



Middle Island
RESOURCES LIMITED

Middle Island Resources Limited
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17 December 2018

Dear Shareholder

Middle Island Resources Limited Non-Renounceable Rights Offer

On 21 November 2018 the Company lodged details pertaining to a non-renounceable rights offer to Eligible Shareholders on the basis of one (1) New Share for every two (2) Shares held. This offer was due to close on 14 December 2018.

Following consultation with numerous shareholders the current non-renounceable rights offer has been withdrawn by the Company and replaced with a revised non-renounceable rights offer to Eligible Shareholders on the basis of one (1) New Share for every two (2) Shares held on the Record Date at an issue price of A\$0.004 per New Share (together with one free attaching New Option for every 1 New Share subscribed for and issued) to raise up to approximately A\$1.396 million (before costs) (**Offer**).

The intended purpose of this capital raising is detailed in the non-renounceable rights offer Prospectus, dated 14 December 2018 and released by ASX on that date (**Prospectus**). Unless otherwise defined, capitalised terms used in this letter have the meaning set forth in the Prospectus.

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

Shareholders who hold Shares at 5pm (WST) on 20 December 2018, and have a registered address in Australia or New Zealand, will be eligible to participate in the Offer (**Eligible Shareholders**). Eligible Shareholders will be sent a copy of the Prospectus and personalised Application Form on 21 December 2018.

Indicative Timetable

Event	Date
Announcement of Issue	14 December 2018
Lodgement Date (Prospectus with ASIC)	14 December 2018
Lodgement Date (Prospectus and Appendix 3B with ASX)	14 December 2018
Notice of Issue sent to Optionholders	14 December 2018
Notice of Issue sent to Shareholders	17 December 2018
"Ex" Date	19 December 2018
Record Date	20 December 2018
Opening Date (Dispatch of Offer Document to Shareholders)	21 December 2018
Closing Date	15 January 2019
Shortfall Notification to ASX	18 January 2019
Issue Date	21 January 2019



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

Use of Funds

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

Eligible Shareholders

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

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

Return of Funds

The Company will return application funds received in support of applications received under the offer dated 21 November 2018.

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

Yours faithfully

Dennis Wilkins
Company Secretary