



## Middle Island

RESOURCES LIMITED

**Middle Island Resources Ltd**  
ACN 142 361 608  
**ASX code: MDI**  
[www.middleisleland.com.au](http://www.middleisleland.com.au)

**Capital Structure:**

469 million ordinary shares  
800,000 unlisted options

**Cash**

\$3.6m (as at 30 June 2016)

**Directors & Management:**

**Peter Thomas**

Non-Executive Chairman

**Rick Yeates**

Managing Director

**Beau Nicholls**

Non-Executive Director

**Dennis Wilkins**

Company Secretary

**Linton Kirk**

Sandstone Project Manager

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## ASX Release – 11 October 2016

### Sandstone Gold Project Update

- Middle Island has completed its infill and extension reverse circulation percussion (RC) drilling programme on the Shillington, Shillington North and Two Mile Hill open pit gold deposits at the Company's Sandstone Gold Project in W.A.
- The gold intercept results are generally consistent with historic drilling, including:-
  - 5m at 14.2g/t Au (from 36m)
  - 10m at 4.12g/t Au (from 78m)
  - 5m at 8.21g/t Au (from 64m)
  - 16m at 2.26g/t Au (from 61m)
  - 7m at 4.51g/t Au (from 101m)
- An updated independent resource estimate is currently underway, based on these new results.
- The Phase I (trial) geophysical survey at the Two Mile Hill deposit has identified targets consistent with high grade sulphide mineralisation within banded iron formation (BIF). The Phase II geophysical survey will commence immediately to define these targets at a higher resolution.
- A ~1,500m diamond core drilling programme, targeting extensions to and repetitions of the high grade Two Mile BIF mineralisation, will commence within the next two weeks.
- RC sterilisation drilling for the proposed Two Mile Hill/Shillington waste dump will commence in late October.
- The pre-feasibility study (PFS) is underway and on schedule to be completed late in the December quarter.

## **SANDSTONE GOLD PROJECT**

### **Infill Resource Definition Drilling (Shillington/Two Mile Hill)**

Middle Island Resources Limited (ASX: MDI) advises that its programme of infill and extension RC resource definition drilling was completed on 19 August at the Shillington, Shillington North and Two Mile gold deposits within the Company's Sandstone gold project in Western Australia. All assay results pertaining to the programme have been received and compiled.

The drilling was designed to upgrade open pit resources not already in the Indicated category, and to provide the necessary information to re-estimate and report the resources in accordance with 2012 JORC Code guidelines. The programme comprised a total of 147 holes (4,253m), represented by 48 deeper angled infill holes at the Shillington and Shillington North deposits, and a further five deeper holes at Two Mile Hill, along with 94 shallow, vertical holes at Two Mile Hill designed to quantify peripheral laterite mineralisation.

The results are generally (and predictably) consistent with the existing RC drilling at the deposits, further confirming the veracity of the earlier work. Better intercepts include:-

**MSRC052: 5m at 14.2g/t Au (from 36m)**

**5m at 8.21g/t Au (from 64m)**

**MSRC050: 10m at 4.12g/t Au (from 78m)**

**MSRC007: 16m at 2.26g/t Au (from 61m)**

**MSRC053: 7m at 4.51g/t Au (from 101m)**

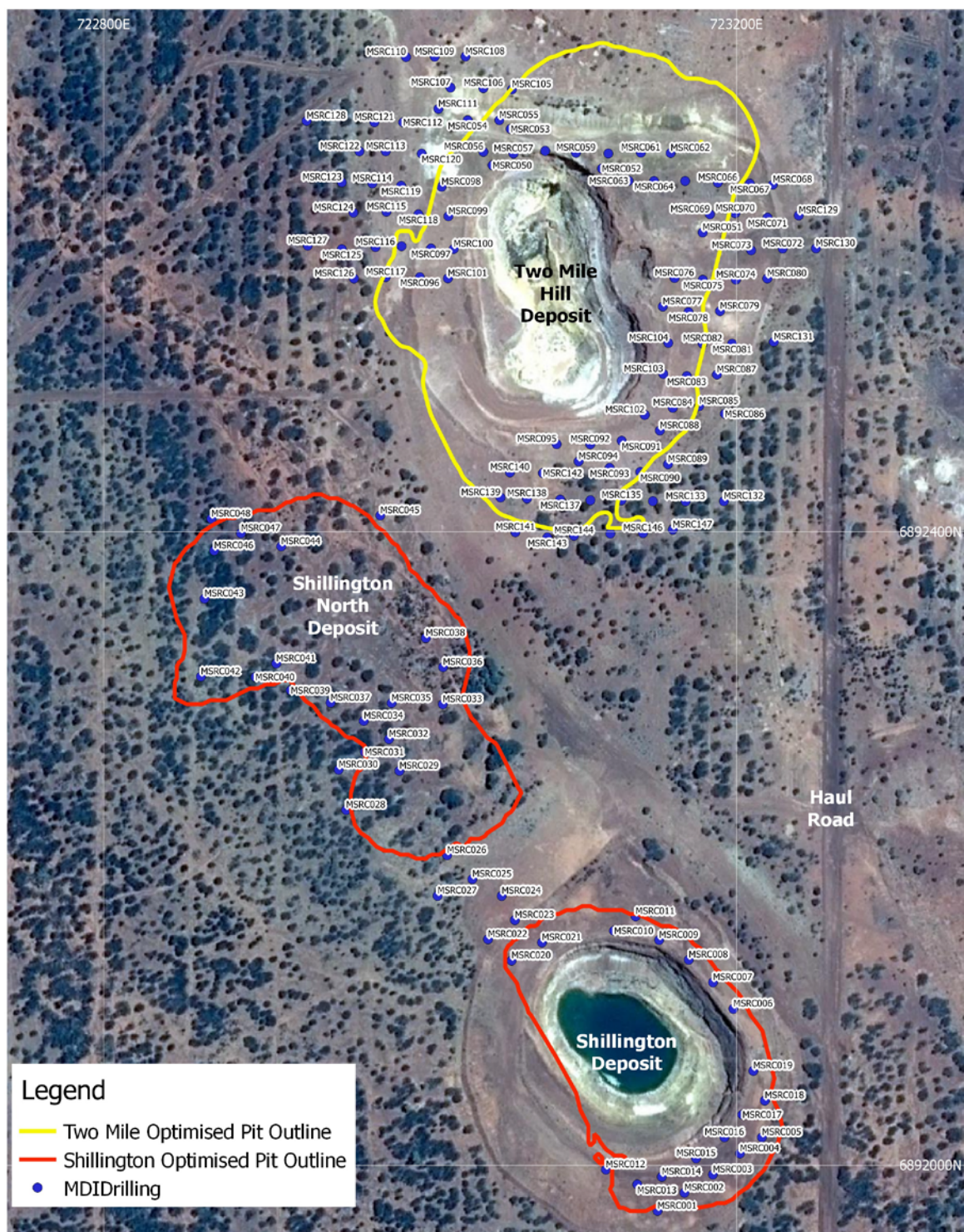
The location of infill drilling is shown in Figure 1 and a full list of more significant intercepts is included as Table 1 below.

### **Resource Estimation (Shillington/Two Mile Hill)**

The full datasets for the Shillington, Shillington North and Two Mile open pit deposits have been provided to EGRM Consulting Pty Ltd for independent resource estimation in accordance with the 2012 JORC Code guidelines prior to application in the PFS. It is anticipated that these three deposits will comprise the initial 2-3 years mill feed for the proposed Sandstone gold project re-commissioning.

The updated resource estimate will be available later in October.

**Figure 1**



Middle Island Resources  
Completed RC Drilling Shillington-Two Mile Area

50 0 50 100 m

Grid - MGA94 Zone 50, 1:3000





**Table 1**

Prospect	Hole	Northing	Easting	Depth	Dip	Azimuth	From (m)	To (m)	Interval (m)	Au g/t
Shillington	MSRC003	6891994	723184.9	42	-60	236	32	36	4	1.28
Shillington	MSRC007	6892116	723185	115	-60	236	61	77	16	2.26
Shillington	MSRC008	6892130	723169.7	103	-55	236	48	58	10	1.50
Shillington	MSRC015	6892005	723174.3	49	-60	236	19	29	10	1.04
Shillington	MSRC016	6892018	723192.2	55	-60	236	29	36	7	1.08
Shillington	MSRC019	6892060	723210.5	79	-60	236	59	66	7	3.29
Shillington	MSRC021	6892141	723077	37	-60	236	18	23	5	3.14
Shillington North	MSRC025	6892181	723033	31	-60	236	19	27	8	0.88
Shillington North	MSRC031	6892261	722965	55	-60	236	23	31	8	1.71
Shillington North	MSRC037	6892292	722943.4	43	-60	236	29	36	7	2.08
Shillington North	MSRC037	6892333	723003.6	91	-60	236	39	43	4	4.37
Shillington North	MSRC038	6892391	722912.2	79	-60	236	51	59	8	2.00
Shillington North	MSRC044	6892410	722974.9	109	-60	236	54	60	6	0.90
Shillington North	MSRC045	6892399	722886.8	50	-60	236	73	76	3	1.96
Shillington North	MSRC047	6892408	722868.1	61	-60	236	21	26	5	2.87
Shillington North	MSRC048	6892632	723045.7	121	-60	90	14	23	9	0.95
Two Mile Hill	MSRC050	6892589	723178.5	151	-55	270	99	104	5	1.42
Two Mile Hill	MSRC050	6892589	723178.5	151	-55	270	119	121	2	4.70
Two Mile Hill	MSRC050	6892589	723178.5	151	-55	270	78	88	10	4.12
Two Mile Hill	MSRC051	6892629	723114.8	127	-60	270	138	143	5	1.23
Two Mile Hill	MSRC051	6892629	723114.8	127	-60	270	77	81	4	2.12
Two Mile Hill	MSRC051	6892629	723114.8	127	-60	270	104	109	5	1.95
Two Mile Hill	MSRC052	6892629	723114.8	127	-60	270	43	45	2	2.75
Two Mile Hill	MSRC052	6892629	723114.8	127	-60	270	52	55	3	2.37
Two Mile Hill	MSRC052	6892629	723114.8	127	-60	270	113	116	3	3.26
Two Mile Hill	MSRC052	6892629	723114.8	127	-60	270	73	79	6	1.72
Two Mile Hill	MSRC052	6892629	723114.8	127	-60	270	36	41	5	14.20
Two Mile Hill	MSRC053	6892654	723057.2	121	-60	90	77	80	3	2.04
Two Mile Hill	MSRC053	6892654	723057.2	121	-60	90	101	108	7	4.51
Two Mile Hill	MSRC053	6892654	723057.2	121	-60	90	64	69	5	8.21
Two Mile Hill	MSRC061	6892639	723139.4	15	-90	0	8	10	2	6.99
Two Mile Hill	MSRC068	6892619	723222.8	6	-90	0	0	4	4	1.90
Two Mile Hill	MSRC075	6892559	723178.5	9	-90	0	0	5	5	1.52
Two Mile Hill	MSRC076	6892560	723160.7	9	-90	0	0	5	5	1.99
Two Mile Hill	MSRC097	6892579	723006.8	11	-90	0	7	11	4	1.24
Two Mile Hill	MSRC098	6892618	723013.5	6	-90	0	0	6	6	1.24
Two Mile Hill	MSRC114	6892620	722969.8	5	-90	0	0	5	5	1.06
Two Mile Hill	MSRC118	6892601	722998.9	7	-90	0	1	7	6	1.46
Two Mile Hill	MSRC119	6892619	722987.9	6	-90	0	0	5	5	1.36

Notes : Intercepts calculated using a 0.3g/t lower cutoff and a minimum metal score of 5 gram metres (metres x g/t) = <5. All intercepts based on 1m samples and 50g fire assays.

### **Geophysical Surveys (Two Mile Hill)**

Considerable encouragement was provided by the findings of initial geological and geophysical reviews of the high grade underground gold target, hosted by banded iron formation (BIF) where intruded by tonalite, at Two Mile Hill.

As a follow up to the review work, Phase I geophysical surveys were completed during September, comprising additional down-hole electromagnetics (DHEM), trial surface fixed loop EM (FLEM) and induced polarisation (IP) surveys. The aim of this work was to select the most definitive and efficient method to refine the position and the extent of high grade mineralisation prior to drilling. In addition, the FLEM and IP lines were extended 400-500m beyond the known Two Mile Hill deposit to potentially identify additional targets for the upcoming drilling program.

The most recent DHEM work has demonstrated the relationship of sulphide mineralisation with DHEM anomalies. Modelling is underway to identify additional targets based on this method.

The three trial lines of FLEM defined weak, but measurable, late-time, conductive responses that correlate with known semi-massive to massive sulphide intersections in drilling. The location and continuity of the EM anomalies between the lines is consistent with the location of BIF-hosted sulphide mineralisation adjacent to the western and eastern margins of the tonalite. A distinctive, stronger, late time FLEM anomaly is evident on two lines approximately 100m to the southwest of the tonalite. The anomaly, which trends NW-SE, is interpreted to represent a strike extension of the BIF-hosted mineralisation at the nearby Shillington deposit.

The trial induced polarisation (IP) lines also identify significant targets within the BIF, both proximal to and distal from the tonalite contact. The IP anomalies correlate well with the FLEM anomalies where the two surveys overlap.

The Phase II geophysical survey will commence immediately. This work will comprise a detailed FLEM survey over the whole Two Mile Hill deposit and immediate surrounds in order to further refine targets for the diamond core drilling programme planned to commence shortly.

### **Planned Diamond Drilling (Two Mile Hill)**

A diamond core drilling programme, comprising six holes for approximately 1,500m, is scheduled to commence at Two Mile Hill in the next two weeks, subject to Programme of Work (POW) approval.

High grade mineralisation associated with the Two Mile Hill BIF deposit lies at a depth of ~200m where the down-dip extent of the Shillington BIF is intruded by the mineralised Two Mile Hill tonalite. This deposit may possibly be accessed via a conventional decline from the planned Two Mile Hill or Shillington pits. The existing deposit is developed over a 50m plunge length on the western margin of the tonalite, but geophysical evidence now suggests it remains open along the balance of the western margin and is essentially un-drilled along the 250m length of the eastern margin, an aggregate potential plunge length of ~500m.

Modelling and evaluation of the down-hole magnetic susceptibility and electro-magnetic data shows three BIF units (rather than the one identified previously), effectively trebling the aggregate potential plunge length (to ~1,500m) of targets prospective this style of high grade gold mineralisation.

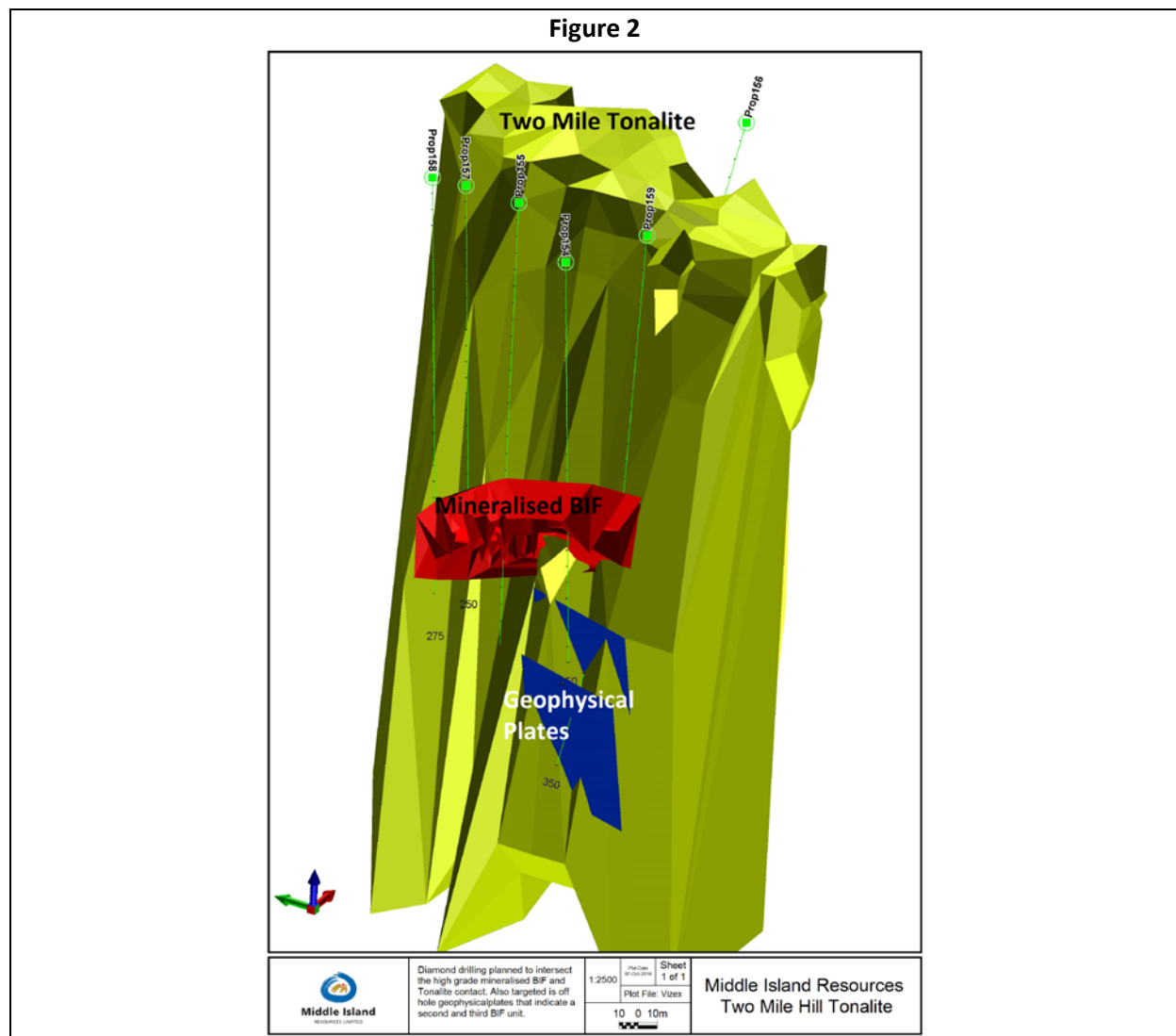
The planned diamond drilling programme is designed to achieve the following key objectives:-

- Extend the high grade, BIF-hosted gold mineralisation (associated with massive pyrite replacement) already defined. Previous drilling results associated with this target include true width intercepts of 22m at 23.8g/t, 8m at 56g/t and 5m at 26.5g/t Au.
- Assess the DHEM plates interpreted to be associated with massive sulphide within the recently identified, deeper, middle BIF unit in order to confirm a second prospective mineralised horizon along the western tonalite contact.

The diamond drilling programme (see Figure 2 below) has been designed with sufficient flexibility to accommodate specific additional targets and/or refinements to existing targets that may be generated from the imminent Phase II geophysical survey.

A limited quantity of diamond core drilling will also be undertaken to satisfy additional geotechnical and metallurgical requirements for the PFS.

The outcome of the exploratory component of planned diamond drilling is eagerly awaited.





The latter work is specifically driven by the requirement for an embankment at the existing Twin Shafts in-pit tailings facility in order to provide additional tailings capacity for the life of mine envisaged in the PFS. It is planned to source sufficient waste material from a cutback on one or more of these deposits to provide appropriate material for the Twin Shafts embankment, at the same time generating profitable additional ore feed for inclusion in the PFS. One or more of these possible pit cutbacks may subsequently provide future in-pit tailings capacity, as all are located proximal to the processing plant and existing tailings facility.

The Sandstone gold project pre-feasibility study (PFS) is progressing to schedule. An owner's-representative has been appointed to oversee metallurgical, refurbishment and processing aspects of the study and recommissioning. Individual consultants have also been appointed to variously complete resource estimation, geotechnical, hydrological, mine optimisation, mine design, scheduling, environmental, tailings, financial modelling and procurement aspects, all under the stewardship of Linton Kirk as Project Manager. Proposals have also been forthcoming from a number of process engineering groups to undertake the plant refurbishment, assuming a positive outcome from the PFS.

Middle Island looks forward to keeping you updated on progress on the Phase II geophysical survey, the various drilling programmes and, importantly, the PFS for the proposed Sandstone gold project recommissioning in 2017.

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## 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.

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.

## Appendix 1

The following Table is provided in compliance with the JORC Code

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (eg 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.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li><i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g 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 (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>The results announced here are derived from an RC drill program completed by MDI. The sampling was carried out by collecting 2-3kg of RC chips off the drill rig's cone splitter; the sampling was undertaken at one metre intervals.</li> <li>Recovery was excellent, the samples were a consistent size of 2 – 3kg splitting off the drill rig's cone splitter. The primary sample was taken from the same splitter chute the entire program.</li> <li>RC drilling was used to obtain 1m samples of RC chips (see first point above) from which 2- 3kg was sent to the laboratory to be crushed (- 10mm) and pulverised to produce a 300g pulp, then split to a 50g charge for fire assay analysis.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).</i></li> </ul>	<ul style="list-style-type: none"> <li>The RC rig used a 5 inch bit to return sample every metre.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>RC chip recovery data for this drilling was measured for each drill hole and captured in a digital logging software package. The data has been reviewed and the sample recovery was approximately 100% throughout.</li> <li>Ground conditions were optimal for drilling so, other than blow-backs at the end of each metre, no extra measures were taken to maximise the sample recovery at time of drilling.</li> <li>No relationship between sample recovery and grade has been established.</li> </ul>



Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li><i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>The RC chips were logged for lithology, weathering, mineralogy, mineralisation, colour and other features. Logging was carried out according to Middle Island Resources internal protocols at the time of drilling. Sampling was carried out according to Middle Island Resources internal protocols which comply with industry standards.</li> <li>Each metre of all drill holes was qualitatively logged from start to finish of the hole.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>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.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> <li>RC chips were split dry using a cone splitter on the drill rig, samples were collected and bagged in 1m intervals.</li> <li>The samples were dried and crushed to -10mm before being split and then a 300g subsample pulverised to 95% passing 75 microns. This fraction was then split again down to a 50g sample charge for fire assay.</li> <li>A field duplicate (via a second split off the drill rig) was collected and assayed at a rate of 1:18 samples.</li> <li>For the RC chips the routine sample procedure was to consistently take the primary split from the same chute. A secondary split was taken off the other chute for field duplicates.</li> <li>Sample size and assay charge size are considered entirely appropriate for the style of mineralisation.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>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.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels</i></li> </ul>	<ul style="list-style-type: none"> <li>Middle Island adopted a 50g fire assay method with an ICP-OES finish. This technique is considered appropriate for gold mineralisation associated with sulphides.</li> <li>No other measurement tools/instruments were used to derive assays.</li> <li>Field duplicates and standards were routinely included in the assay train at a 1:9 frequency, and a quartz wash was applied between each sample pulverised. Sample results are very consistent with</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>of accuracy (ie lack of bias) and precision have been established.</i>	those reported by previous project owners.
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• Sampling was undertaken by two experienced geologists who confirmed the intersections as prospective for gold mineralisation.</li> <li>• No twinned holes were used as part of this programme.</li> <li>• Sampling data were imported and validated using a GBIS database software system.</li> <li>• Assay data have not been adjusted to date, however re-assays were requested on batches where a standard failed. This also includes re assaying of samples either side of the standard in the sampleID sequence.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• Surface collar coordinates were surveyed via differential GPS. A high quality downhole single shot camera was used to determine the dip and azimuth of the hole at 20-30m intervals.</li> <li>• MGA94 Zone 50</li> <li>• The topographic surface was calculated from the onsite mine surveyors pickups</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Results being reported are comprised of 1m sample/assay intervals.</li> <li>• The data spacing is sufficient to demonstrate the continuity of grade.</li> <li>• No compositing of samples was adopted.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Drilling orientations were appropriate to intersect the BIF mineralisation to provide a representative sample of essentially true width.</li> <li>• The Competent Person does not believe that any sample bias has been introduced.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>• The samples were collected by two experienced company geologists and picked up by the laboratory's sample truck driver.</li> <li>• Intertek is an internationally accredited laboratory that has its internal procedures heavily scrutinised in order to maintain its accreditation.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>• Reported results are very consistent with historic results.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The drilled holes and sampled RC chips are from Mining lease M57/128 which is 100% owned by Sandstone Operations Pty Ltd, a wholly-owned subsidiary of Middle Island Resources Limited.</li> <li>As of 11/07/2016 Sandstone Operations Pty Ltd was the sole owner of the project, including Mining Lease M57/128.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>BIF-hosted, meso-thermal quartz veining and pyrite replacement mineralisation within the Sandstone greenstone belt.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>See table and plan within the release.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values</li> </ul>	<ul style="list-style-type: none"> <li>Drill intercepts reported with weighted averages to create the grade intercepts. Individual internal values of &lt;1.0g/t Au were included over a maximum internal interval of two metres.</li> <li>No internal intercepts are reported.</li> <li>Not applicable.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>should be clearly stated.</i>	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>• Holes have been drilled orthogonally to the general dip and strike of the mineralised horizons and therefore down-hole intercepts approximate true widths.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• See table and figures within the release.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Results are from a targeted drill program to infill Mineral Resources reported by Troy Resources in 2013 in accordance with the 2004 JORC guidelines. The infill drilling results are generally very consistent with the previous Troy results.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• This program has allowed Middle Island to infill quantified Indicated and Inferred Mineral Resources and upgrade these resources from JORC 2004 to JORC 2012 guidelines. MDI will use this data to increase confidence in the resource and generate an Ore Reserve.</li> </ul>