



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 Project in Niger – 823km² of unexplored 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

\$13.1m

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 – 25 June 2012

Reo Gold Project & Analytical Update Burkina Faso

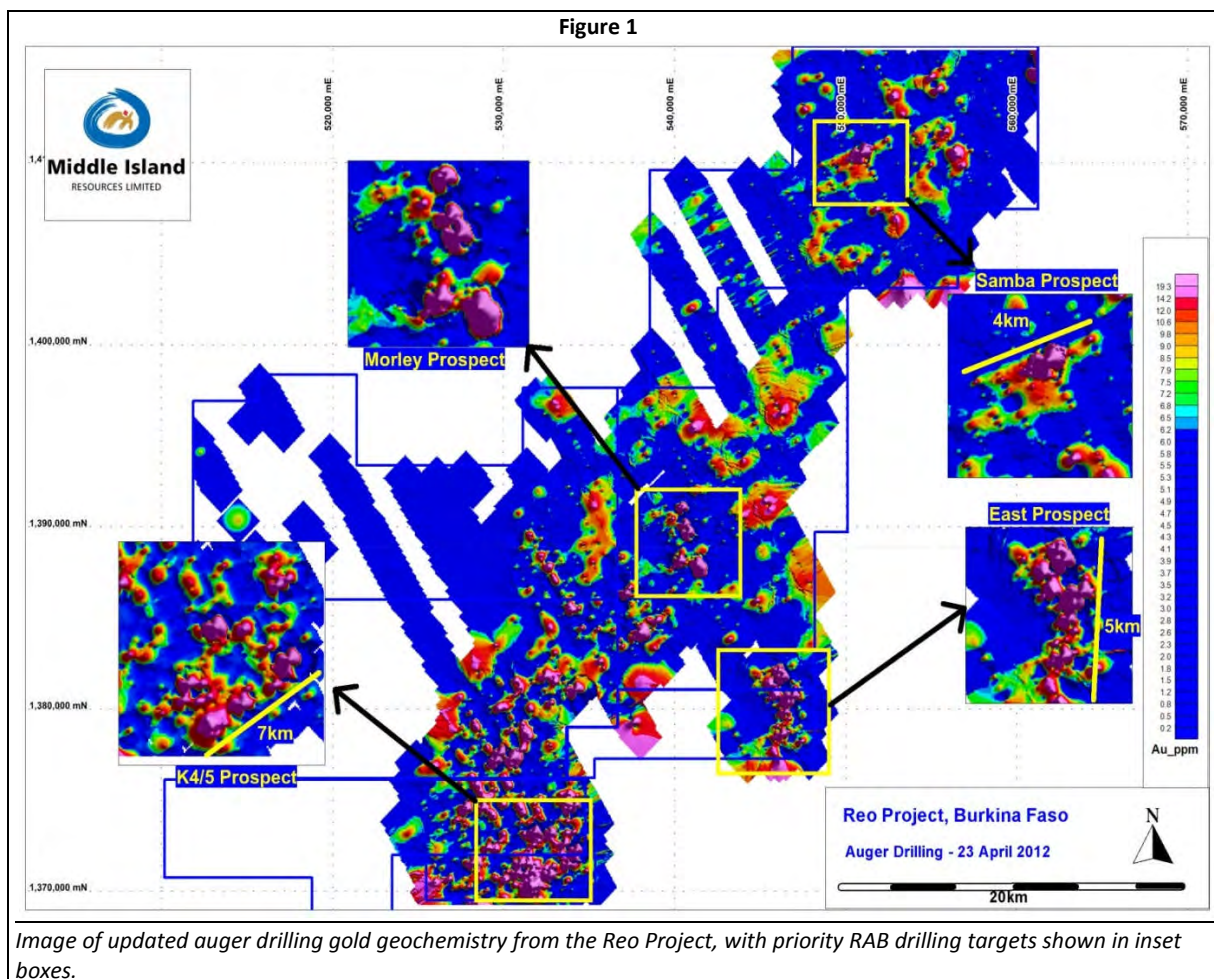
- Further encouraging rotary air blast (RAB) drilling results have been returned from K4/K5 Prospect.
- Significant intercepts include 8m at 1.86g/t (incl. 4m at 3.16g/t), 4m at 12.2g/t and 4m at 3.40g/t Au, in addition to previously reported results of 18m at 2.51g/t (eoh), 13m at 2.23g/t (eoh), 4m at 16.2g/t, 4m at 14.0g/t, 12m at 4.11g/t, 8m at 2.25g/t, 20m at 1.73g/t, 12m at 1.06g/t, 4m at 8.54g/t and 18m at 1.59g/t Au.
- RAB drilling this season has assessed four priority targets at the Reo Project, including the Morley-Goumi, K4/K5, East and Samba prospects, however assays are still pending for a further 797 RAB holes.
- The K4/K5 target is identified as a priority for follow-up RAB, reverse circulation percussion (RC) and diamond core drilling early in the 2012-13 field season.
- The reconnaissance and infill auger drilling campaign at Reo has now been completed, representing a campaign total of 9,341 holes (69,528m), with the results for some 1,720 holes still pending.
- Assay laboratory sample turnaround times remain extremely problematic, with some 16,596 auger, RAB and RC samples (6,125 holes) from the Reo Project in Burkina Faso, and the Nassilé and Dogona projects in Niger now in the SGS laboratory in Ouagadougou awaiting assay.
- Middle Island is pleased to advise that it has purchased its own dedicated, containerised, sample preparation laboratory from South Africa, which will remove dependence on over-committed West African laboratories.
- The facility will provide the flexibility to air freight sample pulps to any recognised laboratory in the world for analysis, significantly reducing sample turnaround times.
- Excess capacity in the sample preparation facility will be offered to peer-group companies in order to defray operating costs.

Reo Gold Project – Burkina Faso

Auger Drilling

The reconnaissance and infill auger drilling campaign at the Reo Project has been completed and the auger fleet demobilised. This brings the auger drilling campaign total to 69,528m (9341 holes), however assay results for some 1,720 holes are still pending.

An updated image of the auger drilling gold geochemistry is provided as Figure 1 below, within inset boxes highlighting the four main targets that have been the subject of follow-up RAB drilling during the field season.



RAB Drilling

Some 1,405 RAB holes (50,870m) have been completed over four principal targets at the Reo Project, variously including the Morley-Goumi, K4/K5, East and Samba prospects, during the 2011-12 field season.

While assays are still pending for 797 RAB holes, further encouraging results have been received for the K4/K5 Prospect, including **8m at 1.86g/t, 4m at 12.2g/t and 4m at 3.40g/t Au**. These results are in addition to previously reported RAB, aircore and RC intercepts of **18m at 2.51g/t (eoh), 13m at 2.23g/t (eoh), 4m at 16.2g/t, 4m at 14.0g/t, 12m at 4.11g/t, 8m at 2.25g/t, 20m at 1.73g/t, 12m at 1.06g/t, 4m at 8.54g/t and 18m at 1.59g/t Au**.

The distribution of K4/K5 drill results is shown in Figure 2 below, while a full tabulation of more significant RAB drill intercepts is provided in Table 1.

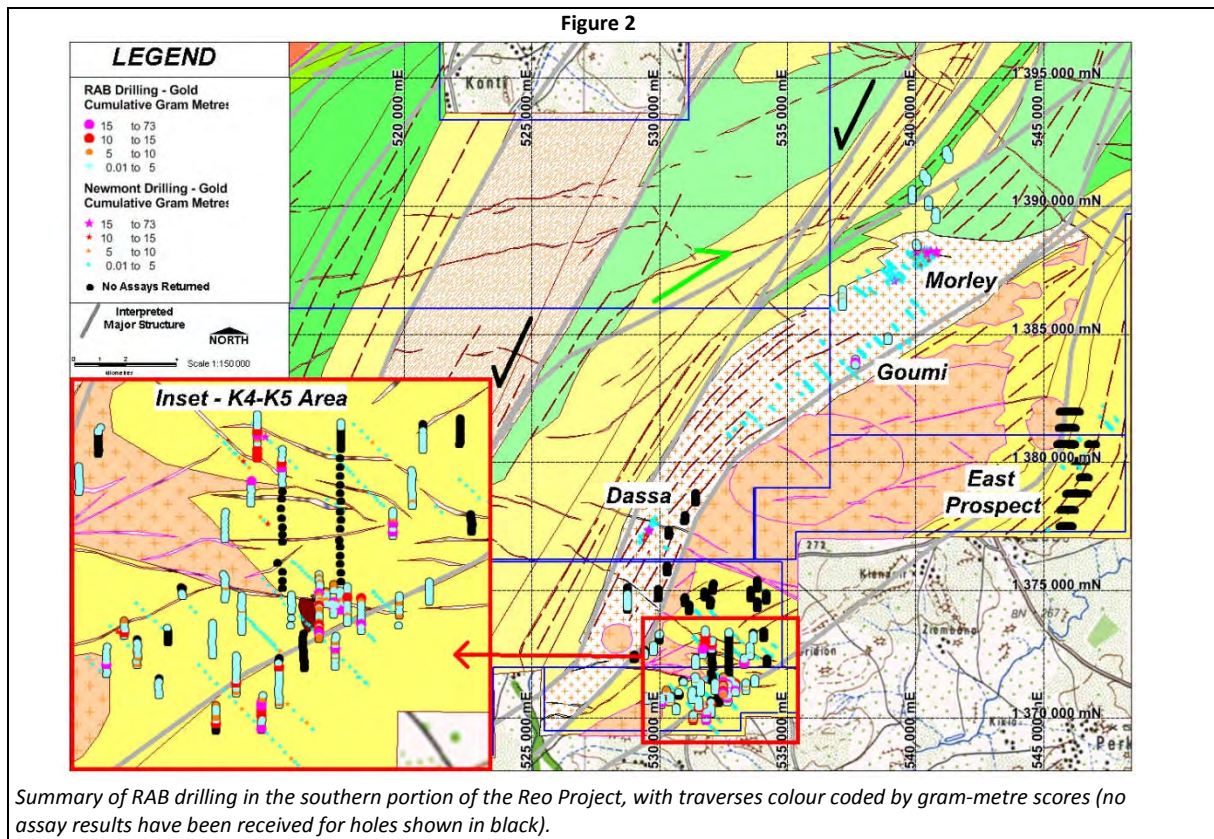




Table 1
Reo Project – Significant RAB Drilling Intercepts

Hole	Prospect	East	North	RL	Dip	Azimuth	From	To	Width	Au g/t	
MRRB0002	K5	532147	1371034	290	-50	360	0	4	4	0.62	
MRRB0004	K5	532470	1371583	278	-50	360	0	4	4	0.66	
MRRB0009	K5	532470	1371406	282	-50	360	0	8	8	8.20	
							including	4	8	4	16.2*
MRRB0013	K5	532474	1371316	283	-50	360	0	4	4	0.76	
MRRB0015	K5	532470	1371267	286	-50	360	48	57	9	0.77	
MRRB0019	K5	532550	1371425	277	-50	360	8	12	4	0.65	
MRRB0025	K5	532630	1371500	280	-50	360	32	36	4	0.93	
MRRB0029	K5	532630	1371273	289	-50	360	56	59	3	0.87	
MRRB0030	K5	532630	1371235	289	-50	360	4	40	36	0.87	
							including	12	16	4	2.83*
							and	28	32	4	1.78*
MRRB0037	K5	532706	1371311	288	-50	360	56	60	4	0.98	
MRRB0040	K5	532705	1371212	292	-50	360	16	20	4	0.54	
								36	40	4	0.67
								52	66	14	0.55
MRRB0044	K5	532790	1371352	291	-50	360	32	36	4	1.88	
MRRB0049	K5	532787	1371144	289	-50	360	48	52	4	1.59	
MRRB0053	K5	532946	1371345	291	-50	360	28	32	4	0.56	
MRRB0053							40	44	4	0.81	
MRRB0060	K5	532946	1371101	300	-50	360	12	16	4	0.51	
MRRB0062	K5	532946	1371054	297	-50	360	28	40	12	4.99	
							including	28	32	4	14.0*
MRRB0062	K5	532946	1371054	297	-50	360	56	60	4	0.73	
MRRB0069	K5	532470	1371081	285	-50	360	8	12	4	0.67	
MRRB0070	K5	532471	1371046	286	-50	360	12	28	16	0.56	
MRRB0074	K5	532471	1370983	287	-50	360	20	30	10	0.80	
MRRB0076	K5	532470	1370948	288	-50	360	4	48	44	1.48	
								4	16	12	4.11
MRRB0218	Morley-Goumi	537143	1386287	282	-50	360	24	28	4	1.26	
MRRB0249	Morley-Goumi	537640	1383884	288	-50	360	12	16	4	1.41	
MRRB0250	Morley-Goumi	537638	1383860	290	-50	360	8	32	24	1.28	
							including	8	12	4	1.32*
							and	20	28	8	2.25*
MRRB0256	K5	532638	1371305	282	-50	180	40	60	20	1.73	
							including	40	44	4	5.83*
							and	52	56	4	1.10*
MRRB0260	K5	532616	1371268	287	-50	360	4	8	4	0.52	
MRRB0263	K5	532655	1370636	295	-50	180	24	28	4	0.53	
MRRB0265	K5	532651	1370680	291	-50	180	12	16	4	0.56	
								20	24	4	0.83
MRRB0268	K5	532652	1370776	296	-50	180	12	24	12	1.06	
MRRB0270	K5	532654	1370836	297	-50	180	44	48	4	0.58	
MRRB0274	K5	531817	1369961	297	-50	180	48	52	4	0.66	
MRRB0275	K5	531815	1370012	298	-50	180	64	68	4	0.65	
MRRB0277	K5	531816	1370118	290	-50	180	32	64	32	0.72	
MRRB0278	K5	531815	1370158	309	-50	180	12	28	16	0.88	
MRRB0281	K5	531812	1369869	299	-50	180	20	24	4	8.54	
MRRB0287	K5	531529	1370281	285	-50	180	0	4	4	1.60	
MRRB0290	K5	531531	1370378	279	-50	180	36	44	8	1.14	
MRRB0315	K5	531589	1371206	276	-50	180	0	4	4	0.87	
MRRB0350	K5	530258	1370949	292	-50	180	8	12	4	1.72	
MRRB0354	K5	530258	1371090	289	-50	180	48	52	4	0.98	
MRRB0362	K5	530916	1371384	277	-50	180	16	20	4	0.60	



MRRB0389	K5	532047	1372817	288	-50	180	76	84	8	1.86	
							including	76	80	4	3.16*
MRRB0390	K5	532044	1372875	289	-50	180	24	40	16	0.63	
MRRB0394	K4	531771	1372931	286	-50	180	24	28	4	0.58	
MRRB0396	K4	531769	1373036	293	-50	180	28	32	4	0.75	
MRRB0399	K4	531767	1373192	284	-50	180	32	44	12	0.62	
MRRB0400	K4	531770	1373231	294	-50	180	56	60	4	0.64	
MRRB0412	K4	531701	1372669	276	-50	180	20	24	4	12.2	
MRRB0423	K4	533303	1372097	277	-50	180	12	16	4	3.92	
MRRB0427	K4	533306	1372196	272	-50	180	48	66	18	1.59	
							including	48	56	8	2.75*
							and	64	66	2	1.14*
MRRB0428	K4	533305	1372237	275	-50	180	16	20	4	1.29	
MRRB0451	K5	533524	1372424	279	-50	180	48	52	4	0.66	
MRRB0515	K5	533378	1371292	296	-50	180	28	32	4	1.16	
MRRB0535	K5	532012	1370563	296	-50	180	32	36	4	1.44	
MRRB0560	K5	531300	1369918	291	-50	180	28	36	8	0.56	
MRRB0561	K5	531299	1369956	293	-50	180	44	48	4	0.58	
MRRB0563	K5	531299	1370016	293	-50	180	12	16	4	0.52	
MRRB0575	K4	531406	1371465	263	-50	180	0	4	4	1.57	
MRRB0582	K5	530057	1370478	292	-50	180	12	16	4	0.51	
MRRB0585	K5	530059	1370590	287	-50	180	16	20	4	3.40	
MRRB0592	K5	530407	1370591	301	-50	180	32	36	4	0.85	
MRRB0594	K5	530410	1370666	299	-50	180	48	52	4	0.81	
MRRB0595	K5	530410	1370706	291	-50	180	28	32	4	0.51	
MRRB0596	K5	530408	1370735	297	-50	180	16	20	4	0.97	

Notes

Intercepts calculated at a 0.5g/t cutoff based on 4m composite samples and including up to 4m of internal waste

*Denotes intercepts calculated using 1g/t cutoff based on 4m composite samples and no internal waste

All samples assayed via 50g fire assay with an AAS finish

Previously reported intercepts are highlighted in blue.

No results received for holes MRRB0341 (part) to 0348, 0364 to 0382, 0461 to 0495, 0536 to 0559, 0599 to 0729, 0747 to 0768 and MRRB0806 onwards.

Mineralisation occurs over a 6km diameter area of the composite K4/K5 target, being variously present in the northern (K4), north-eastern and southern (K5) areas of the prospect. Irrespective of this, the style of mineralisation consistently comprises sheeted quartz-carbonate veining, within strongly sericite-altered metasediments and metavolcanics that form embayments in the shallowly plunging southern extremity of the Didyr Granodiorite. While the precise control on mineralisation is not yet well understood, there appears to be a close spatial relationship between gold mineralisation and the granodiorite contacts.

While continuity of mineralised zones will need to be demonstrated with further drilling, the extent and tenor of mineralisation encountered to date provides considerable optimism that the K4/K5 Prospect will prove to represent a target consistent with the Company's minimum stand-alone resource objective. Notwithstanding the considerable number of assay results still pending, at the very least the K4/K5 target will be a priority for early follow-up RAB, RC and diamond drilling in the 2012-13 field season. It is planned to complete a limited number of oriented diamond holes on better defined mineralised zones within the K4/K5 target in order to confirm the morphology of and controls on mineralisation, along with preliminary metallurgical testing, before embarking on pattern RC drilling.

Given the analytical backlog, the blanket of transposed laterite cover over the entire K4/K5 target and the need to for extensive drilling to resolve the geometry of the mineralised zones from first

principals, it is looking increasing less likely that the Company’s full minimum resource target ambitions will be achieved at the Reo Project by the end of 2012.

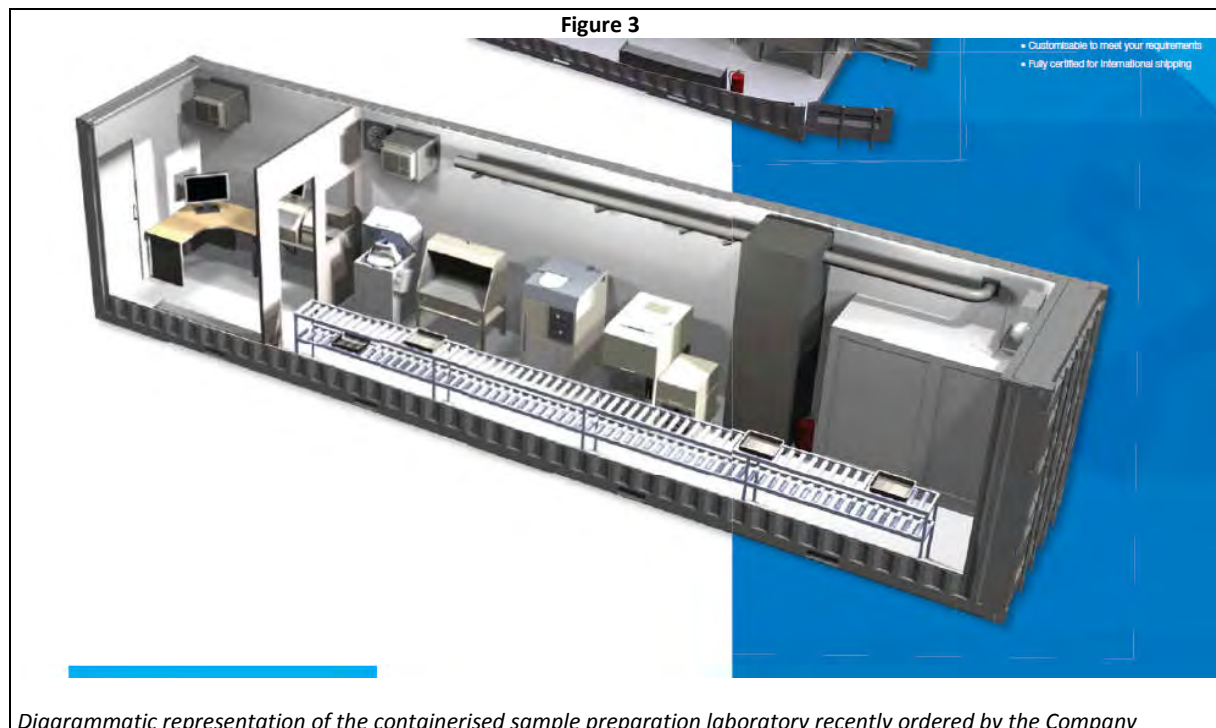
Analytical Update

The current status of the assay backlog in the SGS laboratory in Ouagadougou is 16,596 samples (6,125 drill holes) as summarised in Table 2 below.

Table 2 SGS Ouagadougou Assay Backlog			
Project	Sample Type	Number of Samples	Number of Holes
Reo			
	Auger	1,900	1,720
	RAB	5,750	797
Nassilé			
	Auger	1,400	1,250
	RC	4,946	125
Dogona			
	Auger	2,600	2,400
TOTAL		16,596	6,125

Although unacceptable, it is reasonably anticipated that this backlog will be progressively resolved prior to commencement of the 2012-13 field season, providing a more significant flow of exploration results from July through to October 2012. Despite repeated laboratory assurances and guarantees, this issue has caused considerable frustration and delays in the logical progression of exploration during the 2010-11 and 2011-12 field seasons. Unlike commodity prices and market sentiment, this issue does lie within the Company’s control and Middle Island simply cannot afford to risk this situation recurring in the 2012-13 field season.

As a consequence, the Company is pleased to advise that it has ordered a dedicated, fully equipped, containerised sample preparation laboratory from South Africa, following receipt of four separate quotations and inspection of the preferred units in Johannesburg (Figure 3 below).



The facility will be initially located in Ouagadougou, the capital of Burkina Faso, in order to process samples generated from the Company's Reo Project in Burkina Faso, and the Nassilé and Dogona projects in neighbouring Niger. As the unit is completely enclosed within a conventional shipping container, it can be relocated to the centre of exploration/development activity in any country at any time.

Middle Island is in the process of appointing a recognised independent analytical company to manage the sample preparation facility in order to ensure independence and to avoid distracting exploration personnel. The facility will provide the flexibility to rapidly process samples to produce 200g sample pulps that can then be cost-effectively flown to any internationally accredited laboratory in the world for analysis, significantly reducing current turnaround times.

Any excess capacity in the sample preparation facility will be made available to peer-group companies in order to optimise operating costs, and several companies have already expressed strong interest in participating.

"While I am philosophically opposed to investing shareholders funds in acquiring analytical or drilling equipment, this decision represents a compelling and cost-effective solution to a frustrating problem that, if not addressed, risks costing shareholders considerably more in the longer term" said Middle Island Managing Director, Rick Yeates.

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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.