



Middle Island
RESOURCES LIMITED

Middle Island Resources Ltd

ACN 142 361 608

ASX code: MDI

www.middleisland.com.au

Investment Highlights:

- Australian and ASX listed gold exploration company focused on West Africa
- 100% of Reo Project in Burkina Faso – 1,166km² straddling junction of the Boromo & Houndé greenstone belts.
- Earning 70% in Nassilé Project in Niger – 577km² of lightly explored Birimian greenstones.
- Earning 90% interest in Dogona applications in Niger – 823km² of unexplored Birimian greenstones (grant expected April 2011).
- 100% interest in five permits and earning 75% in a sixth, collectively comprising the 3,005km² Nuon River Project in Liberia.

Capital Structure:

99.9 million ordinary shares

16.2 million unlisted options

Cash

\$7.7m

Directors & Management:

Peter Thomas

Chairman

Rick Yeates

Managing Director

Beau Nicholls

Technical Director

Linton Kirk

Non-Executive Director

Andrew Chubb

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ASX Release – 13 January 2012

Significant New Gold Target in Liberia

LIBERIA

- New cohesive, 3km long, high tenor gold soil anomaly confirms significance of Big Hill Prospect at Barte Jam mining camp within the Nuon River Project.
- Initial 5,000m reverse circulation percussion (RC) drilling programme to commence shortly at Big Hill.
- Comprehensive stream sediment sampling campaign, covering the whole of the Nuon River project area, now well underway.
- Airborne magnetic and radiometric survey over the whole of the Nuon River Project commencing 16 January 2012.

BURKINA FASO

- Additional 26,169m (3,430 holes) of auger geochemical drilling completed at Reo gold project, bringing aggregate campaign total to 42,144m (5,400 holes), of the planned and extended 58,000m programme.
- 140 holes (5,008m) of an initial 10,000m rotary air blast (RAB) drilling programme completed at Reo, with initial drilling in progress at Morley Prospect.

NIGER

- Dogona and Boulkagou permits - structural interpretation and targeting studies completed and priority exploration corridors being defined for auger drilling.
- Mapping completed to support definition of priority exploration corridors.
- Nassile Project - 31 holes (2,453m) of an initial 7,500m RC percussion drilling programme completed to assess 7km long Songonduari and 1.2km long Forbemi gold anomalies.

MAIDEN YEAR OVERVIEW

- Five significant resource targets identified on three separate projects.

EXPLORATION UPDATE

Nuon River Gold Project – Liberia

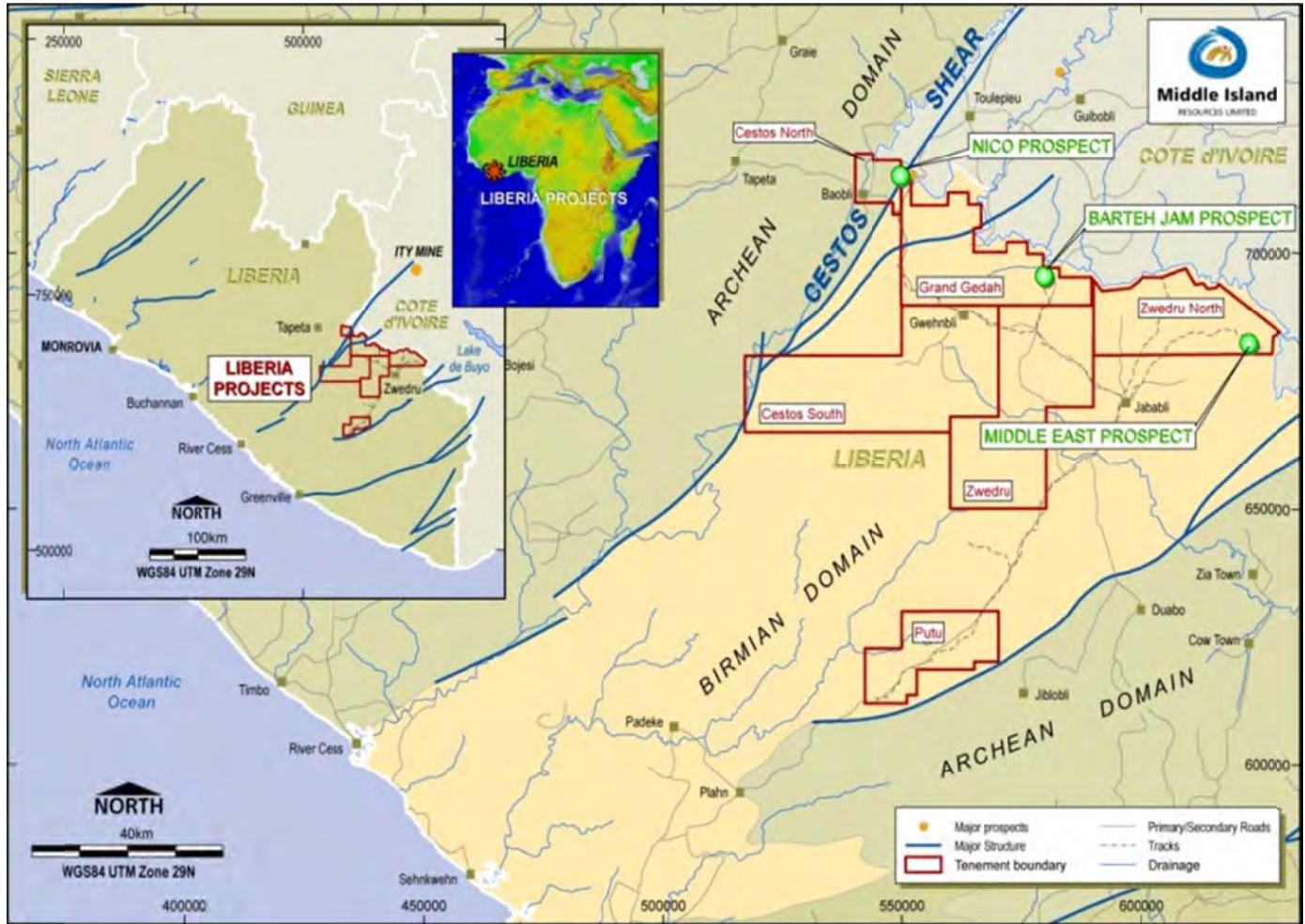


Figure 1; Nuon River Project location plan, showing the Barthe Jam and Nico mining camps.

Soil Sampling

Soil sampling of the priority Barthe Jam mining camp, within the Nuon River gold project in Liberia, has been completed, with a total of 857 samples collected on a nominal 200m by 50m pattern. Every second sample was initially submitted for assay to refine the primary area of interest. These initial results have all been received and compiled to provide the image presented as Figure 2 below. The remaining infill samples have now also been submitted for assay to provide greater anomaly definition.

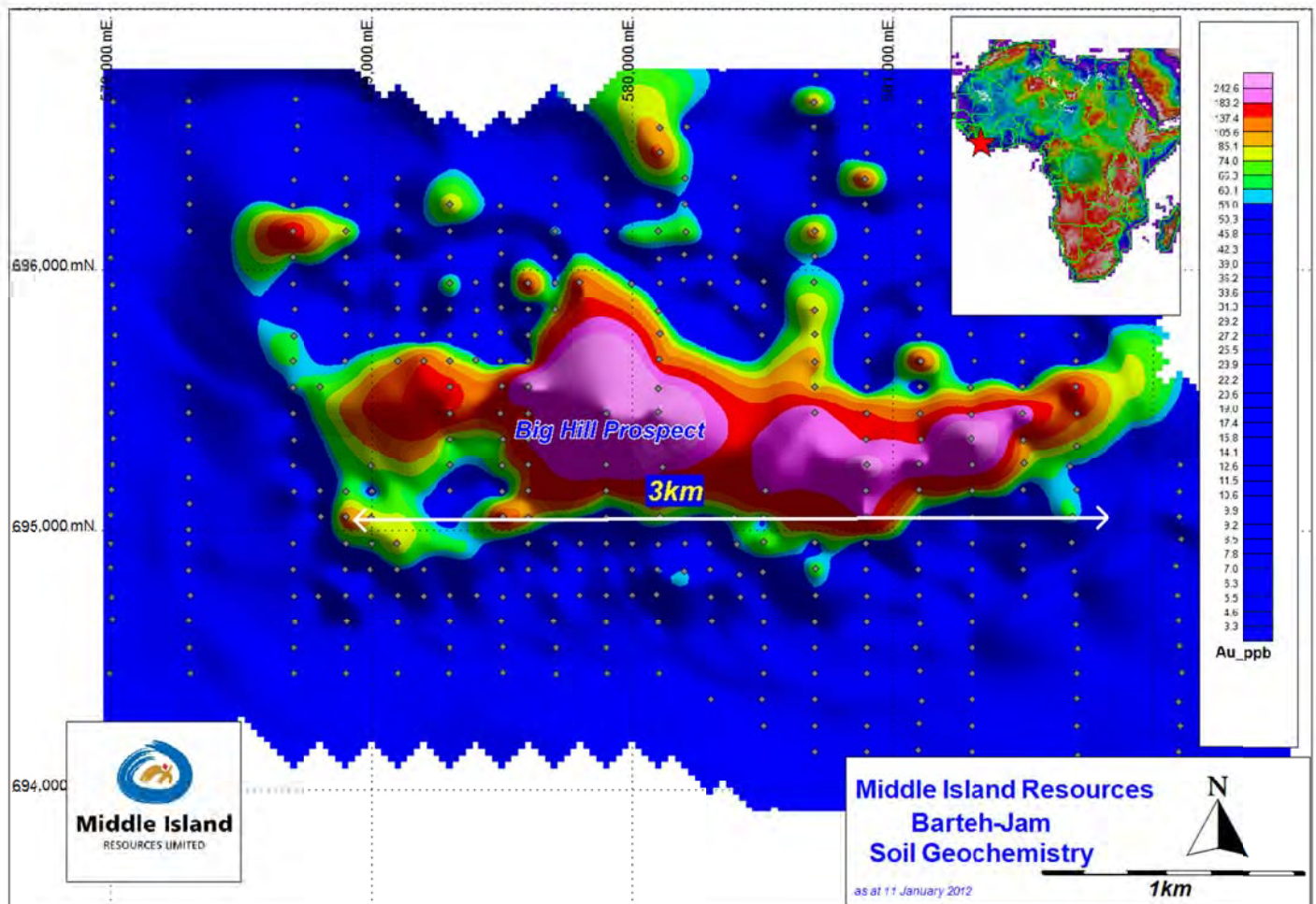


Figure 2; Image of the cohesive, high tenor, 3km long Big Hill soil gold anomaly defined at the Barteh Jam mining camp within the Grand Gedeh JV permit at the Nuon River Project.

The soil gold geochemical results from the Barteh Jam mining camp define a broad, cohesive, 3km long, east-west trending, high tenor gold soil anomaly with a peak value of 2,340ppb (2.34g/t) Au. The southern margin of the anomaly is consistent with the mapped distribution of major artisanal saprolite gold workings associated with the Big Hill Prospect. The shallow (25°) south dip of mineralised exposures is interpreted to account for the significant breadth of the anomaly to the north, due to the vertical displacement of gold via deflationary processes on a progressively eroding land surface. Notwithstanding this, satellite gold anomalies also appear to be present along the northern extremity of the existing soil grid that will require further investigation. Equally, the distribution of artisanal saprolite and alluvial gold workings suggest there is considerable potential to identify extensions and repetitions of the main Big Hill anomaly to both the east and west.

Soil sampling of the Nico Prospect, straddling the boundary between the Grand Gedeh JV permit and the 100% owned Cestos North permit, has been completed. Some 553 samples were collected at 50m centres on a 200m to 400m line spacing. Every second sample was initially submitted for assay (270 in all) to refine the primary area of interest. Assay results have been received and the initial results imaged, as shown in Figure 3 below.

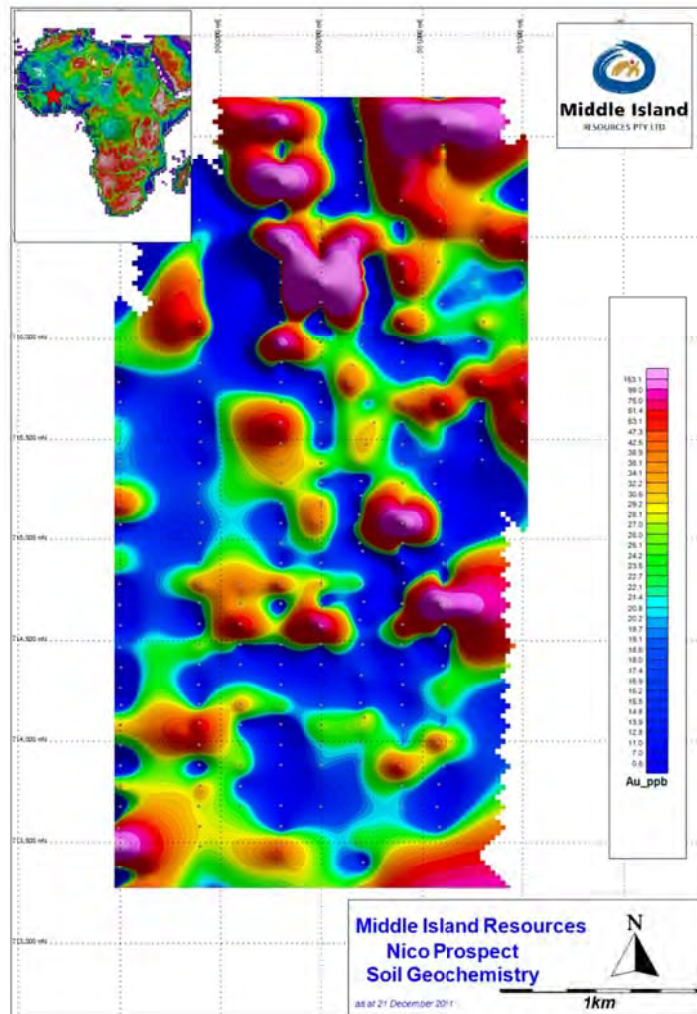


Figure 3; Image of the less cohesive, provisional Nico Prospect soil gold anomaly straddling the boundary between the 100%-owned Cestos North and the Grand Gedeh JV permits at the Nuon River Project.

The initial results define a poorly cohesive series of anomalies that are broadly consistent with the position of the northeast trending Cestos Shear corridor. Subject to the results of recently submitted infill samples, the Nico anomaly does not appear to be of sufficient size and tenor to represent a priority for the Company at this stage.

RC Drilling

Site access and drill pad preparation utilising a bull dozer has commenced at the Big Hill Prospect in preparation for an initial 5,000m reverse circulation percussion (RC) drilling programme that is scheduled to commence this month. Should initial results prove encouraging, the Company has the ability to retain the RC rig at Nuon River indefinitely and a diamond core rig is on standby, should it be required.

Stream Sediment Sampling

A comprehensive stream sediment sampling campaign, covering the whole of the Nuon River project area, commenced in November 2011. The campaign involves ultra-sensitive sampling and multi-element analytical techniques, designed to confidently identify and discriminate anomalies in order to delineate specific sources of primary gold mineralisation.

To date 122 samples of a planned 340 sample programme have been collected and submitted for multi-element analysis. Sample collection is progressing at the rate of 3-5 samples per day, depending on terrain.

Airborne Magnetic & Radiometric Survey

South African-based Xcalibur Geophysics has been contracted to undertake an airborne magnetic and radiometric survey over the whole of the Nuon River Project. This survey is scheduled to commence on 16 January 2012, and is anticipated to take two to three weeks to complete.

The combination of airborne geophysics and stream sediment sampling will not only permit the identification of priority exploration areas, but also allow rationalisation of the substantial Nuon River Project tenure to mitigate holding costs and statutory expenditure commitments.

Reo Gold Project – Burkina Faso

Auger Drilling

Since the recommencement of geochemical auger drilling at Reo on 22 October 2011, the Company has completed an additional 26,169m (3,430 holes), bringing the aggregate campaign total to 42,144m (5,400 holes) of the planned and extended 58,000m programme. Four auger rigs are currently deployed on the Reo Project, three assigned to the original programme and one on infill drilling of previously identified gold anomalies.

Assay results for a further 2,358 auger holes have been received, and these are being progressively compiled. As previously predicted, of particular note is the definition of a 3km long gold anomaly at the northern end of the project, termed the Samba Prospect, where the major Yako Shear is deflected around the western margin of an interpreted mafic intrusive body, as shown in Figure 4 below. This anomaly represents the third significant target to be identified at the Reo Project, all three of which are being assessed via the current RAB drilling campaign.

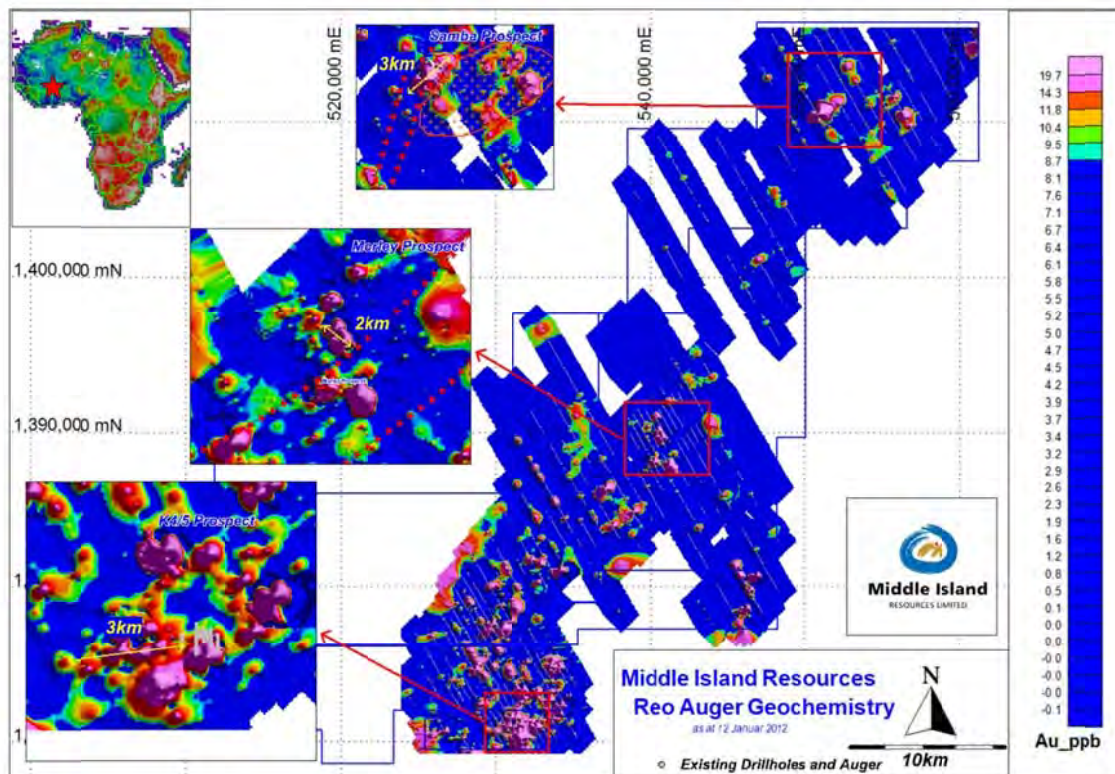


Figure 4; Updated image of auger geochemical drilling at the Reo Project, designed to define and refine targets for cost effective RAB and RC drilling. The recently defined Samba anomaly is shown in the extreme northeast portion of the tenement block.

RAB Drilling

An initial 10,000m RAB drilling programme, designed to assess priority auger gold geochemical targets, commenced at the Reo Project on 30 November 2011. Since this date, 140 holes (5,008m) have been completed, primarily within the Morley Prospect area. Results are being progressively compiled.

Nassilé & Dogona Gold Projects - Niger

Airborne Geophysical Interpretation

The structural interpretation and targeting studies, based on the magnetic and radiometric surveys flown over all permits in Niger, have been completed and received for the Dogona and Boulkagou permits, while that for the Nassile permit is understood to be nearing completion.

Mapping

Mapping of the Dogona and Boulkagou permits (collectively the Dogona Project) has been completed.

The combination of geophysical interpretation and the mapping provides the necessary information to define priority corridors for initial geochemical auger drill assessment. An extension of the Nassile auger coverage and commencement of auger drilling at Dogona will be undertaken once the auger drilling campaign at the Reo Project in Burkina Faso has been completed and the rigs can be progressively reassigned to Niger.

RC Drilling

An initial 7,500m RC drilling programme commenced at the Nassile Project in December 2011. To date 31 holes (2,453m) have been completed on the Songonduari Prospect, however no assays results have yet been received.

The primary purpose of this programme is to assess the 7km long Songonduari and 1.2km long Forbemi gold anomalies, defined by auger geochemistry last field season. Updates on this programme are expected during the March Quarter, 2012.

Overview

The 2011-12 exploration field season is now well underway in West Africa. Middle Island currently has seven drill rigs operating on three projects to assess five significant targets, any of which has the potential to accommodate the Company's stated minimum resource objective. In addition, the Company is continuing geophysical and geochemical surveys to ensure a pipeline of similar targets are being progressively generated.

This aggressive, yet prudently systematic exploration campaign is expected to generate a flow of news during the March and June quarters this year.

I take this opportunity to acknowledge the highly focused efforts of our Exploration Manager, Andrew Chubb, and his professional team in West Africa, and I also wish our shareholders and supporters a safe and prosperous New Year.

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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) and Mr Beau Nicholls (Member of Australian Institute of Geoscientists). Mr Yeates and Mr Nicholls have sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Yeates and Mr Nicholls consent to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Please note with regard to exploration targets, the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

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.