



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 1,135km² Nuon River Project in Liberia.

Capital Structure:

125 million ordinary shares
18.5 million unlisted options

Cash

\$4.03m (as at 30 Sept 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:

Rick Yeates

Mob: +61(0)401 694 313

rick@middleisland.com.au

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Unit 2, 2 Richardson Street
West Perth WA 6005
PO Box 1017
West Perth WA 6872
Tel +61 (08) 9322 1430
Fax +61 (08) 9322 1474
info@middleisland.com.au
www.middleisland.com.au

ASX Release – 31 October 2013

Return of Funds from Conditional Placement

Middle Island Resources (“**Middle Island**” or “**the Company**”) advises that efforts to negotiate acceptable terms to acquire a majority interest in the Samira Hill gold mine and mill (“**Project**”) have failed to reach a commercial outcome by the 31 October 2013 deadline.

As a consequence, the A\$5 million received and held on trust from the Conditional Placement will be returned to investors. Likewise, the Company will no longer proceed with the proposed Share Purchase Plan (SPP).

Despite dedicated efforts by the Middle Island team, the Niger Government has sought to modify commercial terms originally agreed between Middle Island and the vendor and, despite concessions made by Middle Island, the proposed new terms remain outside what the Company deems commercially viable.

The Company views its surrounding exploration permits as being critical to the commercial longer-term viability of the Project. In the present circumstances, Middle Island remains receptive to an approach from the current Project owners for the Company to purchase a majority interest, which Middle Island views as a value-add acquisition opportunity for shareholders, subject to agreement on terms that deliver upside potential commensurate with risk.

The Board acknowledges the support of, and expresses its gratitude to, those shareholders and new investors that endorsed the Company’s efforts in this planned acquisition. The Board will continue to pursue compelling transactions to maximise the value to shareholders, as well as advance the Company’s existing gold exploration and development projects in West Africa.

COMPANY CONTACTS:

Rick Yeates – Managing Director +61 (0)401 694 313

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

MEDIA CONTACT:

Kevin Skinner Field Public Relations +61 (0)8 8234 9555 / +61 (0)414 822 631

WEBSITE:

www.middleisland.com.au

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.

Competent Person's Statement

Information in this report relates to exploration results 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.

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.