent to the Two Mile Hill tonalite.**
- **Resource definition RC and diamond drilling has been completed at the recently optioned Wirraminna gold deposit, prior to a resource upgrade and pit optimisation studies.**
- **Single reconnaissance traverses of RC drilling have been completed across the eastern and western gold geochemical anomalies at the Davis Prospect to assess the nature and significance of underlying saprolite mineralisation.**
- **Assay results for the RC component of these drilling programmes are pending, while cutting and sampling of the diamond core components is in progress prior to assay submission.**
- **Preliminary mineralogical assessment of the tonalite deeps deposit at Two Mile Hill indicates that in excess of 99% of the gold mineralisation is hosted within quartz veins, supporting the decision to assess ore sorting as a means to up-grade potential mill feed from this deposit.**

SANDSTONE GOLD PROJECT (WA)

Aspiring gold developer, Middle Island Resources Limited (**Middle Island**, **MDI** or **the Company**) is pleased to advise that four key drilling programmes have recently been completed at the Company's wholly-owned Sandstone gold project in WA. These drilling programmes comprise a 230m diamond core extension to MSDD156 on the tonalite deeps deposit at Two Mile Hill, up-dip drilling on the high grade BIF deposit at Two Mile Hill, resource definition drilling at the recently optioned Wirraminna deposit, and reconnaissance drill traverses across two gold anomalies comprising the new Davis target (Figure 1).

It is anticipated that assay results from all four drilling programmes will become available during the remainder of October and early November 2017.

Figure 1
Sandstone gold project showing the location of the Two Mile Hill and Wirraminna deposits, and the new Davis prospect



Two Mile Hill Tonalite Deeps Diamond Drilling

A diamond core extension to the ~500m deep MSDD156 drill hole was completed at the Two Mile Hill tonalite deeps deposit during September. The 230.9m NQ2 diamond core extension of MSDD156 (730m total depth) comprised the remaining drilling available under Round 14 of the WA Government's Exploration Incentive Scheme (EIS) grant, following a successful variation request.

The original MSDD156 generated an intercept of **415.2m at 1.34g/t Au** from the commencement of coring at 83.7m depth to the end of the hole at 498.9m. This broader intercept ended with an intersection of **66.9m at 3.27g/t Au** from 432m to end of hole at 498.9m, finishing in strongly mineralised material. Details of the original hole can be found in the Company's ASX release dated 7 June 2017.

The primary purpose of the MSDD156 extension was to establish to what extent the apparent increase in grade with depth persisted.

The hole was ultimately terminated at 730m depth, representing a 230.9m extension. The initial ~109m of the extension was visually strongly mineralised, characterised by intense sheeted quartz veining and associated sericite-carbonate alteration (Figure 2), including logged instances of visible gold (Figure 3).

The diamond core has been logged, and core cutting and sampling is in progress, prior to assaying.

Visible gold in MSDD156 was logged within quartz veins at downhole depths of 118m, 290m, 470m, 528m and 586m. Full details of the MSDD156 extension will be reported when assay results are forthcoming.

At ~604m depth the hole encountered basalts comprising the western (hangingwall) contact of the tonalite. Some 15.2m of navigational drilling (navi-drilling), during which there is no core recovery, was then employed to bring the hole back on track into the tonalite. A further ~90.1m of more weakly quartz veined tonalite was then intersected before the hole once again deviated into the hangingwall. As this process would likely be repeated, given the expense of navi-drilling and having reached the anticipated limit of the EIS grant funding, the hole was terminated in basalt at 730m depth. The three additional positions of the basalt-tonalite hangingwall contact will also provide valuable information for geological modelling.

Figure 2
Strongly altered and mineralised core from the MSDD156 extension.

Figure 3
Example of abundant visible gold from the MSDD156 extension

Two Mile Hill BIF Diamond Drilling

RC pre-collared diamond drilling, comprising a further three holes, was completed at Two Mile Hill during September to test the up-dip extensions of high grade gold intercepts associated with pyrite replacement mineralisation within the upper unit of the Shillington banded iron formation (BIF), where intruded by the Two Mile Hill tonalite.

The programme comprised 463.1m of RC pre-collar drilling and a further 168.2m of NQ2 diamond core tails. RC pre-collar samples have been submitted and assay results are pending. The diamond core tails have been logged, and core cutting and sampling is in progress, prior to assaying.

The southern two holes MSDD157 and MSDD158 did not visually include the broader zones of massive to semi-massive pyrite development typical of higher grade intercepts within previous drilling, while the third (northern) hole (MSDD159) included only restricted zones of disseminated pyrite replacement of magnetite. These observations (yet to be confirmed by assaying) suggest that the thicker, higher grade zones of gold mineralisation within the upper BIF unit do not persist up dip as previously hoped.

Wirraminna Resource Definition Drilling

A programme of resource definition RC and RC pre-collared diamond drilling was completed on the recently optioned Wirraminna deposit (ASX Release - 6 June 2017) during September. The Wirraminna deposit lies immediately adjacent to the Company's Sandstone project and within 1km of the Company's 100%-owned, 600ktpa gold processing plant (Figure 4).

The Wirraminna deposit is associated with a steeply northeast dipping and northwest trending, high grade quartz lode that remains open at depth and to a lesser extent along strike. The RC and diamond drilling programme was variously designed to verify, infill and extend the existing Wirraminna gold deposit prior to upgrading the resource estimate to JORC 2012 compliance, prior to undertaking pit optimisation studies.

The latest programme comprised 1,939m of RC drilling and 175.9m of HQ3 diamond core tails. All RC samples have been submitted for assay, the results of which are pending. The diamond core tails have been logged, and the core is currently being cut and sampled, prior to submission for assay.

Davis Prospect Reconnaissance RC Drilling

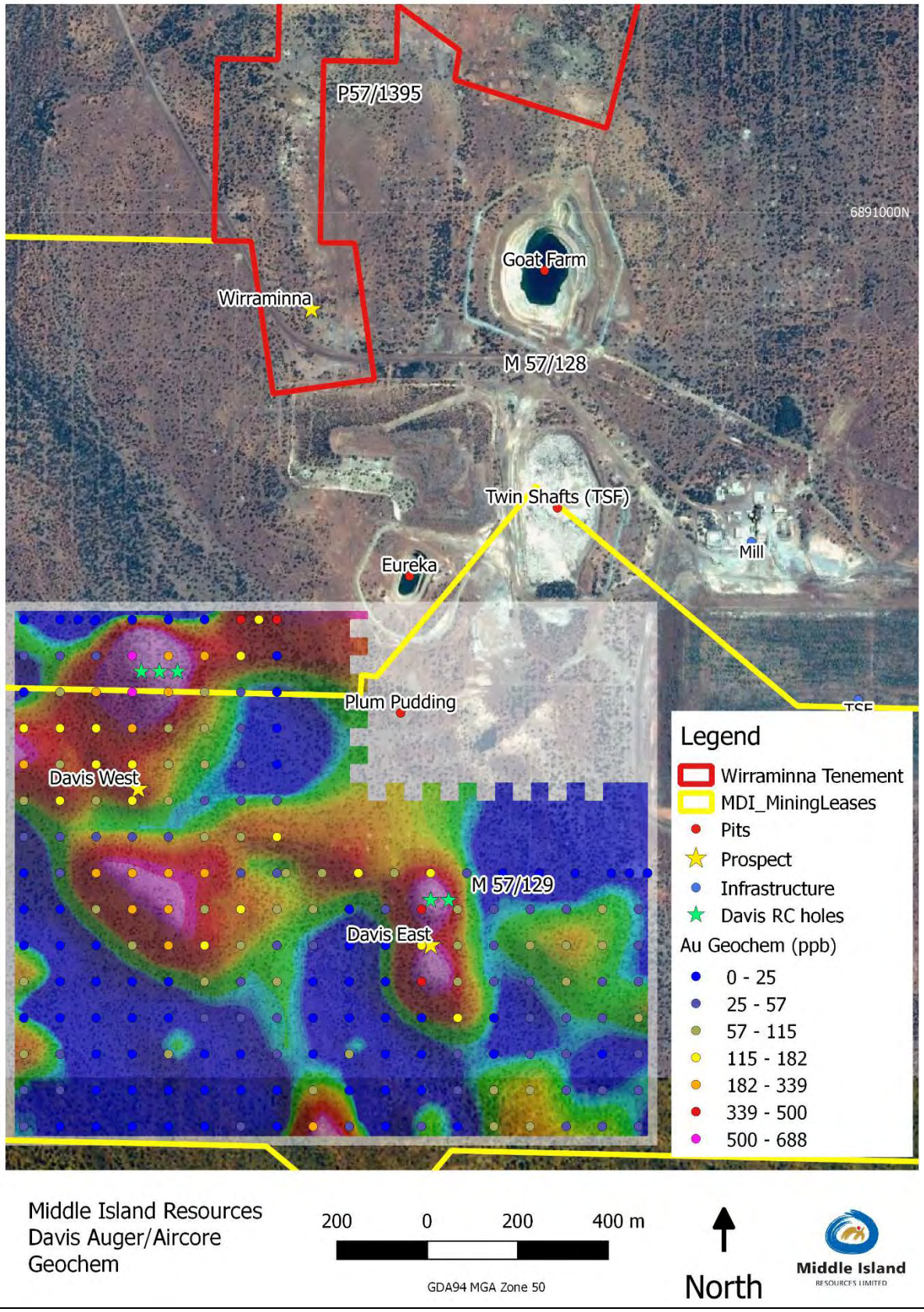
Previous auger and aircore geochemical drilling, reported in the Company's ASX release dated 12 September 2017, defined four significant new blind gold anomalies beneath transported cover, with peak values up to 688ppb Au (0.68g/t) and a strong coincident arsenic response. Each of the anomalies is consistent with those defining nearby, high grade open pit deposits that have been mined and processed, and, importantly, all lie within 1km of the Company's 600,000tpa Sandstone gold processing plant, consistent with an area hosting the highest density of gold deposits within the entire Sandstone field.

A single traverse of reconnaissance RC holes was completed over each of the Davis East and Davis West gold anomalies to understand the nature and tenor of associated saprolitic mineralisation. Traverses comprised two, angled, overlapping, 80m RC holes at Davis East and three similar holes across Davis West (aggregating 5 holes; 386m) as shown in Figure 4.

The RC holes encountered broad zones of ferruginous quartz veining within saprolitic ultramafic rocks, similar in appearance and setting to that at the adjacent Wirraminna and Eureka deposits. RC samples have been submitted for assay and all results are pending.

Figure 4

Davis prospect imaged aircore gold values showing reconnaissance RC drill traverses, proximal deposits and infrastructure



Two Mile Hill Tonalite Deeps Mineralogical Assessment

Initial mineralogical testwork on separate composite samples of quartz veining and tonalite from the Two Mile Hill Deeps deposit suggests that in excess of 99% of the gold is hosted by the quartz veins. The composite sample of quartz vein material averaged 34.8g/t Au, while tonalite-only composites averaged 0.15g/t Au.

The mineralogical composite samples were derived from quarter NQ diamond core derived from TRCD732, as shown below in Table 1. Sample MDI20004 comprises only quartz vein material collected or cut from a mineralised interval extending from 361m to 382m downhole. The remaining five composite samples (MDI20005 to MDI20009) comprised only tonalite host rock, with no quartz veins or the quartz veins removed.

Table 1
Mineralogical Composite Samples

Sample	Drill Hole & Description	Depth From (m)	Depth To (m)	Composite grade (g/t Au)
MDI20004	TRCD732 - Quartz veins	361	382	34.8
MDI20005	TRCD732 - Tonalite	368	370	0.14
MDI20006	TRCD732 - Tonalite	376	377.5	0.15
MDI20007	TRCD732 - Tonalite	380	382	0.07
MDI20008	TRCD732 - Tonalite	377.5	380	0.12
MDI20009	TRCD732 - Tonalite	361	363	0.27

These initial results indicate that the concept of reviewing ore sorting as a valid means of upgrading mill feed, thereby lowering process operating costs (and consequently the mining cut-off grade) for a possible underground mining operation, is readily justified. Despite the substantial scale of the Two Mile Hill tonalite deposit, if successful, the ore sorting concept could prove compatible with the milling capacity of the Sandstone processing plant.

While further mineralogical work is progressing, ore sorting groups have been approached to commence initial characterisation testwork and sorting trials.

Middle Island Managing Director, Mr Rick Yeates:

"These four key drilling programmes and the mineralogical testwork are, again, completely aligned with the Company's objective of extending and enhancing the proposed Sandstone production schedule.

"I look forward to reporting the results of drilling and ore sorting trials during the December quarter."

COMPANY CONTACTS:

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

MEDIA CONTACT:

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

WEBSITE: www.middleisland.com.au

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of Middle Island, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.

Competent Persons' Statement

Information in this report relates to exploration results that are based on information compiled by Mr Rick Yeates (a 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 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.

Appendix 1

The following Table and Sections are provided to ensure compliance with the JORC Code

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• *Geochemical auger and aircore drilling, comprising vertical holes drilled through the transported profile to recognisable saprolite.* • *Samples were piled in rows of 10m directly onto the ground.* • *The thickness of the transported profile ranged from approximately 4m to 16m depth, comprising alluvial sheetwash of predominantly pisolitic gravels.* • *A single or composite sample, of approximately 1kg weight, straddling the interface between transported and residual profiles, was collected via tube sampling over a 1m to 4m interval in each hole.*
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• *Vertical auger (where the transported profile was shallow) or aircore (where the transported profile is thicker) drilling was employed to intersect the interface between the transported and residual profiles.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *No specific measures were adopted to determine the sample recovery, as the programme was effectively a soil sapling exercise of the paleo-surface, however the holes were all dry and sample piles were routinely of a consistent size.*

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All holes were routinely logged by an MDI geologist, however the primary focus was to identify the precise transition from transported to residual material for sampling.* • *Sample logging was qualitative in nature, consistent with a soil sampling programme.* • *Holes were logged at 1m intervals.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *A single sample, straddling the interface between the transported and residual profiles was collected via tube sampling.* • *Where there was doubt as to the precise location of the interface, or the interface appeared to occur between 1m drill samples, composite sampling was employed to ensure the interface was incorporated in the single sample collected from each hole.* • *All samples were drilled and collected dry into labelled calico bags.* • *A field duplicate sample was collected from every 20th sample to monitor a reasonable degree of reproducibility.* • *Samples of approximately 1kg were collected, however precise sample size consistency was not considered relevant due to the qualitative nature of what was effectively a 'soil' geochemical programme.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• *Samples were assayed for gold by Minalytical using a 10g aqua regia with ICP-MS finish.* • *Samples were assayed for trace (pathfinder) elements by Gyro Australia. The pulps from Minanalyitcal were used to generate a pressed pellet that was assayed via a handheld XRF unit.* • *Given that the programme was essentially a soil geochemical survey, the relative (rather than absolute) values required did not necessitate exhaustive verification. However, MDI did insert a gold standard every 20th sample to verify the lab results.*

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *A selection of holes was reviewed by senior MDI technical management to ensure the correct intervals were sampled.* • *No twinned holes were drilled due to the grassroots nature of the programme.* • *Holes were electronically logged on site. The field and assay data were recorded in the company's electronic field logger.* • *No assays were adjusted.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Handheld GPS unit used to record the location of auger and aircore drill holes.* • *Drill hole locations are shown on Figure 2 in the release and recorded in the Company's database.* • *MGA94 Zone 50.* • *Topographic control provided by the handheld GPS is adequate for the nature of the programme.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Holes were drilled on a nominal 80m by 80m orthogonal pattern, and samples collected at 1m intervals down-hole.* • *The drillhole density is more than adequate to define the interface geochemical anomalies, with each individual target comprising multiple anomalous gold values that demonstrate expected dispersion patterns.* • *Downhole sample compositing over 2-4m was employed in some cases to ensure that the transported/residual interface was sampled in each case.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Given that the programme effectively comprised soil sampling of the essentially planar, paleo land surface, rather than designed to intersect mineralisation, the application of vertical holes is entirely appropriate.* • *No sampling bias is introduced by drilling vertical holes when sampling a horizontal planar surface.*
Sample security	• *The measures taken to ensure sample security.*	• *Samples remained in the custody of the independent drilling contractor, which was responsible for submitting the samples for gold assay and undertaking the trace element sampling.*

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *Other than MDI senior technical management reviewing the drill sampling on site, no field audit or review has been undertaken of what was essentially a soil sampling survey.* • *The field and analytical data were independently verified by the Company's external database consultant.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The drilling was completed within, and the samples derived from, M57/128 and M57/129 (as shown in Figure 2 of the release), which are 100% owned by Sandstone Operations Pty Ltd, a wholly-owned subsidiary of Middle Island Resources Limited.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Two reconnaissance traverses of broadly spaced, RAB holes were previously completed across the Davis targets by Herald Resources Ltd in 1993.* • *In retrospect, the Herald RAB traverses straddled the Davis anomalies, although a broad zone of quartz veining, with anomalous associated gold values, was logged within a RAB hole that may represent the southern strike continuation of the Davis East target.*

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *Drilling encountered 4m to 16m of alluvial sheetwash cover, predominantly comprising loose to partially-cemented pisolitic gravels.* • *As holes were only drilled to the top of the residual saprolite profile, the basement geology could not be accurately determined, however airborne magnetic surveys, historic drilling and trace element scans suggest the basement comprises ultramafic rocks, with a possible intrusive in the northeast quadrant of the drilled area.* • *The Davis anomalies are proximal to a number of significant gold deposits that have been mined previously or have been quantified. The nearest of these, being the Eureka, Plum Pudding and Wirraminna deposits, comprise zones of ferruginous quartz veining hosted within ultramafic rocks.*
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *The location of each drill hole was recorded by handheld GPS (see Figure 2), including the easting, northing and RL (flat topography) to an accuracy of +/-5m.* • *All holes were drilled in a vertical orientation and the depth of each hole recorded.* • *The accuracy of this information is not required on the basis that the programme is effectively a soil sampling survey of the paleo land surface and the information does not contribute in any way to the definition of Mineral Resources or Ore Reserves.*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Reported results have not been weighted or truncated, as the results are designed for relative, rather than absolute, determination of trace elements to define anomalies for subsequent testing.* • *Reported results are derived from either individual 1m samples or composite samples collected over 2-4m intervals in order to ensure that the transported/residual interface was incorporated in each sample.* • *Not applicable.*

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• *Not applicable, as the programme is effectively a soil sampling survey of the paleo land surface and the information does not contribute in any way to the definition of Mineral Resources or Ore Reserves.* • *Based on the anomalies generated by the programme and mineralisation exposed in the walls of proximal pits, the geometry of the primary mineralisation is expected to strike northwest, through north, to northeast and dip steeply to sub-vertically.* • *The geometry of mineralised zones is irrelevant, given the programme is effectively a soil sampling survey of the paleo-surface, only designed to determine the planar footprint of mineralised zones prior to bedrock drilling.*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *See figures within the release.*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *See reported relative (rather than absolute) grades in Figure 2.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Reported within the release as appropriate and relevant.*
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Stated within the release as appropriate and relevant.* • *Each of the Davis East and Davis West anomalies are currently being tested by short reconnaissance RC drill traverses to determine the nature and significance of any associated saprolitic mineralisation.*

Appendix 1

The following Table and Sections are provided to ensure compliance with the JORC Code

Section 1 Sampling Techniques and Data – Mineralogical Testwork

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• *The mineralogical composite samples comprised quarter NQ core from hole TRCD732, with composite sample intervals ranging from 1.5m to 2.5 (but excluding quartz veins) in the case of samples MDI20005-MDI20009 inclusive, and in the case of MDI20004, the composite sample comprised only quartz vein material selectively sampled from a 21m interval.* • *The samples were deliberately biased to select only mineralised quartz vein material (MDI20004) or tonalite host rock without any mineralised quartz veins (MDI20005-MDI0009) in order to determine the relative distribution of gold between the veins and host rock.* • *Individual composite samples weighing approximately 3kg to 4kg were submitted for 50g fire assay analysis. Each composite was crushed and pulverised, and the resulting pulps assayed eight times to ensure consistency and avoid any issues associated with the presence of coarse gold. A high level of consistency and reproducibility is noted for the tonalite composites, and an acceptable level of consistency was returned for the quartz vein composite (MDI20004) with individual results ranging from 20.2g/t to 66.7g/t Au.*
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• *Oriented NQ2 diamond coring.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *100% core recovery throughout.* • *Not applicable.* • *Not applicable*

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• *The relevant diamond hole was geologically and geotechnically logged using standard logging procedures.* • *Diamond core logging was qualitative in nature.* • *The diamond core was logged in its entirety.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Sawn quarter core intervals comprised composite samples.* • *Not applicable.* • *While the limited sample volume provided by quarter NQ core is barely sufficient to provide a representative sample where coarse gold is known to be present, individual samples were composited over intervals of 1.5m to 2.5m (MDI20005-MDI20009) and over a 21m interval (MDI20004).* • *Sampling was deliberately biased to select only mineralised quartz vein material (MDI20004) or tonalite host rock without any mineralised quartz veins (MDI20005-MDI0009) in order to determine the relative distribution of gold between the veins and host rock.* • *Composite sample sizes are adequate.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• *50g fire assays were completed on eight pulp sub-samples of each composite, with the eight results then averaged. The method is a partial analysis, however is considered appropriate and adequate for the nature of the material and purpose of the results.* • *Not applicable.* • *Each composite sample was assayed eight times, with a high level of reproducibility evident in the tonalite composites (MDI20005-MDI20009), and an acceptable level of reproducibility evident in the high grade quartz vein composite (MDI20004).*

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *Not applicable.* • *Not applicable.* • *Sampling data were imported and validated using a GBIS database software system by an experienced database consultancy.* • *Not applicable.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *DGPS unit used to record the location and elevation of the collar, whist a downhole survey instrument was used to record the hole orientation at 25m intervals.* • *MGA94 Zone 50.* • *Topographic control is high quality and adequate.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Composite sample intervals were deliberately biased, being selected for a specific, scientific purpose.* • *Not applicable* • *Composite sample intervals ranging from 1.5m to 2.5 (but excluding quartz veins) in the case of samples MDI20005-MDI20009 inclusive and, in the case of MDI20004, the composite sample comprised only quartz vein material selectively sampled from a 21m interval.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *TRCD732 was drilled to orthogonally intercept the dominant, sub-horizontal orientation of mineralised sheeted quartz vein sets within the tonalite.* • *TRCD732 records the true thickness of mineralised zones within the tonalite host.*
Sample security	• *The measures taken to ensure sample security.*	• *Samples were transported from the project site and delivered to the laboratory by MDI personnel.*

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *Other than MDI senior technical management reviewing the composite sampling process, no independent field audit or review has been undertaken.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The drilling was completed within, and the samples derived from, M57/128, which is 100% owned by Sandstone Operations Pty Ltd, a wholly-owned subsidiary of Middle Island Resources Limited.* • *M57/128 is a granted Mining Lease with an operating licence.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *TRCD723 was originally drilled and assayed by Troy Resources NL, a predecessor company to MDI. These results relate to quarter core resampling of legacy half core intervals within TRCD723.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The Two Mile Hill deposit comprises a late stage, near vertical intrusive tonalite stock that intrudes the local stratigraphy of mafic volcanics and BIF. Mineralisation is associated with sub-horizontal sheeted stockwork quartz veining within the tonalite, accompanied by pervasive sericite-carbonate alteration.*

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *The location of TRCD732 was recorded by mine surveyor pick up, including easting, northing and elevation.* • *The orientation of TRCD732 was measured using a downhole survey instrument at 25m intervals.*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Arithmetic averages of all eight composite sub-sample assay were used to derive the average grade for each composite. The average of each tonalite composite (MDI20005-MDI20009) was then arithmetically averaged to derive the reported average grade of the tonalite host rock.* • *Not applicable or described above.* • *Not applicable.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• *Sampling was deliberately biased to select only mineralised quartz vein material (MDI20004) or tonalite host rock without any mineralised quartz veins (MDI20005-MDI0009) in order to determine the relative distribution of gold between the veins and host rock.* • *TRCD732 was drilled orthogonally to the dominant, sub-horizontal orientation of mineralised sheeted quartz vein sets.* • *Not applicable.*

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *A plan showing hole TRCD732 is included in the ASX release of 7 June 2017.*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *Not applicable.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Reported within this release as appropriate and relevant.*
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Stated within the release as appropriate and relevant.*