



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 and development 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 highly prospective Birimian greenstones.
- 100% interest in five permits, collectively comprising the 1,676km² Nuon River Project in Liberia, the new gold frontier of West Africa.

Capital Structure:

125 million ordinary shares
18.5 million unlisted options

Cash

\$5.63m (as at 30 June 2013)

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 – 17 September 2013

Conditional Placement to raise A\$5 million

Perth, Western Australia, September 17, 2013 – Middle Island Resources Limited (ASX: **MDI** or the **Company**) today announced that it will conduct a conditional placement to raise A\$5 million (before costs) at A\$0.10 per share (**Placement**). The Placement will be made to professional and sophisticated investors with funds to be held in trust subject to certain escrow conditions being met prior to allotment.

Bell Potter Securities Limited is acting as Lead Manager to the Placement. The Directors of MDI reserve the right to allocate shares as part of the Placement.

With a view to enabling current shareholders of MDI to avoid dilution of their shareholding, the Directors intend, on a non-binding basis, to give existing section 708 exempt MDI shareholders priority participation in the Placement in proportion to their respective holdings as at close of business Monday 16 September 2013 and (as detailed below) to effect a share purchase plan.

Any Section 708 exempt MDI shareholder who does not wish to be diluted by the Placement should immediately contact Bell Potter, the Company or your advisor.

The Company is also pleased to announce a share purchase plan at A\$0.10 per share to eligible shareholders with a registered address in Australia or New Zealand as at the record date (**SPP**).

Under the SPP, each eligible shareholder who held shares in MDI at the record date of 16 September 2013 will be entitled to acquire up to A\$15,000 of new shares in the Company.

Both the Placement and SPP shares will rank equally in all respects with existing MDI ordinary shares.

On 18 July 2013, the Company announced that it had entered a heads of agreement to acquire the Samira Hill Gold Mine (**Proposed Acquisition**). The Placement will satisfy one of the conditions precedent to closing of the Proposed Acquisition.

Funds raised under both the Placement and the SPP will be used by the Company for working capital purposes. The cash component of the consideration for the Proposed Acquisition will be paid from the Company's existing cash reserves.

A general meeting has been convened for 4 October 2013 to obtain MDI shareholder approval:

- (i) under ASX Listing Rule 11, to allow the Company to change the scale of its business to permit the Proposed Acquisition to be made;
- (ii) under ASX Listing Rule 7.1, as the Placement will exceed the Company's capacity to issue 15% of its share capital without shareholder approval; and
- (iii) for the purpose of ASX Listing Rule 10.11, to enable Directors to participate in the Placement.

Funds must be received in support of the Placement by 30 September 2013 and will be held in trust pending one of the following conditions being satisfied:

- (i) all conditions precedent to the Proposed Acquisition are either satisfied or waived and Shareholders approve each of the resolutions proposed in the Notice convening the Meeting of Shareholders to be held on 4 October 2013 (the first escrow condition); or
- (ii) the Proposed Acquisition is abandoned or the first escrow condition is not satisfied by 30 October or such later date as MDI and Bell Potter agree (the second escrow condition).

If the first escrow condition is satisfied, then the shares will be issued to applicants under the Placement and the funds will be released to the Company free of the escrow conditions. The Company will also at this point commence the SPP to eligible shareholders. If, before the first escrow condition is satisfied, the second escrow condition applies then the funds will be returned to applicants free of the escrow conditions and the shares will not be issued and the SPP will be abandoned.

COMPANY CONTACTS:

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

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WEBSITE:

www.middleisland.com.au

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.