



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 between 70% and 100% in the Sirba Project in Niger, representing 1,936km² of lightly explored Birimian greenstones.
- 100% interest in five permits and earning 75% in a sixth, collectively comprising the 3,000km² Nuon River Project in Liberia, the new gold frontier of West Africa.

Capital Structure:

125 million ordinary shares
18.5 million unlisted options

Cash

\$8.93m (as at 31 December 2012)

Directors & Management:

Peter Thomas

Chairman

Rick Yeates

Managing Director

Beau Nicholls

Technical Director

Linton Kirk

Non-Executive Director

Andrew Chubb

Exploration Manager – West Africa

Dennis Wilkins

Company Secretary

Contact:

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ASX Release – 14 March 2013

Excellent gold recoveries returned from K4/K5 Prospect at the Reo gold project in Burkina Faso

- Average gold recoveries of **93%, 97% and 95%** returned from oxide, transitional and primary ore types respectively at the K4/K5 gold prospect within the Reo Project, Burkina Faso.
- A suite of 17 individual diamond core samples, representative of all oxidation states, rock types, gold grades and alteration styles, was subjected to preliminary cyanidation testwork via standard 72 hour bottle rolls.
- These excellent indicative gold recoveries confirm that the K4/K5 ore is likely to prove amenable to conventional carbon-in-leach (CIL) and possibly even heap leach recovery, providing considerable further confidence prior to embarking on resource definition drilling.
- These encouraging cyanidation test results closely follow identification of a significant 'stand-alone' resource target within the K4/K5 anomaly, comprising a broad, 2.5km long, open ended zone of continuous gold mineralisation.
- The results of a trial induced polarisation (IP) ground geophysical survey, designed to provide better resolution of the principal mineralised zone, are awaited before commencing RC pattern drilling in April.

K4/K5 Prospect - Reo Gold Project – Burkina Faso

Introduction

The K4/K5 Prospect at the Reo Project in Burkina Faso is one of two more advanced, 'stand-alone' gold resource targets being assessed by Middle Island during the 2012-13 field season from its suite of maturing targets across Burkina Faso, Niger and Liberia in West Africa.

K4/K5 Preliminary Cyanidation Tests

Preliminary bottle roll cyanidation testwork has recently been completed on a suite of 17 individual samples derived from diamond core holes drilled at the K4/K5 Prospect in December 2012. The samples, which are representative of all oxidation states, rock types, gold grades and alteration styles, were prepared at a nominal grind-size of 80% passing 75 microns and subjected to standard 72 hour bottle roll tests, with cyanide solution readings taken at 12, 24, 36, 48 and 72 hour intervals.

Final solution readings against calculated head grades generated **average indicative recoveries of 93%, 97% and 95% from oxide, transitional and primary ore types** respectively. Leach curves indicate that the majority of gold is extracted within the first 24 to 36 hours, with minor gold resorption noted in some subsequent solution readings.

Excellent average gold recoveries ranging from 93% to 96% were recorded across the four principal host rocks, being argillite, sandstone, basalt and granodiorite.

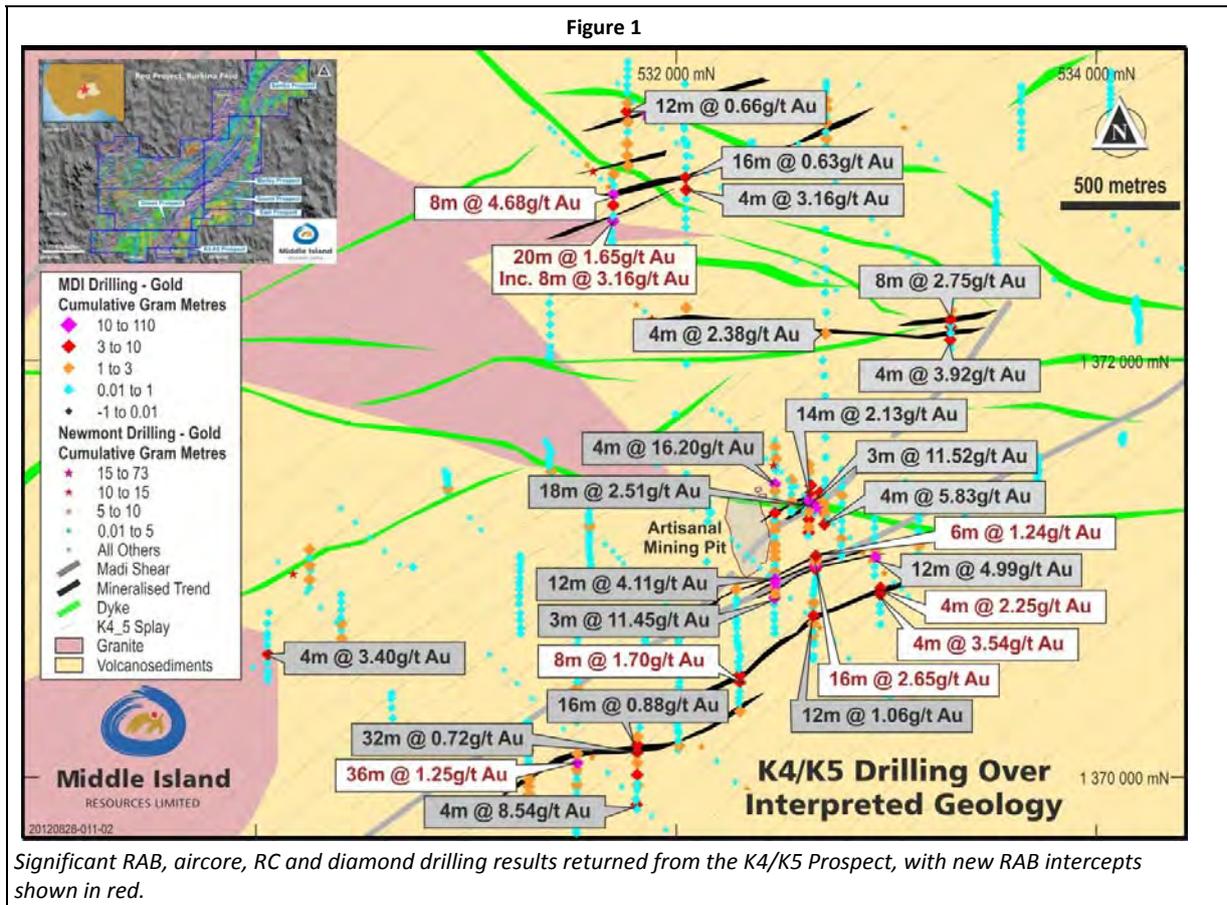
Similarly, **average gold recoveries ranging from 92% to 99% were returned from the full range of alteration styles**, being silica-pyrite, sericite, chlorite and carbonate.

In the first instance **these results provide considerable confidence that high gold recoveries can be anticipated from all K4/K5 material via conventional carbon-in-leach (CIL) processing**. In the second instance the results indicate that a heap leach processing option may be worthy of consideration, representing a considerably lower capital commitment, particularly if the defined mineralisation proves to be of lower average grade.

These excellent cyanidation test results closely follow **identification of a significant 'stand-alone' resource target within the K4/K5 anomaly** (Figure 1 below), **comprising a broad, 2.5km long, open ended zone of continuous gold mineralisation along the south-eastern margin of the prospect**, reported on 12 March 2013.

On completion of the IP ground geophysical survey the Company will embark on a 5,000m RC drilling campaign that will involve the commencement of systematic pattern drilling at K4/K5 and limited drilling of the Samba target.

RC drilling at the K4/K5 target will dominantly comprise traverses along the known mineralised portion of the Madi Shear, initially within the deep (up to 60m vertical) oxide profile. This will be supplemented by limited drilling of at least one further open-ended target in the K5 area to the northwest.



Comment

Middle Island’s Managing Director, Mr Rick Yeates, said that “it has been a transformational few weeks at Middle Island, firstly with identification of a significant ‘stand-alone’ resource target at the flagship K4/K5 Prospect, followed by these encouraging preliminary cyanidation test results”.

“While RC pattern drilling will provide the ‘proof in the pudding’, these were two key boxes that required ticking in the Company’s progress towards a significant rerating”, Mr Yeates said.

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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.