



**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 – 1,166km<sup>2</sup> straddling junction of the Boromo & Houndé greenstone belts.
- Earning 70% in Nassilé Project in Niger – 577km<sup>2</sup> of lightly explored Birimian greenstones.
- Earning 90% interest in Dogona Project in Niger – 823km<sup>2</sup> of unexplored Birimian greenstones.
- 100% interest in five permits and earning 75% in a sixth, collectively comprising the 3,000km<sup>2</sup> Nuon River Project in Liberia, the new gold frontier of West Africa.

**Capital Structure:**

125 million ordinary shares  
18.5 million unlisted options

**Cash**

\$11.6m

**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

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## ASX Release – 30 August 2012

### 4m at 21.7g/t Au greenfields discovery in maiden Samba Prospect drilling, Burkina Faso

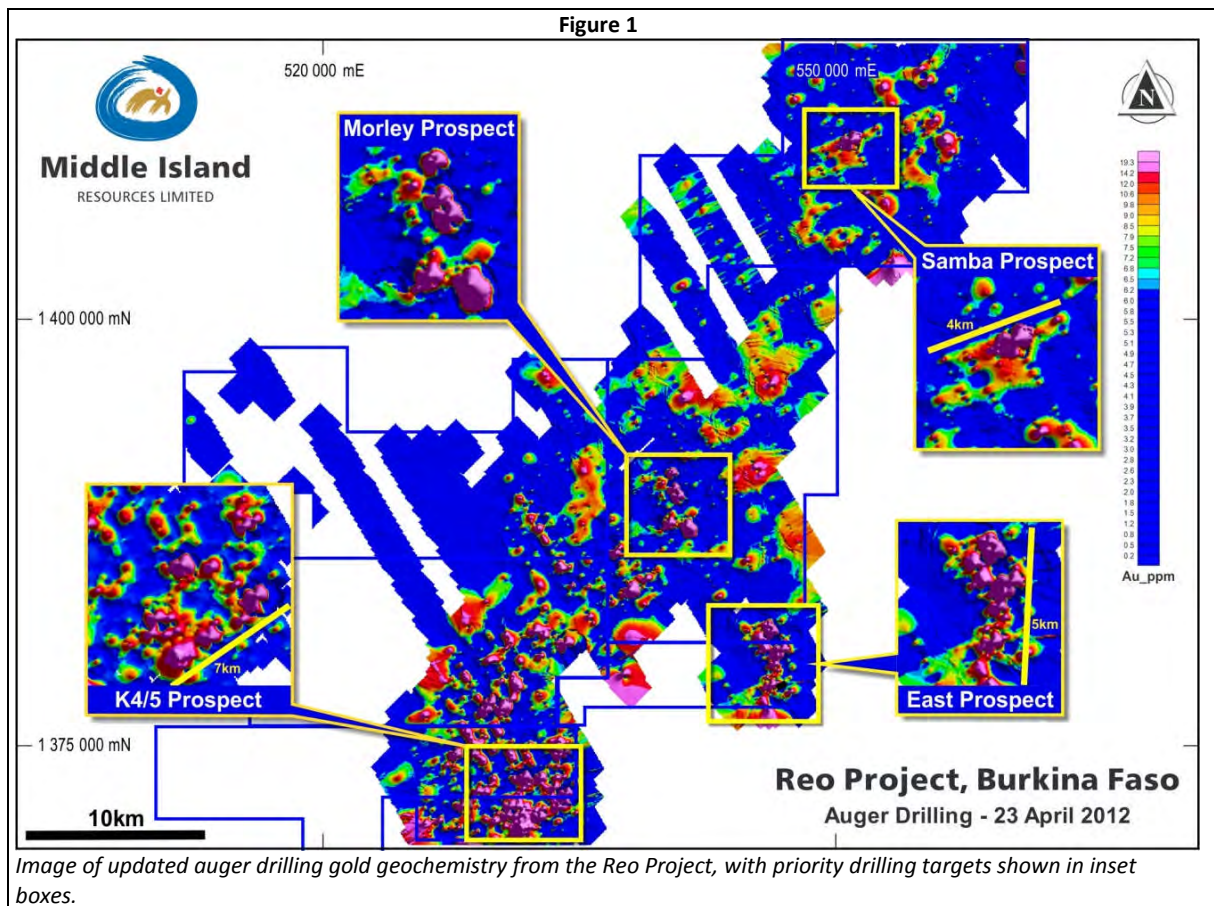
- Maiden reconnaissance RAB drill traverses completed at the recently defined Samba Prospect have identified a greenfields discovery comprising a significant initial result of **4m at 21.7g/t Au from 20m down-hole depth, which ends in mineralisation.**
- The limited exposed geology at Samba, in the northeast corner of the Reo gold project, comprises strongly sheared and extensively altered and quartz veined meta-basalts.
- A further encouraging RAB drill intercept of **4m at 2.38g/t Au** has been received from the K4/K5 target, adding to previous 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, 18m at 1.59g/t, 8m at 1.86g/t, 4m at 12.2g/t and 4m at 3.40g/t Au.**
- The K4/K5 and Samba prospects have been confirmed as high priority targets for further RAB, RC and limited diamond core drilling early in the 2012-13 field season.
- Solitary new intersections of **4m at 2.19g/t** and **4m at 3.65g/t Au** have also been returned from RAB drilling at the East and Dassa prospects respectively.
- All assay results have now been received for reconnaissance and infill auger drilling (69,528m; 9341 holes) completed at the Reo gold project during the 2011-12 season.
- The decision to reclaim and redistribute the sample backlog from the SGS laboratory in Ouagadougou has resulted in the majority of assays now having been returned, and the remaining results are expected by mid-September 2012.

**Reo Gold Project – Burkina Faso**

**Auger Drilling**

All results have been received for the reconnaissance and infill auger drilling campaign (69,528m; 9341 holes) completed at the Reo Project.

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 2011-12 field season.

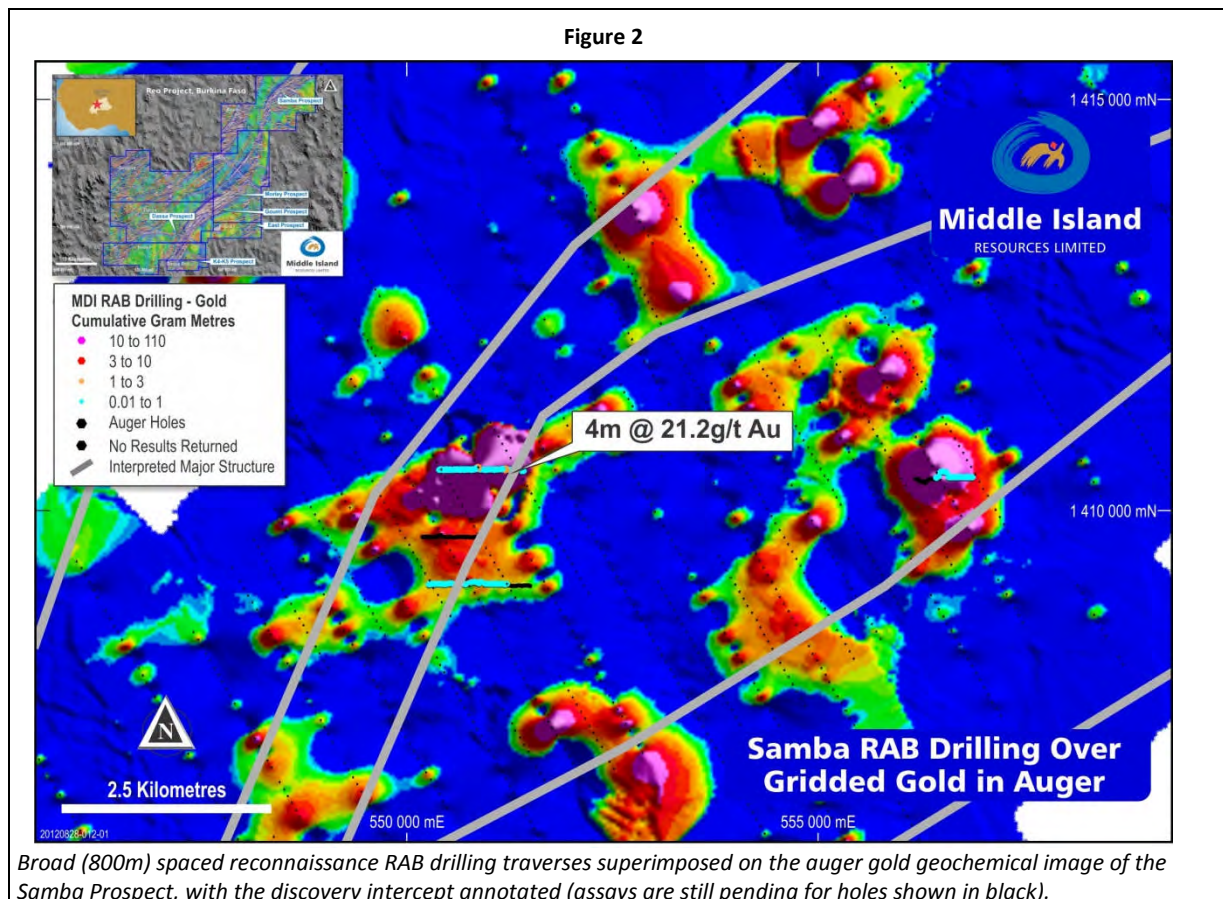


### RAB Drilling

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. Assays are still pending for a further 274 RAB holes (1,836 samples) from the Samba, East and K4/K5 prospects.

### Samba Prospect

Maiden, broad (800m) spaced, reconnaissance RAB drill traverses completed at the recently defined Samba Prospect, located at the north-eastern corner of the Reo gold project, have returned a **significant initial result of 4m at 21.7g/t Au from 20m down hole depth, which ends in mineralisation.** Approximately half the results from RAB drilling at the Samba Prospect are still pending, however this more significant result is highlighted in Figure 2 and detailed in Table 1 below.



This initial result is consistent with the sub-cropping geology mapped at the site, which comprises **strongly sheared, and extensively altered and quartz veined meta-basalt** (Figure 3 below), associated with the major shear zone that wraps around the western margin of the Samba granodiorite.

Figure 3



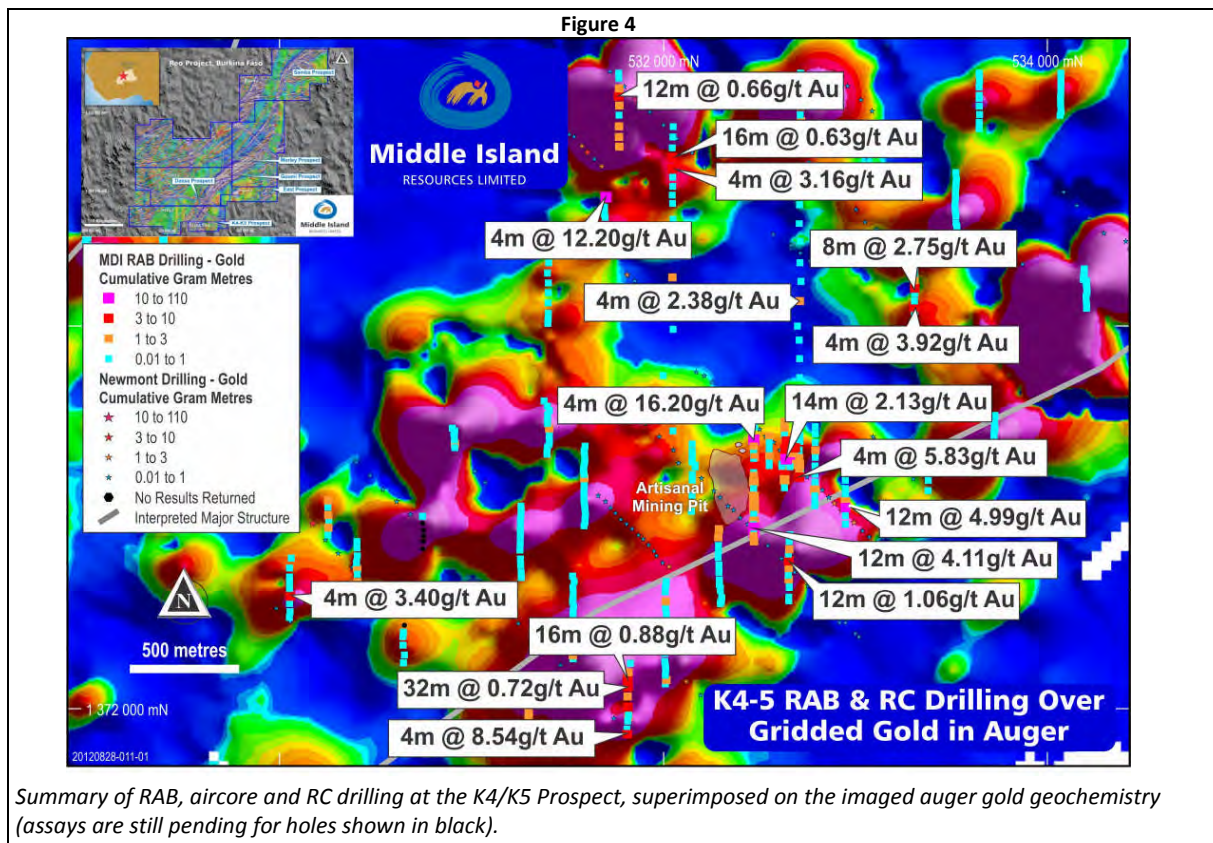
*Sheared, altered and quartz veined metabasalt at the Samba Prospect.*

**This extremely encouraging initial drill intercept is particularly satisfying, as the Samba Prospect is a totally new, greenfields discovery.** The area's obvious prospectivity was immediately identified by the Middle Island team from the airborne magnetic survey in early 2011, validated by auger drill geochemistry in 2011-12 and is now proving to potentially represent yet another valid resource target within the large and highly prospective Reo gold project. It is intended to undertake follow-up RC drilling on the Samba target early in the 2012-13 field season, once the remaining RAB drilling results are received and compiled.

#### K4/K5 Prospect

A further encouraging RAB drill intercept of **4m at 2.38g/t Au** has been received from the K4/K5 target. This result is in addition to previously reported RAB, aircore and RC intercepts from the K4/K5 Prospect 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, 18m at 1.59g/t, 8m at 1.86g/t, 4m at 12.2g/t and 4m at 3.40g/t Au.**

The distribution of K4/K5 drill results is shown in Figure 4 below, while a full tabulation of more significant RAB drill intercepts is provided in Table 1.



Mineralisation occurs over a 6km diameter area of the composite K4/K5 target, with **at least four zones of significant mineralisation defined** in the northern (K4) and southern (K5) areas of the prospect. 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 fully understood, there appears to be a close spatial relationship between gold mineralisation and the granodiorite contact.

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 collectively comprise a target consistent with the Company's minimum stand-alone resource objective.**

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 for extensive drilling to resolve the geometry of the mineralised zones from first principals, it is looking unlikely that the Company's minimum resource objective will be achieved at the Reo Project by the end of 2012. The strategy remains valid and the Company will work to achieve this outcome at the earliest possible opportunity.

### East Prospect

Approximately 50% of RAB drilling results have been received for initial reconnaissance traverses completed at the East Prospect, however only a solitary significant intersection of **4m at 2.19g/t Au** from 8m depth in hole MRRB1016 has been returned to date. Remaining assays are awaited prior to reviewing the significance of the prospect.

### Dassa Prospect

All results have now been received for the limited additional RAB drilling completed at the Dassa Prospect, with a solitary significant intersection of **4m at 3.65g/t Au** from 8m depth returned from hole MRRB0881. The Dassa Prospect does not represent a priority for the Company.

Hole ID	Grade	Depth (m)	Interval (m)	Grade (g/t)	Depth (m)	Interval (m)	Grade (g/t)	Depth (m)	Interval (m)	Grade (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	
								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	537143	1386287	282	-50	360	24	28	4	1.26	
MRRB0249	Morley	537640	1383884	288	-50	360	12	16	4	1.41	
MRRB0250	Morley	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		
MRRB0370	Dassa	530360	1377198	271	-50	180	28	32	4	0.61		
MRRB0371	Dassa	530362	1377230	275	-50	180	24	48	24	0.85		
							including		40	44	4	1.87*
							52	56	4	0.52		
MRRB0381	K5	532714	1373247	280	-50	180	4	8	4	0.57		
							12	16	4	0.57		
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		
							32	36	4	0.87		
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		
MRRB0354	K5	530258	1371090	289	-50	180	48	52	4	0.98		
MRRB0515	K5	533378	1371292	296	-50	180	28	32	4	1.16		
MRRB0535	K5	532012	1370563	296	-50	180	32	36	4	1.44		
MRRB0555	K4	532289	1370941	291	-50	180	48	52	4	0.51		
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		
MRRB0610	K4	532709	1372128	274	-50	180	20	24	4	2.38		
MRRB0626	K4	532047	1372251	272	-50	180	40	44	4	0.80		
MRRB0651	K5	533821	1375011	283	-50	180	4	8	4	0.60		
MRRB0692	K5	531766	1374769	271	-50	180	44	51	7	0.60		
MRRB0699	K5	530980	1374476	267	-50	180	4	8	4	0.99		
MRRB0671	K5	533566	1374915	275	-50	180	8	12	4	1.38		
MRRB0866	Dassa	530984	1377743	267	-50	180	8	12	4	0.56		
							28	32	4	0.54		
MRRB0881	Dassa	531409	1378422	267	-50	180	8	12	4	3.65		
MRRB1016	East	545833	1381297	299	-50	270	8	12	4	2.19		
MRRB1019	East	545782	1381295	305	-50	270	28	32	4	0.64		
MRRB1060	East	545936	1380660	291	-50	270	8	11	3	0.72		
MRRB1398	Samba	551312	1410494	282	-50	270	20	24	4	21.2		
MRRB1403	Samba	551200	1410503	284	-50	270	32	36	4	0.53		

**Notes:**

Significant Intercepts calculated at a 0.5g/t cutoff value including 2m of internal waste

\*Denotes intercepts calculated using 1g/t cutoff and no internal waste

All samples collected as 4m composites

Shaded areas represent previously reported results

### **Analytical Update**

In July 2012, the majority of backlog samples at the SGS laboratory in Ouagadougou were reclaimed and redistributed to other West African laboratories, on the proviso that all results were returned no later than the end of August 2012. As such, **the vast majority of samples generated during the 2011-12 field season have now finally been assayed, and it is anticipated that all remaining samples will be assayed and compiled by mid September 2012.**

The sample reallocation has effectively resolved the analytical backlog in the short term and acquisition of a fully containerised sample preparation facility, to be commissioned in October, will resolve the issue in the longer term.

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 turnaround times experienced during the 2011-12 season.

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.

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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.