



Middle Island
RESOURCES LIMITED



Middle Island Resources Limited
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22 November 2018

Dear Shareholder

Middle Island Resources Limited Non-Renounceable Rights Offer

The Board seeks your support in a capital raising. The intended purpose of this capital raising is as detailed in Section 2 of the offer memorandum, dated 21 November 2018 and released by ASX on that date (**Offer Document**). Unless otherwise defined, capitalised terms used in this letter have the meaning set forth in the Offer Document.

On 21 November 2018, Middle Island Resources Limited (**Company**) announced that the Company will be conducting a non-renounceable rights offer to Eligible Shareholders on the basis of one (1) New Share for every two (2) Shares held on the Record Date at an issue price of A\$0.004 per New Share to raise approximately A\$1.396 million (before costs) (**Offer**).

In addition to being able to apply for New Shares as detailed in the Offer, Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for, and be allocated, additional New Shares that are not subscribed for under the Offer (**Shortfall Shares**), subject to the limitations set out in the Offer.

Shareholders who hold Shares at 5pm (WST) on 26 November 2018, and have a registered address in Australia or New Zealand, will be eligible to participate in the Offer (**Eligible Shareholders**). The Offer is being carried out pursuant to an offer document dated 21 November 2018 in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**), as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73. Eligible Shareholders will be sent a copy of the Offer Document and personalised Application Form on 29 November 2018.

Indicative Timetable

Event	Date
Announcement of Issue	21 November 2018
Lodgement Date (Offer Document and Appendix 3B and Section 708AA(2)(f) Notice with ASX)	21 November 2018
Notice of Issue sent to Optionholders	21 November 2018
Notice of Issue sent to Shareholders	22 November 2018
"Ex" Date	23 November 2018
Record Date	26 November 2018
Opening Date (Dispatch of Offer Document to Shareholders)	29 November 2018
Closing Date	14 December 2018
Shortfall Notification to ASX	18 December 2018
Issue Date	19 December 2018



The dates in the table above are indicative only and the Company reserves the right to vary them in accordance with the requirements of the ASX Listing Rules.

Use of Funds from Entitlement Offer

The proceeds of the Entitlement Offer will be primarily used on key activities at the Sandstone Project by specifically completing work on the Two Mile Hill tonalite deeps deposit, drilling other nearby gravity targets, updating the resource estimate and pit optimization for the Wirraminna deposit, other greenfields exploration on the original and recently acquired Sandstone tenements, and continuing to explore consolidation opportunities.

Eligible Shareholders

The Company has decided that it is unreasonable to make the Offer to shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of shareholders in such places, the number and value of the New Shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions. Accordingly, the New Shares to which Excluded Shareholders would otherwise be entitled will form part of the Shortfall.

Eligible Shareholders holding Shares on behalf of persons who are resident outside of Australia or New Zealand are responsible for ensuring that subscribing for the New Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will constitute a representation that there has been no breach of such regulations. Where the Offer Document is received by persons domiciled in a country outside Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Offer, the Offer Document and accompanying Application Form are provided for information purposes only.

For further information relating to the Offer Document, please contact the Company Secretary on (08) 9389 2111.

Yours faithfully

Dennis Wilkins

Company Secretary