

**MIDDLE ISLAND RESOURCES
LIMITED**

ABN 70 142 361 608

PROSPECTUS

For a non-renounceable pro rata Entitlements Offer to Eligible Shareholders of up to 348,950,719 New Shares on the basis of 1 New Share for every 2 Shares held at 5.00pm (WST) on the Record Date of 19 December 2018, at an issue price of \$0.004 per New Share (together with one free attaching New Option for every 1 New Share subscribed for and issued) to raise up to approximately \$1,396,000 before issue costs

THIS OFFER CLOSSES AT 5.00PM WST ON 15 JANUARY 2019

VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

IMPORTANT NOTICE

THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY (INCLUDING THE RISK FACTORS IN SECTION 3 OF THE PROSPECTUS). THIS PROSPECTUS IS A TRANSACTION-SPECIFIC PROSPECTUS ISSUED IN ACCORDANCE WITH SECTION 713 OF THE *CORPORATIONS ACT 2001*. IF YOU HAVE ANY QUERIES ABOUT ANY PART OF THE PROSPECTUS, PLEASE CONTACT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A HIGHLY SPECULATIVE NATURE.

MIDDLE ISLAND RESOURCES LIMITED
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CORPORATE DIRECTORY

Directors	Peter Thomas – Chair Rick Yeates – Managing Director Beau Nicholls – Non-Executive Director Dennis Wilkins – alternate for Beau Nicholls
Company Secretary	Dennis Wilkins
Registered Office	Suite 2, 11 Ventnor Avenue WEST PERTH WA 6005
Website	www.middleisland.com.au
*Share Registry	Security Transfer Australia Pty Ltd 770 Canning Highway APPLECROSS WA 6153
*Auditors	Greenwich & Co Level 2, 35 Outram Street WEST PERTH WA 6005
ASX Code	MDI

***These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.**

IMPORTANT NOTICES

General

This Prospectus is dated 14 December 2018 and a copy of this Prospectus was lodged with the ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus, or the merits of the investment to which this Prospectus relates.

No New Shares or New Options will be allotted or issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus. The Company will apply to the ASX within 7 days of the date of this Prospectus for quotation of the New Shares offered by this Prospectus. The New Options will not be quoted.

A copy of this Prospectus is available for inspection at the office of the Company's secretary (Suite 2, 11 Ventnor Avenue, West Perth WA 6005) during normal office hours and can be downloaded from the Company's website at www.middleisland.com.au or the ASX's website and Eligible Shareholders will be mailed a hard copy of this Prospectus along with a personalised Entitlement and Acceptance Form. Applications for New Shares offered pursuant to this Prospectus may only be submitted on an original Entitlement and Acceptance Form which accompanies a copy of this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Entitlements Offer. Eligible Shareholders who do not take up their Entitlement will have their existing interests in the Company diluted. Please refer to Section 2 for details of how to accept the Entitlements Offer.

The Corporations Act prohibits any person passing onto another person the Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies a complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus or inconsistent with the information in this Prospectus. Any information or representation not so contained, or inconsistent with the information in this Prospectus, may not be relied on as having been authorised by the Company in connection with the Offer.

Continuously Quoted Securities

In preparing this Prospectus, regard has been given to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all information that would be included in a prospectus for an initial public offering.

Speculative Investment

This Prospectus should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should consult your professional adviser. The Company recommends that any shareholder that does not fully understand this Prospectus or that investing in New Shares and New Options offered by this Prospectus will be a speculative act involving great risk should consult a stockbroker, lawyer, accountant or other professional adviser regarding an investment in the Company. Please refer to Section 3 for details relating to investment risks.

Some words and expressions used in this Prospectus have defined meanings which are explained in Section 7 of this Prospectus. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time are to Perth, Western Australian time.

Forward Looking Statements

Some of the statements in this Prospectus may be in the nature of forward looking statements which incorporate an element of uncertainty or risk, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements may not be statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward looking statements are subject to many inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest

rates, exchange rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and any variation may be materially positive or negative. The forward looking statements in this Prospectus reflect views held only as at the date of this Prospectus.

Overseas Shareholders

This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to permit the offer of New Shares or New Options under this Prospectus in any jurisdiction other than Australia or New Zealand. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this document should seek advice on, and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Neither this document nor the New Shares or New Options the subject of the Offer have been, nor will be, registered under the *US Securities Act 1933* and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to the making of an application. The return of a duly completed Entitlement and Acceptance Form will be a representation the Company that the subscription for securities thereunder involves no breach of such laws and that the Applicant is an Eligible Shareholder.

Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or via its agent, Security Transfer Australia Pty Ltd). The Company will collect, hold and use that information to assess your application, service your needs as a Shareholder, facilitate corporate communications (and, if applicable, distribution payments) to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and Security Transfer Australia Pty Ltd.

If you do not provide on the Entitlement and Acceptance Form the information thereby required, the Company may not be able to accept or process your application.

You can access, correct and update the personal information that the Company holds about you, subject to the law. A fee may be charged for access. Access requests must be made in writing to the Company at its registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1998* (Cth), the Corporations Act and the ASX Settlement Operating Rules.

MIDDLE ISLAND RESOURCES LIMITED
INVESTMENT OVERVIEW

Question	Response	Where to find more information
What is the Offer?	<p>It is a pro-rata non-renounceable Entitlements Offer to issue New Shares and New Options to Eligible Shareholders.</p> <p>Under the Entitlements Offer, Eligible Shareholders may subscribe for 1 New Share for every 2 Shares held on the Record Date and will receive 1 New Option for every 1 New Share subscribed for and issued.</p>	Section 1.1
What are the issue prices for the New Shares and New Options?	The Issue Price is \$0.004 per New Share and nil for the New Options.	Section 1.1
What are the terms of the New Shares and New Options	<p>The New Shares will rank equally with all other Shares on issue. A summary of the terms and conditions is set out in Section 5.1.</p> <p>The New Options will be issued on the terms and conditions set out in Section 5.2.</p>	Sections 1.13, 5.1 and 5.2
Who is an Eligible Shareholder?	The Entitlements Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand at the Record Date.	Section 1.1(b)
How many New Shares and New Options will be issued?	<p>The expected maximum numbers of New Shares and New Options that will be issued under the Entitlements Offer are approximately 348,950,719 New Shares and 348,950,719 New Options.</p> <p> Holders of Shares (with a registered address in Australia or New Zealand at the Record Date) issued consequent upon the exercise of Options after the date of this Prospectus but before the Record Date, will be entitled to participate in the Entitlements Offer in respect of those shares (in addition to any other Shares held with a registered address in Australia or New Zealand at the Record Date). This will increase the maximum number of New Shares and New Options that may be issued under the Entitlements Offer.</p>	
What is the amount that will be raised under the Entitlements Offer?	At the date of this Prospectus, the maximum amount that may be raised under the Prospectus is approximately \$1,396,000 before expenses. If any existing Option holder exercises Options before the Record Date so as to participate in the Entitlements Offer, the amount raised under the Entitlements Offer may increase.	Section 1.1

MIDDLE ISLAND RESOURCES LIMITED
INVESTMENT OVERVIEW

<p>What are the purposes of the Offer?</p>	<p>The purpose of the Entitlements Offer is to raise funds to:</p> <ul style="list-style-type: none"> • pay the costs of the Entitlements Offer process; • undertake all or some of the following activities: <ul style="list-style-type: none"> ○ work on the Two Mile Hill tonalite deeps deposit; ○ drilling gravity targets nearby the Two Mile Hill tonalite deeps deposit; ○ update the resource estimate and pit optimisation for the Wirraminna deposit; ○ other greenfields exploration; and ○ continue to explore consolidation opportunities; ○ augment general working capital. <p>A budget of how the Company intends to use the funds raised is set out in Section 1.3. Either or both the quantum of funds actually raised and circumstances may change the way the funds are applied.</p>	<p>Section 1.3</p>
<p>What is the effect of the Offer?</p>	<p>The effect of the Offer is to:</p> <ul style="list-style-type: none"> • increase the number of Shares and Options on issue; and • raise up to approximately \$1,396,000 before the costs of the Offer. 	<p>Section 4.1 and 4.2</p>
<p>What are the risks of a further investment in the Company?</p>	<p>An investment in the New Shares and New Options should be considered highly speculative. Before deciding to subscribe under the Entitlements Offer, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are:</p> <ul style="list-style-type: none"> • Additional funding requirements – The Company will require further financing to fund exploration, development and other activities. The Company’s funding requirements depend on numerous factors including future exploration and work programs, and the potential acquisition of new projects. Market sentiment, among a plethora of other matters, will have a material bearing on the Company’s ability to raise funds. • Resource estimates risk – Mineral Resource estimates are expressions of judgement and actual quality and characteristics of ore deposits cannot be known until mining takes place. • Exploration costs risk – The Company’s estimated exploration costs are based on assumptions and subject to significant uncertainties. 	<p>Section 3.1</p>

MIDDLE ISLAND RESOURCES LIMITED
INVESTMENT OVERVIEW

What are the alternatives for Eligible Shareholders?	The Entitlements Offer is non-renounceable so you cannot trade your Entitlement. As an Eligible Shareholder, you may: <ul style="list-style-type: none">• take up all of your Entitlement;• take up all of your Entitlement and apply for additional securities under the Shortfall Offer;• take up part of your Entitlement and allow the balance to lapse; or• allow all of your Entitlement to lapse.	Section 2
What happens if Eligible Shareholders don't accept their Entitlement?	Any Entitlement not accepted will form part of the Shortfall. Eligible Shareholders are entitled to apply for (but not, as of right, to be issued) Shortfall Shares. The Shortfall Shares will be placed at the unfettered discretion of the Directors.	Section 1.2, 1.5 and 1.11
What will happen to Ineligible Shareholders' Rights?	Ineligible Shareholders Rights will lapse and form part of the Shortfall Offer.	Section 1.9

PROPOSED TIMETABLE

Prospectus lodged with the ASIC and ASX	14 December 2018
Notice sent to Option holders	14 December 2018
Notice sent to Shareholders containing Appendix 3B details and indicative timetable	17 December 2018
“Ex” Date ¹	18 December 2018
Record Date (5:00pm WST) for determining Entitlements	19 December 2018
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	21 December 2018
Opening Date of Entitlements Offer	21 December 2018
Last day to extend the Closing Date	10 January 2019
Closing Date for Acceptances and receipt of application under the Entitlements Offer at 5.00pm (WST)	15 January 2019
New Shares quoted on a deferred basis	16 January 2019
Notify the ASX of Shortfall	18 January 2019
Allotment and issue of New Shares and New Options and despatch of holding statements	21 January 2019
Date of quotation of New Shares and trading of New Shares is expected to commence	22 January 2019

1. The date on which Shares commence trading without the Entitlement to participate in the Entitlements Offer

This timetable is indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to vary the above dates without prior notice (and either before or after it has passed) including extending the Closing Date, or to delay or withdraw the Offer at any time. If withdrawn, all Application Money for New Shares which have not been issued will be refunded (without interest) as soon as practicable. **Applicants are urged to lodge their Entitlement and Acceptance Form as soon as possible.**

1. Details of the Offer

1.1. The Entitlements Offer

(a) Overview

The Company is making a non-renounceable pro rata offer of New Shares to Eligible Shareholders of up to 348,950,719 New Shares (assuming no existing Options are exercised between the lodgement date of this Prospectus and the Record Date) on the basis of 1 New Share for every 2 Shares held at 5:00pm (WST) on the Record Date at an issue price of \$0.004 each (together with 1 free attaching New Option for every 1 New Share subscribed for and issued) to raise up to approximately \$1,396,000 before issue costs (**Entitlements Offer**). The Entitlements being offered are non-renounceable which means that Eligible Shareholders cannot sell or transfer their Entitlement during the course of the Entitlements Offer. For information on how to deal with your Entitlement, please refer to Section 2.

(b) Eligible Shareholders

Eligible Shareholders may participate in the Entitlements Offer. Eligible Shareholders are those persons who:

- (i) are registered as a holder of Shares as at 5.00pm (WST) on the Record Date; and
- (ii) have a registered address in Australia or New Zealand.

Please refer to Sections 1.8 to 1.10 regarding the treatment of overseas Shareholders.

(c) Minimum Subscription

There is no minimum subscription for the Entitlements Offer.

(d) Underwriting and sub-underwriting

The Entitlements Offer is not underwritten.

(e) Fractional Entitlements

Fractional Entitlements of the Entitlements Offer will be rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements.

(f) Your Entitlement and Acceptance

Eligible Shareholders who are on the Company's share register at 5.00pm (WST) on the Record Date, being 19 December 2018, are eligible to participate in the Entitlements Offer. The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

This Entitlements Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Entitlements Offer period or close the Entitlements Offer early. Instructions for accepting your Entitlement are set out in Section 2 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

You do not need to take any action in relation to the New Options. New Options will be issued to you by the Company for no cash consideration on the basis of 1 New Option for every 1 New Share issued to you.

(g) Rights trading

The Entitlements, or Rights, to New Shares are non-renounceable, which means Eligible Shareholders who do not want to take up some or all of their Entitlement cannot sell or otherwise transfer all or part of their Entitlement. Eligible Shareholders may apply for Shortfall Shares if they wish to do so but no assurance is given that any such application will be accepted or that applicants will be treated equally.

(h) Opening and Closing Dates

The Offer will open for receipt of Acceptances on 21 December 2018 and will close at 5.00pm (WST) (2.00pm (AEDT) for BPAY®) on the Closing Date, being 15 January 2019 or such other date as the Directors in their absolute discretion determine (and whether before or after any date has passed), subject to the requirements of the Listing Rules.

(i) Applying for Shortfall Shares

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlement, apply for Shortfall Shares in excess of their Entitlement. Applications for Shortfall Shares will be dealt with under the Shortfall Offer as detailed in Section 1.2 below. No assurance is given that any such application will be accepted or that applicants will be treated equally

1.2. Shortfall Offer

New Shares and New Options not taken up by Eligible Shareholders pursuant to their Entitlements will form part of the Shortfall.

As stated in Section 1.1(i), Eligible Shareholders may apply for Shortfall Shares. It is possible that there will be few or no Shortfall Shares available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that, in the event Shortfall Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them or that applicants will be treated equally.

Eligible Shareholders who apply for Shortfall Shares may be allocated a lesser number of Shortfall Shares than applied for, or may be allocated no Shortfall Shares at all, in which case excess Application Money will be refunded without interest. The Company reserves the right to scale back or decline to accept any applications for Shortfall Shares in its absolute discretion.

The Directors reserve the right to place the Shortfall Shares at their discretion within 3 months after the close of the Entitlements Offer, subject to the Listing Rules and any other applicable law.

1.3. Purpose of the Offer

The purpose of the Entitlements Offer is to raise approximately \$1,396,000 before issue costs. In light of factors reviewed by the Directors as to the likely participation by Shareholders in the Entitlements Offer, including the Directors intention to take up their Entitlement, they reasonably anticipate funds raised from the Entitlements Offer will be in the order of \$1.0 million. It is far from likely that the whole of that amount will be raised but assuming it is, the Board, in its discretion and subject the market and shareholder sentiment, intends to apply the proceeds from the Entitlements Offer as set out below:

Use of Proceeds	\$1.396 million	\$1.0 million
Two Mile Hill Deposit and gravity targets		
<ul style="list-style-type: none"> • Complete diamond drilling to test one or more of three gravity targets, representing potential Two Mile Hill repetitions. 	300,000	180,000
Wirraminna		
<ul style="list-style-type: none"> • Shallow pattern aircore drilling of mineralised laterite occurrences. 	30,000	30,000
Davis Prospect		
<ul style="list-style-type: none"> • RC drilling of Davis gold-arsenic auger/aircore anomalies. 	80,000	80,000
Other Exploration		
<ul style="list-style-type: none"> • Commence auger geochemical drilling of priority greenfields targets. • RAB, aircore and RC drilling of one or more already defined or new targets. • Initial greenfields exploration on the new Telegraph and Jew Well properties. 	240,000 300,000 50,000	120,000 220,000 50,000
Consolidations		
<ul style="list-style-type: none"> • Due diligence and studies on identified regional consolidation opportunities. 	150,000	80,000
Rents, Overheads and Working Capital	246,000	240,000
TOTAL	\$1,396,000	\$1,000,000

The proposed use of funds outlined above is a statement of current intentions as at the date of this Prospectus and based on a full raising and \$1m. The outcome of the Entitlements Offer, intervening events, exploration results and new circumstances have the potential to affect the way funds are expended and the Directors retain the right to apply funds differently if circumstances change.

The Company currently has limited cash reserves and is seeking to raise further funds to continue operations. In the event that insufficient funds are raised under this Prospectus the Company will adjust the use of funds and consider alternative funding arrangements.

The Directors reserve the right to vary the proposed use of funds accordingly.

1.4. Effect of the Entitlements Offer on the Control of the Company

The Directors (and their associates) are related parties for the purpose of the Corporations Act. The Directors (and their associates) present relevant interests and changes under several scenarios are set out in the table below which are based on the assumption that Directors apply for their full entitlement.

Event	Shares held by Directors and Associates	Voting power of Directors and Associates
Date of Offer	76,204,162	10.92%
Completion of Entitlements Issue		
Fully Subscribed	114,306,243	10.92%
75% Subscribed	114,306,243	11.79%
50% Subscribed	114,306,243	12.82%
25% Subscribed	114,306,243	14.05%
0% Subscribed other than by directors	114,306,243	15.53%

The number of Shares held by the Directors (and their associates) and their voting power in the table above show the potential effect of the Offer. It is unlikely that no Shareholders other than directors will take up Entitlements under the Offer.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of this Offer and based on the assumption stated in the note below the following table). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlements under the Offer	Holding if Offer not taken up	% post Offer
Shareholder 1	60,000,000	8.60%	30,000,000	60,000,000	5.73%
Shareholder 2	30,000,000	4.30%	15,000,000	30,000,000	2.87%
Shareholder 3	18,000,000	2.58%	9,000,000	18,000,000	1.72%
Shareholder 4	9,000,000	1.29%	4,500,000	9,000,000	0.86%
Shareholder 5	3,000,000	0.43%	1,500,000	3,000,000	0.29%

Note:

- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event the Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.5. Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the accepted Entitlement. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of your Entitlement.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance of an Entitlement and Acceptance Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

1.6. Allotment and Application Money

New Shares and New Options will be issued only after all Application Money has been received and the ASX has granted permission for the New Shares to be quoted. It is expected that New Shares and New Options will be issued on 21 January 2019 and trading of the New Shares on the ASX is expected to commence on 22 January 2019.

Securities issued pursuant to the Shortfall Offer will be allotted as soon as practicable and where the number of New Shares issued is less than the number applied for, or where no allotment is made, surplus Application Money will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the allotment and issue of the New Shares, all Application Money received will be held in a special purpose account for the purpose of depositing Application Money. After any Application Money is refunded (if required) and New Shares and New Options are issued to Applicants, the balance of funds in the account plus accrued interest will vest in the Company.

Holding statements for New Shares and New Options issued under the Entitlements Offer and the Shortfall Offer will be mailed in accordance with the Listing Rules and timetable set out at the commencement of this Prospectus.

1.7. ASX quotation

The Company will apply to the ASX within 7 days after the date of this Prospectus for the New Shares to be granted Official Quotation. If permission is not granted by the ASX for the official quotation of the New Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, any Application Money received pursuant to this Prospectus in full (without interest) or otherwise take such steps as required by section 724 of the Corporations Act.

The fact that the ASX may agree to grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. The ASX takes no responsibility for the contents of this Prospectus.

1.8. Issue Outside Australia and New Zealand

The Prospectus does not constitute an offer in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make such an offer. No action has been taken to register or qualify the New Shares or the Entitlements Offer or otherwise to permit an offering of the New Shares in any jurisdiction outside of Australia and New Zealand.

Where the Prospectus has been dispatched to Shareholders domiciled outside Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Entitlements Offer contemplated by this Prospectus, then the Prospectus and accompanying Entitlement and Acceptance Form are provided for information purposes only.

The Entitlements Offer made to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand)*.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to the Applicant's application. The return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

1.9. Ineligible Shareholders

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Company has determined, in reliance of Listing Rule 7.7.1, that it would be unreasonable to extend the

Entitlements Offer to Ineligible Shareholders, having regard to:

- the small number of Ineligible Shareholders;
- the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, the Entitlements Offer is not being extended to any Shareholder outside Australia and New Zealand unless that Shareholder would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Entitlements Offer.

Entitlements that would have gone to Ineligible Shareholders will lapse and form part of the Shortfall Offer.

1.10. Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlements Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlements Offer is compatible with applicable foreign laws.

1.11. Market price of Shares

The highest and lowest market sale price of the Company's existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during three months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the date of lodgement of this Prospectus, are set out below

	3 months high	3 month low	Last market sale price
Existing Shares	\$ 0.013 on October 2018	\$ 0.004 on 22 November 2018	\$ 0.005 on 12 December 2018

1.12. CHESSE

The Company participates in the Clearing House Electronic Subregister System, known as CHESSE operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of the ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESSE, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement Pty Ltd will send you a CHESSE statement. The CHESSE statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by 21 January 2019 and will contain the number of New Shares and New Options issued to you and your security holder reference number.

A CHESSE statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their security holding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

It is the responsibility of Applicants to determine their allocation before trading in the New Shares. Applicants who sell New Shares before they receive their statement do so at their own risk.

1.13. Rights and Liabilities attaching to the New Shares and New Options

The New Shares will rank equally in respect of dividends, voting and in all other respects as existing Shares. A summary of the rights and liabilities attaching to the New Shares is set out in Section 5.1.

The New Options will have an exercise price of \$0.008 and an expiry date of 31 January 2022. A summary of the rights and liabilities attaching to the New Options is set out in Section 5.2.

1.14. Risk factors

An investment in the Company carries certain risks that may impact on the profitability of the Company and the value of the Company's securities. The New Shares and New Options should be regarded as speculative. The Directors recommend that potential investors carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for New Shares under this Prospectus. The risk factors affecting an investment in the Company are set out in Section 3.

1.15. Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares or New Options under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Prospectus.

1.16. Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2018 is in the Annual Report which was lodged with the ASX on 28 September 2018 .

The Company's continuous disclosure notices (i.e. ASX announcements) since 28 September 2018 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Entitlements Offer.

1.17. Enquiries concerning Prospectus

Enquiries concerning the Entitlement and Acceptance Form should be directed to the Company's Share Registry, Security Transfer Australia Pty Ltd, by telephone on 1300 992 916 (international +61 3 9628 2200).

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)8 9389 2111.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

2. Action required by Eligible Shareholders

2.1. What Eligible Shareholders may do:

The number of New Shares to which Eligible Shareholders are entitled (your Entitlement) is shown on the Entitlement and Acceptance Form accompanying this Prospectus. If you do not take up your Entitlement, then your percentage holding in the Company will be diluted.

As an Eligible Shareholder, you may:

- take up all of your Entitlement (refer to Section 2.2);
- take up all of your Entitlement and apply for Shortfall Shares (refer to Sections 1.1(i) and 2.3);
- take up part of your Entitlement (refer Section 2.5); or
- allow all or part of your Entitlement to lapse (refer to Section 2.7).

You do not need to take any action in relation to the New Options. New Options will be issued to you by the Company for no consideration on the basis of 1 New Option for every 1 New Share issued to you. Fractional entitlements to New Options will be rounded up.

2.2. If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, complete the accompanying Entitlement and Acceptance Form to apply for the number of New Shares you wish to take up in accordance with the instructions set out in that form and arrange for payment of the Application Money in accordance with Section 2.7. If you elect to pay by BPay®, you do not need to return the Entitlement and Acceptance Form but you will be deemed to have accepted your Entitlements upon receipt of the BPay® payment.

2.3. Applications for Shortfall Shares

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Shortfall Shares in excess of their Entitlement as described in Section 1.1(i).

If you wish to subscribe for Shortfall Shares in addition to your Entitlement, then you should nominate the maximum number of Shortfall Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment of your full Entitlement and the Shortfall Shares (at the issue price of \$0.004 for each Shortfall Share) in accordance with Section 2.7.

Eligible Shareholders who apply for Shortfall Shares may be allocated a lesser number of Shortfall Shares than applied for, or may be allocated no Shortfall Shares at all, in which cases excess Application Money will be refunded without interest.

2.4. If you wish to take up part of your Entitlement

Complete the accompanying Entitlement and Acceptance Form by inserting the number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form).

Forward the completed Entitlement and Acceptance Form in accordance with the instructions set out in that form and arrange for payment of the Application Money for the New Shares accepted in accordance with Section 2.6.

2.5. Allow all or part of your Entitlement to lapse

If you wish to allow all or part of your Entitlement to lapse, you are not obliged to do anything in respect of **that** whole or part. The number of Shares you hold as at the Record Date and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

To and respect of the extent you allow your Entitlement to lapse, you will receive no benefit or New Shares or New Options and your Entitlement will become available as part of the Shortfall Offer. It is therefore important that, if you wish to receive a benefit, you must take action to accept your Entitlement (to the extent you wish) in accordance with the instructions above and on the back of the accompanying Entitlement and Acceptance Form.

Your Entitlement is non-renounceable and accordingly you cannot transfer, trade or sell your Entitlements.

The Company at its discretion, will deal with any New Shares not accepted.

2.6. Payment

The issue price for New Shares is payable in full on application by a payment of \$0.004 per New Share. You may pay the Application Money by BPay® or cheque.

Completed Entitlement and Acceptance Forms must be accompanied by a bank draft or cheque in Australian dollars, crossed "**Not Negotiable**" and made payable to "**Middle Island Resources Limited**" and lodged and received at the Company's share registry (by delivery or by post) no later than **5.00pm (WST) on the Closing Date**:

By delivery: Security Transfer Australia Pty Limited
770 Canning Highway
APPLECROSS WA 6153

By post: Security Transfer Australia Pty Limited
PO Box 52
Collins Street West
VIC 8007

The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Entitlement and Acceptance Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your application may be rejected.

Alternatively, if you elect to pay via BPAY®, then you must follow the instructions for BPAY® on the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

It is your responsibility to ensure that funds submitted through BPAY® are received by 2.00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

Any Application Money received for more than your Entitlement will be applied toward an application for Shortfall Shares and where such Shortfall Shares are not allotted, shall be refunded. No interest will be paid on any Application Money received or refunded.

2.7. Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares and New Options. The Directors' decision whether to treat an Acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Money, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself, or each person on whose account you are acting, that the law in your place of residence and/or where you have been given the Prospectus does not prohibit you from being given the Prospectus and that you:

- agree to be bound by the terms of the Entitlements Offer;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;

- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares and New Options to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares and New Options are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that the New Shares and New Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares and New Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the *US Securities Act 1933*; and
- agree that the Company makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Entitlements Offer save as expressly provided in this Prospectus or as required by law.

2.8. Privacy

If you complete an application for New Shares, you will be providing personal information to the Company. The Company will collect, hold and use the information provided by Applicants to process applications and to administer investments in the Company.

If the information requested in the Entitlement and Acceptance Form is not provided, the Company and the Company's share registry may not be able to process the relevant application.

The Company may disclose personal information for purposes related to Shareholders' investments to the Company's agents and service providers. The types of agents and service providers that may be provided with personal information and the circumstances in which personal information may be shared are:

- the Company's share registry for ongoing administration of the shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the New Shares and for associated actions.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1998* (Cth), the *Corporations Act* and the *ASX Settlement Operating Rules*.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

3. Risk Factors

Activities in the Company, as in any business, are subject to risks, which may impact on the Company's performance. The Company has implemented strategies, actions, systems and safeguards for known risks within its control but many impacting variables are beyond the control or influence of the Company.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Specific Risks associated with the Company

(a) Shortage of Funding

The funds raised by the Offer will be used to pursue the Company's objectives. The Company will require additional funding (over and above the proceeds of the Offer) to meet costs which are:

(i) not provided for in the use of funds table; or (ii) are unexpected; or (iii) the result of budget overrun.

The Company's ability to raise further capital, either equity or debt, within an acceptable time, of sufficient quantum and on terms acceptable to the Company will depend on innumerable factors, including:

- a) prospectivity of projects (existing and/or future);
- b) the results of exploration, subsequent feasibility studies, development, mining and processing;
- c) stock market, financial market and industry conditions; and
- d) the price of relevant commodities and exchange rates.

Any additional financing through share issues will (or instruments convertible into shares may) dilute shareholdings acquired under this Prospectus. Debt financing may not be available to support the scope and extent of proposed activities. If available, it may impose restrictions on operating activities.

No assurance is or could be given that future funding will be available on favourable terms, or at all. If adequate funds are not available on acceptable terms, the Company's ability to develop its projects and seize further opportunities may be stymied.

(b) Resource Estimates

The Mineral Resources and Mineral Reserves at the Sandstone Project are planned to be revisited by the Company before any project recommencement and may change as a result of using revised cut-off grades based on prevailing costs and commodity prices.

Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop resources. Further, values of ore deposits are based on future costs and future prices and consequently, the actual Mineral Resources may differ from those estimated, which may result in either a positive or negative effect on operations.

(c) Development

Any future discovery may not be commercially viable or recoverable. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited.

(d) Commodity Prices

Commodity prices, including gold and silver which are the intended lead exploration metals, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. Just what drives specific commodity prices can be the subject of much sophic debate but factors may include investor and market sentiment and outlook, , production costs, sustaining costs, macroeconomic factors such as actual and expected inflation, interest rates, exchange rates, and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.

(e) Contractors Consultants and Advisors

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients. In particular, the Company engages or will engage a number of external contractors to provide goods and services. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Company. It is not possible for the Company to predict or protect the Company against all such risks.

(f) Title and Tenure

Exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

The relevant legislation governing the title and tenure of the Company's tenements is the Mining Act 1978 (WA) and Mining Regulations 1981 (WA).

(g) Native title and access risk

The Company's activities in Australia are subject to the Native Title Act 1993 (Cth) and associated law relating to Native Title and Aboriginal land. The Company's exploration and mining activities can be affected by land claim compensation considerations. It is possible that aboriginal sacred sites may be found within tenements held by the Company and which may preclude exploration and mining activities and the Company may also experience delays with respect to obtaining permission from the traditional owners to explore and extract Mineral Resources. The Company must also comply with Aboriginal heritage legislation requirements and access agreements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining activities.

(h) Reliance on Key Personnel

Several of the Directors have intimate knowledge of the Company's assets, including Managing Director Mr Rick Yeates. The responsibility of overseeing the Company's day to day operations and setting the Company's strategic direction and policy is substantially the responsibility of the Managing Director, Mr Yeates. Please see Section 5.8 for details relating to Mr Yeates' remuneration.

(i) Exploration risk

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(j) Environmental Risks

The Company is subject to a number of laws and regulations regarding the protection of the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former activities and

locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous occupiers or non-compliance with environmental laws or regulation. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

(k) Regulatory Risk

The Company's potential mining operations and exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

3.4 General Risks

(a) Economic and Political Conditions

The value of the Company's securities is likely to fluctuate depending on various factors including, but not limited to: (a) inflation, (b) interest rates, (c) domestic and international economic growth, (d) changes to taxation legislation, interpretation and policies, (e) legislative change, (f) political stability, (g) disasters, (h) industrial disputes, (i) social unrest, (j) war on a local or global scale, (k) mining industry conditions, (l) stock market conditions in Australia and elsewhere, (m) changes in investor sentiment towards particular market sectors, (n) acts of God, (o) acts of terrorism, (p) potential actual or anticipated variations in the Company's operating results, (q) adverse publicity, (r) adverse attitudes and opinions of members or representatives of the community, government or parliament, and (s) concerns in global markets (or responses thereto) regarding the state of sovereign debt in various jurisdictions and unions.

(b) Taxation Risk

Any change in the Company's tax status or the tax applicable to holding Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders.

(c) Changes in Government Policy

Adverse changes in Federal or West Australian government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in West Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(d) Insurance Risks

The Company insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance

cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive.

(e) Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(f) Trading Risks

The price at which the Company's Shares trade on the ASX may be higher or lower than the issue price of the New Shares pursuant to the Entitlements Offer and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in commodity prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

There may be relatively few or many potential buyers or sellers of the Shares on the ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

(g) Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(h) Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee and ex-employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

4. Effect of the Offer

4.1 Principal effect of the Offer

The principal effects of the Entitlements Offer will be to:

- (a) increase the Company's cash reserves by up to approximately \$1,396,000 (before taking into account the costs of the Entitlements Offer);
- (b) increase the number of Shares on issue from 697,901,437 to up to 1,046,852,156 (assuming no Options are exercised prior to the Record Date and Entitlements are taken up in full);
- (c) increase the number of Options on issue from 30,000,000 to up to 378,950,719 (assuming no Options are exercised prior to the Record Date and Entitlements are taken up in full); and
- (d) provide the Company with additional capital for the purposes referred to in Section 1.3.

The pro-forma Statement of Financial Position summarising the effects of the Entitlements Offer is set out in Section 4.3.

4.2 Effect of the Offer on the Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below (assuming no Options are exercised by the Record Date):

	Number of Shares
Shares quoted on ASX as at date of Prospectus	697,901,437
New Shares issued pursuant to this Prospectus	348,950,719
Total issued Shares	1,046,852,156

	Unlisted Options (\$0.03, 8/11/2021) ⁽¹⁾	Unlisted Options (\$0.008, 31/1/2022)
Convertible securities as at date of Prospectus	30,000,000	Nil
Options issued pursuant to this Prospectus	Nil	348,950,719
Total issued convertible securities	30,000,000	348,950,719

⁽¹⁾ Subject to the adjustment under Listing Rule 6.22.2 as a consequence of the Entitlements Offer.

The Company has 30,000,000 Options on issue at the date of this Prospectus. These Options have an exercise price of \$0.03 (refer to the table above for further details). The holders of these Options are not entitled to participate in the Entitlements Offer unless the Options are exercised into Shares prior to the Record Date. If all of the Options currently on issue are exercised prior to the Record Date and Shareholders take up their full Entitlement under the Entitlements Offer, an additional 30,000,000 Shares will be issued pursuant to the exercise of Options and up to an additional 15,000,000 New Shares and 15,000,000 New Options may be issued pursuant to the Entitlements Offer. However, given that the exercise price of the Options is higher than the current market price of the existing Shares and the Directors are the only holders of the Options, the Directors are able to advise that they do not intend to exercise their Options prior to the Record Date.

4.3 Statement of Financial Position

Set out below is the audited Consolidated Statement of Financial Position of the Company as at 30 June 2018 and the unaudited Consolidated Pro-Forma Statement of Financial Position as at 30 June 2018 assuming full subscription. The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based on are contained in the audited financial report for the 12 months ended 30 June 2018.

MIDDLE ISLAND RESOURCES LIMITED
EFFECT OF THE OFFER

Unaudited Pro-Forma Statement of Financial Position as at 30 June 2018

The Pro-Forma Statement of Financial Position assumes the following:

- (a) the issue of 348,950,719 New Shares offered pursuant to this Prospectus at \$0.004 each on the basis of 1 New Share for every 2 Shares held (together with 348,950,719 free attaching New Options) to raise approximately \$ 1,396,000 has been completed;
- (b) the estimated costs of the Offer are approximately \$30,000, which amounts are shown as a deduction against contributed equity; and
- (c) net cash outflow of \$1,289,426 for the period 1 July 2018 to 30 November 2018 comprised of \$1,264,160 in operating activities outflows (adjusted against accumulated losses) and \$25,266 in investing activities outflows (adjusted against property, plant and equipment).

Statement of Financial Position

	AUDITED	UNAUDITED
	30 June 2018	PROFORMA
	\$	30 June 2018
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	1,552,529	1,628,906
Trade and other receivables	42,837	42,837
Financial assets	847,522	847,522
Non-current asset held for sale	202,317	202,317
TOTAL CURRENT ASSETS	2,645,205	2,721,582
NON-CURRENT ASSETS		
Property, plant and equipment	2,049,348	2,074,614
Tenement acquisition costs	1,327,754	1,327,754
TOTAL NON-CURRENT ASSETS	3,377,102	3,402,368
TOTAL ASSETS	6,022,307	6,123,950
CURRENT LIABILITIES		
Trade and other payables	400,286	400,286
TOTAL CURRENT LIABILITIES	400,286	400,286
NON-CURRENT LIABILITIES		
Provisions	1,203,417	1,203,417
TOTAL NON-CURRENT LIABILITIES	1,203,417	1,203,417
TOTAL LIABILITIES	1,603,703	1,603,703
NET ASSETS	4,418,604	4,520,247
EQUITY		
Contributed equity	34,954,474	36,320,277
Reserves	1,148,988	1,148,988
Accumulated losses	(31,684,858)	(32,949,018)
TOTAL EQUITY	4,418,604	4,520,247

4.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the profitability, financial position and cash requirements of the Company.

5. Additional information

5.1 Rights attaching to Shares

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on the ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including the New Shares) are:

- (a) described in the Company's Constitution; and
- (b) regulated by the Corporations Act, Listing Rules and the general law (applicable law).

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of rights and liabilities of Shareholders. All New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally in all respects with the Company's existing Shares.

(a) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders of the Company:

- i each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii on a poll, every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid Share, registered in such Shareholder's name on the Company's share register.

(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), dividends declared will be paid according to the amounts paid as paid on the shares for which the dividends are paid.

(c) Winding Up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them, irrespective of the amount paid-up or credited as paid up on the Shares.

(d) Transfer of Shares

Subject to the Constitution, the Corporations Act, the ASX Settlement Operating Rules and Listing Rules, Shares are freely transferable.

(e) Issue of further Shares

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the Listing Rules, the Constitution and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(f) General Meetings

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution or the Corporations Act.

(g) **Variation of Rights**

Subject to the terms of issue of shares in a particular class, the Company, with the sanction of a special resolution passed at a meeting of Shareholders or with the consent in writing of members who are entitled to at least three quarters of the votes that may be cast in respect of Shares in that class, may vary or cancel the rights attached to shares in that class or convert shares from one class to another class.

(h) **Shareholder Liability**

As the New Shares will be fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(i) **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(j) **Listing Rules**

As long as the Company is admitted to the Official List, then despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. If as a result of an amendment to the Listing Rules, there is an inconsistency between the Constitution and the Listing Rules, the Company shall, subject to the Corporations Act, do all things necessary to change the Constitution to remove the inconsistency as soon as possible and in any event, at the first general meeting of the Company held after the date on which the relevant amendment the Listing Rules comes into operation.

5.2 Rights attaching to the New Options

The New Options offered pursuant to this Prospectus will be issued on the following terms and conditions.

(a) **Entitlement**

Subject to Option terms (f), (g) and (h), each Option entitles the registered Option holder to subscribe for and be allotted one Share in the capital of the Company, credited as fully paid, at an exercise price of \$0.008 per Share.

The Company must, as soon as it is reasonably practicable to do so, allot Shares on exercise of the Option in accordance with the Listing Rules (if the Company is listed at the time of exercise of the Option) and register the Option holder or its nominee as a Shareholder in the register of members in respect of the Shares so allotted. No Option may be exercised if to do so would contravene the Corporations Act or the Listing Rules.

Shares issued on the exercise of Options will rank pari passu with all existing Shares in the capital of the Company from the date of issue.

(b) **Exercise of Options**

An Option is exercisable by the registered Option holder lodging notice of exercise of option together with the exercise price for each Share to be issued on exercise and the relevant option holding statement, at any office of the Company's share registrar. The Options may be exercised in whole or in part and, if exercised in part, multiples of 100,000 must be exercised on each occasion. Subject to the expiry date, the exercise of some Options only does not affect the registered Option holder's right to exercise other Options at a later time.

Remittances must be made payable to the Company and cheques should be crossed "not negotiable".

Options may be exercised at any time on or before 5.00pm WST on 31 January 2022.

An Option not exercised by 5.00pm WST on 31 January 2022 lapses.

(c) **Transfer**

Subject to any restrictions imposed by ASX, Options may be transferred at any time before lapsing.

(d) **Dividends**

Shares issued on any exercise of an Option will rank pari passu with all existing Shares in the capital of the Company from the date of issue and will be entitled to dividend for which the books closing date for determining entitlements falls after the date of issue.

(e) **Bonus issue**

If the Company makes a bonus issue of Shares or other securities pro rata to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) at a time when:

- an Option has not been exercised in full; or
- an Option has been exercised, but Shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the bonus issue,

then the number of Shares over which the Option is exercisable or has been exercised (as the case may be) will be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

(f) **Rights issue**

If the Company makes an offer of Shares pro rata to all or substantially all holders of ordinary Shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

(g) **Reconstruction**

The rights of an Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(h) **Advice**

The Company must give notice to the Option holder of any adjustment to the number of Shares which the Option holder is entitled to subscribe for or be issued on exercise of the Option or the exercise price per Share in accordance with the Listing Rules.

(i) **Right to participate in future issues**

The Option holder may only participate in new issues of securities to holders of Shares to the extent the Option has been exercised, if that is permitted by its terms, and the Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice to the option holder of any new issue before the books closing date for determining entitlements to the issue in accordance with the Listing Rules.

5.3 Nature of this Prospectus

This Prospectus is a "transaction specific prospectus" issued under the special content rules for continuously quoted securities set out in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities and options to acquire continuously quoted securities with modified disclosure requirements if they satisfy certain requirements. The New Shares (and any shares issued upon exercise of any of the New Options) which will be issued pursuant to this Prospectus will be in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Shares and New Options offered pursuant to this Prospectus.

This Prospectus is intended to be read in conjunction with publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest in the Company.

5.4 Company is a disclosing entity

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. The Company is required to continuously disclose to the market any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the office of the company secretary (Suite 2, 11 Ventnor Avenue, West Perth WA 6005) during normal office hours (see Section 5.4 below).

5.5 Copies of documents

Copies of documents lodged with the ASIC in connection with the Company’s reporting and disclosure obligations may be obtained from, or inspected at, an office of the ASIC. The Company will provide free of charge to any person who requests it, a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2018, being the last financial statements for a financial year of the Company lodged with the ASIC before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in paragraph (a) above until the issue of this Prospectus are as follows:

Date	Description of the Announcement
29/11/2018	Dispatch of Offer Memorandum
27/11/2018	Sandstone Gold Project H1 2019 Greenfields Exploration
22/11/2018	Letter to Shareholders - Rights Issue
21/11/2018	Non-Renounceable Rights Issue
20/11/2018	Change of Director's Interest Notice x 3
20/11/2018	Appendix 3B
09/11/2018	Results of Meeting
18/10/2018	Quarterly Activities Report
18/10/2018	Quarterly Cashflow Report
10/10/2018	Notice of Annual General Meeting/Proxy Form
08/10/2018	Wirraminna Drilling Update
28/09/2018	Appendix 4G and Corporate Governance Statement

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the office of the company secretary (Suite 2, 11 Ventnor Avenue, West Perth WA 6005):

- (i) this Prospectus;

- (ii) Constitution; and
- (iii) the consents referred to in Section 5.10 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

5.7 Determination by the ASIC

The ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.8 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director has or had within two years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the issue of New Shares and New Options pursuant to this Prospectus; or
- (c) the issue of New Shares or New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:

- (a) to induce him or her to become, or to qualify him, as a Director; or
- (b) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Shares or New Options pursuant to this Prospectus.

Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company as at the date of this Prospectus.

Director	No. of Shares Held ⁽¹⁾	Entitlement to Subscribe for Shares ⁽²⁾	No. of Options Held
Rick Yeates	48,964,162 ⁽³⁾	24,482,081	10,000,000 Options exercisable at \$0.03 before 8 Nov 2021 ⁽⁶⁾
Peter Thomas	13,190,000 ⁽⁴⁾	6,595,000	10,000,000 Options exercisable at \$0.03 before 8 Nov 2021 ⁽⁷⁾
Beau Nicholls	14,050,000 ⁽⁵⁾	7,025,000	10,000,000 Options exercisable at \$0.03 before 8 Nov 2021 ⁽⁸⁾

- (1). Direct or indirect holding in which the Director has a relevant interest under the Corporations Act.
- (2). Entitlement to subscribe for Shares that will be held directly or indirectly assuming no existing Options held are exercised before the Record Date.
- (3). 24 held directly by Mr Yeates and 9,333,334 held indirectly through Diamantina Resources Pty Ltd <Yeates Family A/C> and 39,630,804 held indirectly through Quenda Investments Pty Ltd <Quenda Super Fund A/C>.
- (4). 800,000 held directly by Mr Thomas and 12,390,000 held indirectly through Northern Griffin Pty Ltd.
- (5). 450,000 held directly by Mr Nicholls, 13,600,000 held indirectly through Amazon Consultoria Em Mineracao E Servicos and 10,000,000 held indirectly through MMH Capital Limited.
- (6). Held indirectly through Quenda Investments Pty Ltd <Quenda Super Fund A/C>.
- (7). held indirectly through Northern Griffin Pty Ltd.
- (8). Held directly by Mr Nicholls.

Remuneration of Directors

No person has paid or agreed to pay any amount or has given any benefit to any Director to induce them to become, or qualify as a Director or for services provided by the Director, in connection with:

- (a) the formation or promotion of the Company; or
- (b) the offer of New Shares or New Options under this Prospectus, except as set out below or elsewhere in this Prospectus.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at a general meeting. Total directors' fees paid to all non-executive Directors is not to exceed \$300,000 per annum.

Mr Thomas receives a director fee of \$40,000 per annum (inclusive of superannuation) and Mr Nicholls currently receives a director fee of \$30,000 per annum.

Mr Yeates has an employment agreement with the Company with respect to his engagement as Managing Director. Pursuant to that agreement, Mr Yeates is paid a salary of \$210,000 per annum, exclusive of superannuation.

Information regarding the remuneration received by Directors for the preceding two financial years can be found in the 2018 Annual Report.

Other interests

The Company has entered into Deeds of Indemnity, Access and Insurance on standard terms with each of its current Directors. Those deeds indemnify these Directors in respect of certain liabilities and legal expenses incurred by them whilst acting as Directors and insure them against certain risks they are exposed to as Directors. The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

5.9 Interests of Named Parties

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, do not have, and have not had in the two years before the date of this Prospectus any interests in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the offer of New Shares or New Options under this Prospectus; or
- (c) the offer of New Shares or New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons in connection with the formation or promotion of the Company or the offer of New Shares or New Options under this Prospectus.

DWCorporate Pty Ltd estimated fees of approximately \$15,000 (plus GST) for assistance in relation to compliance services related to the Prospectus. In the two years prior to the date of this Prospectus, DWCorporate Pty Ltd has provided company secretarial and compliance services to the Company to a total value of approximately \$152,000 (excluding GST and disbursements).

Security Transfer Australia Pty Ltd conducts the Company's share registry functions and also provides administrative services in respect to the processing of applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.10 Consents

The following parties has given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and content in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

DWCorporate Pty Ltd has consented to being named as a provider of company secretarial services to the Company and the inclusion in the Prospectus of all statements referring to it.

The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offer;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

References to Greenwich & Co appear for information purposes only. Greenwich & Co has not been involved in, authorised or caused the issue of this Prospectus.

References to Security Transfer Australia Pty Limited appear for information purposes only. Security Transfer Australia Pty Limited has not been involved in, authorised or caused the issue of this Prospectus.

5.11 Expenses of issue

The estimated expenses of the Offer (exclusive of GST) are estimated as follows:

	\$
ASIC lodgement fee.	3,206
ASX quotation fee.	6,809
Compliance documentation.	15,000
Printing, mailing and other expenses.	4,985
\$ Total	30,000

6. Authorisation

Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act. This Prospectus is signed for and on behalf of Company by:

A handwritten signature in blue ink that reads "Richard Yeates". The signature is written in a cursive style with a large initial 'R'.

Mr Rick Yeates
Managing Director

Date: 14 December 2018

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

Acceptance means a valid application for New Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form.

Annual Financial Report means the financial report lodged by the Company with the ASIC in respect to the year ended 30 June 2018 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities for the year ended 30 June 2018, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2018.

Applicant means a Shareholder who applies for New Shares pursuant to the Entitlements Offer.

Application Money means application money for New Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or Australian Securities Exchange (as the context requires).

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that the ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Middle Island Resources Limited ACN 142 361 608.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means *Corporations Act 2001 (Cth)*.

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date that have a registered address in Australia or New Zealand.

Entitlement or Right means an Eligible Shareholder's entitlement to New Shares under the Entitlements Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus that sets out the Entitlement of Shareholders.

Entitlements Offer has the meaning set out in Section 1.1.

Ineligible Shareholders has the meaning given to that term in Section 1.9.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

JORC Code means the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' which comprises Appendix 5A of the Listing Rules.

Listing Rules means the Listing Rules of the ASX.

Mineral Resource has the meaning given to that term in the JORC Code.

Mining Act means the West Australian Mining Act 1978.

New Option means a new Option proposed to be issued pursuant to the Entitlements Offer.

New Share means a new Share proposed to be issued pursuant to the Entitlements Offer.

Nominee has the meaning given to that term in Section 1.10.

Offer means the Entitlements Offer.

Official List means the official list of the ASX.

Official Quotation means quotation of securities on the Official List.

Opening Date means the date specified in the timetable set out at the commencement of this Prospectus.

Option means the right to acquire one Share in the capital of the Company.

Prospectus means this prospectus dated 14 December 2018.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Shareholder means the holder of Shares.

Share means a fully paid ordinary share in the capital of the Company.

Shortfall will occur if the Company does not hold valid applications for all the New Shares offered under this Prospectus by the Closing Date, excluding applications for Shortfall Shares.

Shortfall Offer means the offer of the Shortfall Shares (together with one free attaching Shortfall Option for every 1 Shortfall Shares subscribed for and issued) on the terms and conditions set out in Section 1.2 of this Prospectus.

Shortfall Options means an Option proposed to be issued pursuant to the Shortfall Offer.

Shortfall Shares means that number of New Shares for which a valid Entitlement and Acceptance Form has not been received by 5.00pm (WST) on the Closing Date.

\$ means Australian dollars.

WST means Western Standard Time, being the time in Perth, Western Australia.

