

Exploring Golden Frontiers

Middle Island Resources

Towards a Sandstone Recommissioning

Fremantle RIU Explorer's Conference - February 2019



Middle Island
RESOURCES LIMITED



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Previously Reported Information

This presentation includes information that relates to Mineral Resources, Exploration Targets and exploration results which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company’s previous ASX announcements as follows:-

- Mineral Resources: Annual Report 2018.
- Exploration Targets: ASX Release 29 November 2017.
- Exploration Results: ASX Releases of 18 January 2017, 12 September 2017, 14 November 2017 & 19 December 2018.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person’s findings are presented have not been materially modified from the original market announcements.

Capital Structure

ASX Code: MDI

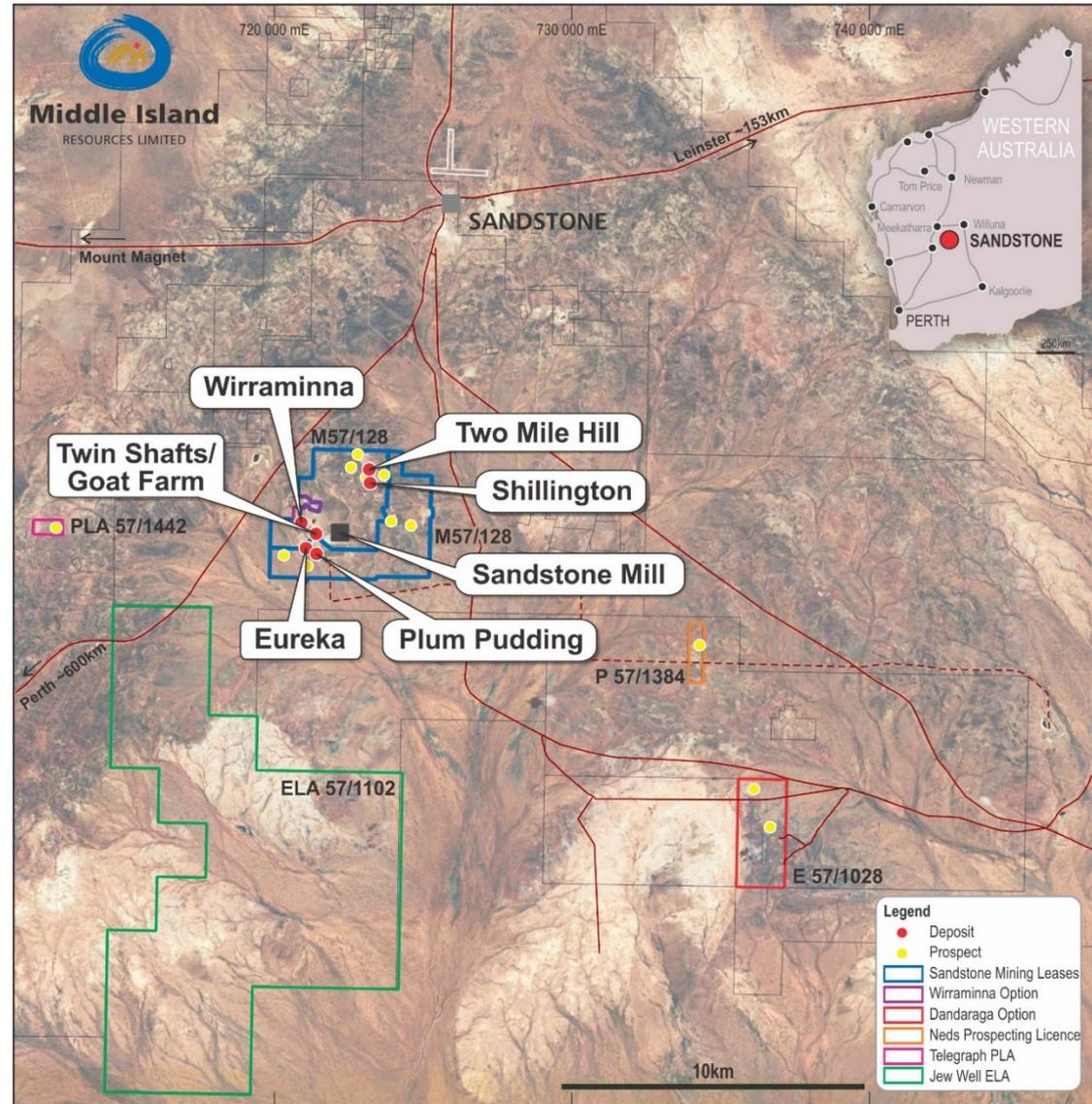


Shares on Issue	1,047M
Unlisted Options	379M
Number of Shareholders	676
Top 20 Shareholders	66%
Institutions	20%
Directors	11%
Cash & Investments (as at 31 January 2019)	A\$1.9M
Market Cap (at A\$0.006 on 15/2/19)	A\$6.3M

Sandstone Gold Project - Location & Tenure



- 11km south of Sandstone, 400km NW of Kalgoorlie.
- Sealed highway between Mt Magnet & Leinster.
- 100% interest (or rights to 100%) in 191km².
- Includes two fully permitted Mining Leases that pre-date Native Title.
- Operating licence, permitted tailings storage & bore field.



Processing Plant & Infrastructure



- 600,000tpa CIP plant on care & maintenance.
- Includes conventional grinding, milling & leach circuits.
- Refurbishment cost of \$10.3M, including owners' costs.
- Will include purpose-designed crushing circuit to treat all ore types.
- Fully permitted, with operating licence.
- Only processing plant for 160km.



Processing Plant & Infrastructure



- **Contract diesel-generated power plant.**
- **Fuel tanks, workshops, laboratory & mine offices.**
- **Substantial inventory of equipment & spares.**
- **Permitted tailings facility & bore field.**
- **Fully equipped camp (accommodating 100) on freehold title in nearby Sandstone township.**
- **Well-maintained airport to service FIFO operations.**
- **4 months to refurbish mill & infrastructure.**

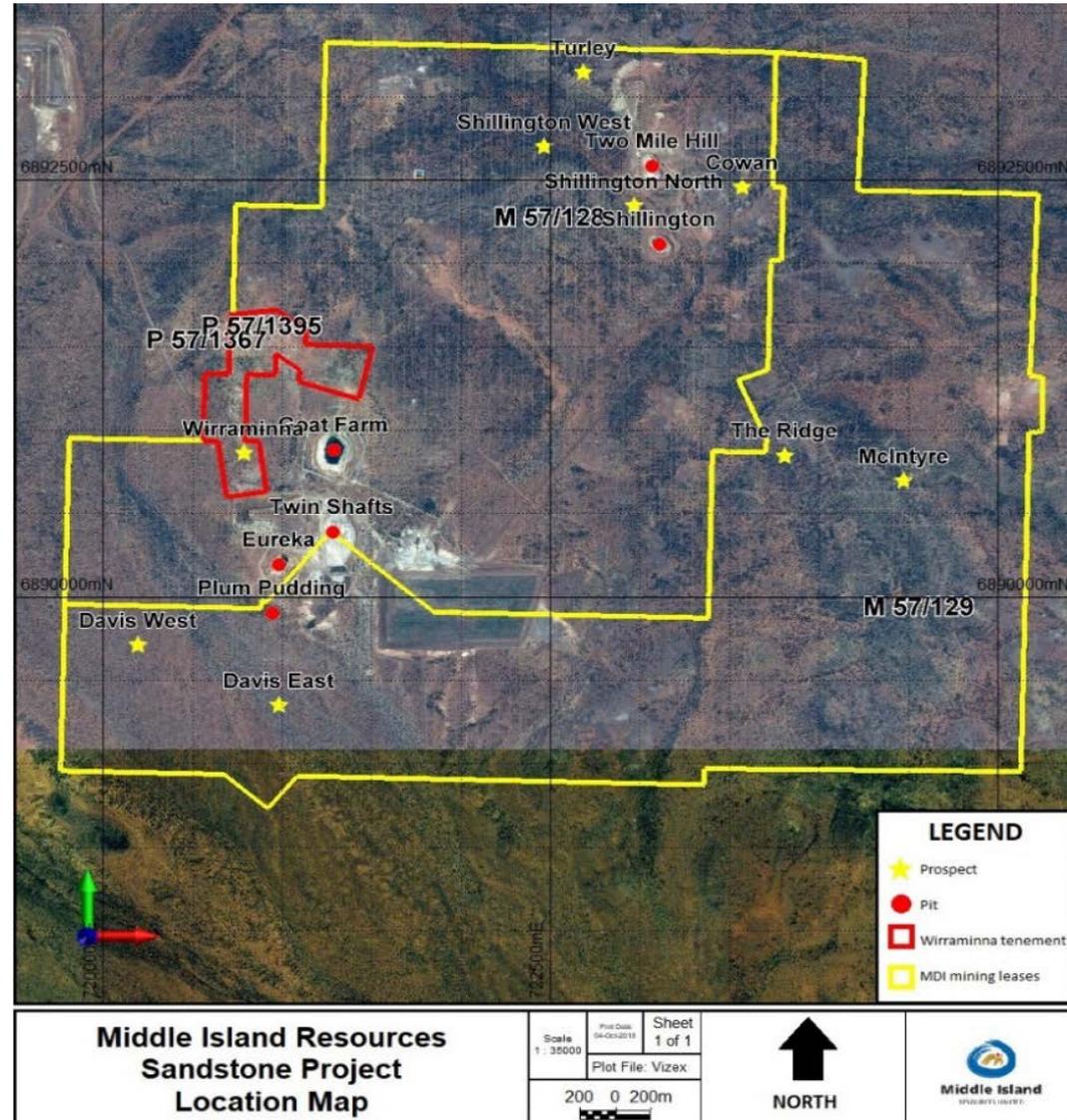


Sandstone Gold Project – Mineral Resources



- Mineral Resources of **537,000oz gold**.
- *Exploration Target of **900,000oz to 1.5Moz gold**.
- Six existing open pits.
- **Four defined open pit deposits aggregating 127,000oz; Two Mile Hill, Shillington, Shillington North & Wirraminna.**
- Seven priority exploration targets.
- 30 untested ‘weights of evidence’ targets.

**The potential quantity and grade of an Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*



Sandstone Gold Project – Strategy

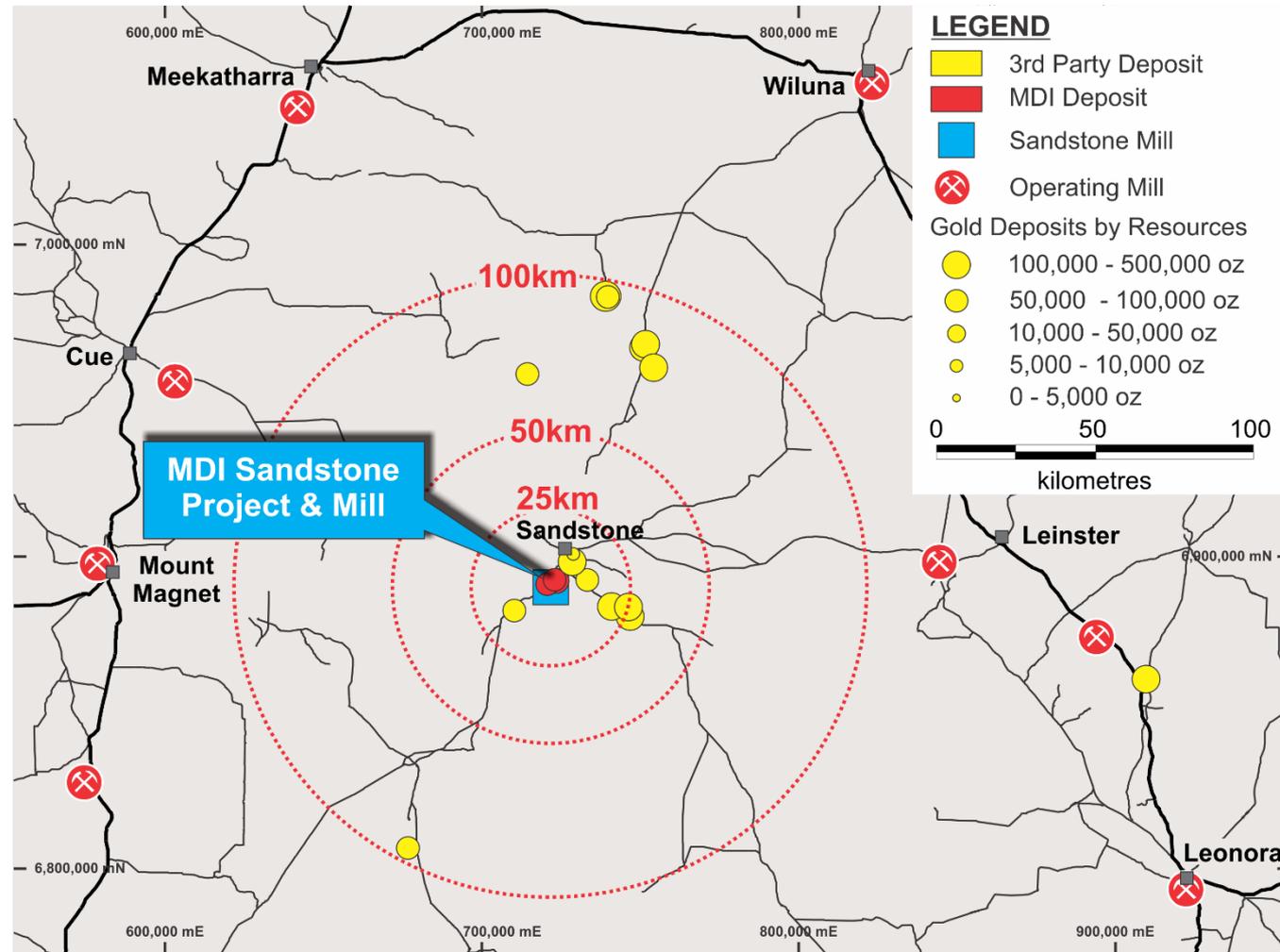


- **Recommission Sandstone gold project at the earliest opportunity.**
- **Build production profile to achieve this objective via a dual approach:-**
 - Consolidation of stranded, third-party deposits within the district.
 - Exploration, focused on the front-end of the production schedule.
- **Considerable success in extending the proposed production schedule in 2018 via Two Mile Hill tonalite deeps and Two Mile Hill BIF deposits.**
- **2019 focus to enhance the front-end of the proposed production schedule via discovery of shallow, high grade, low strip ratio, open pit targets on already permitted tenure.**

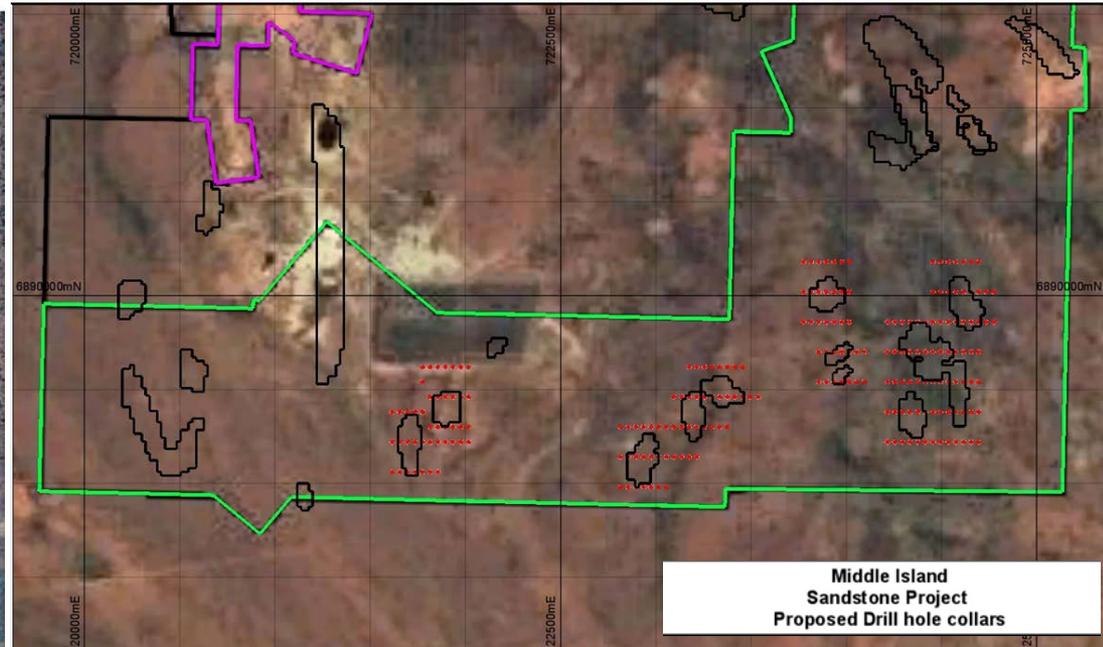
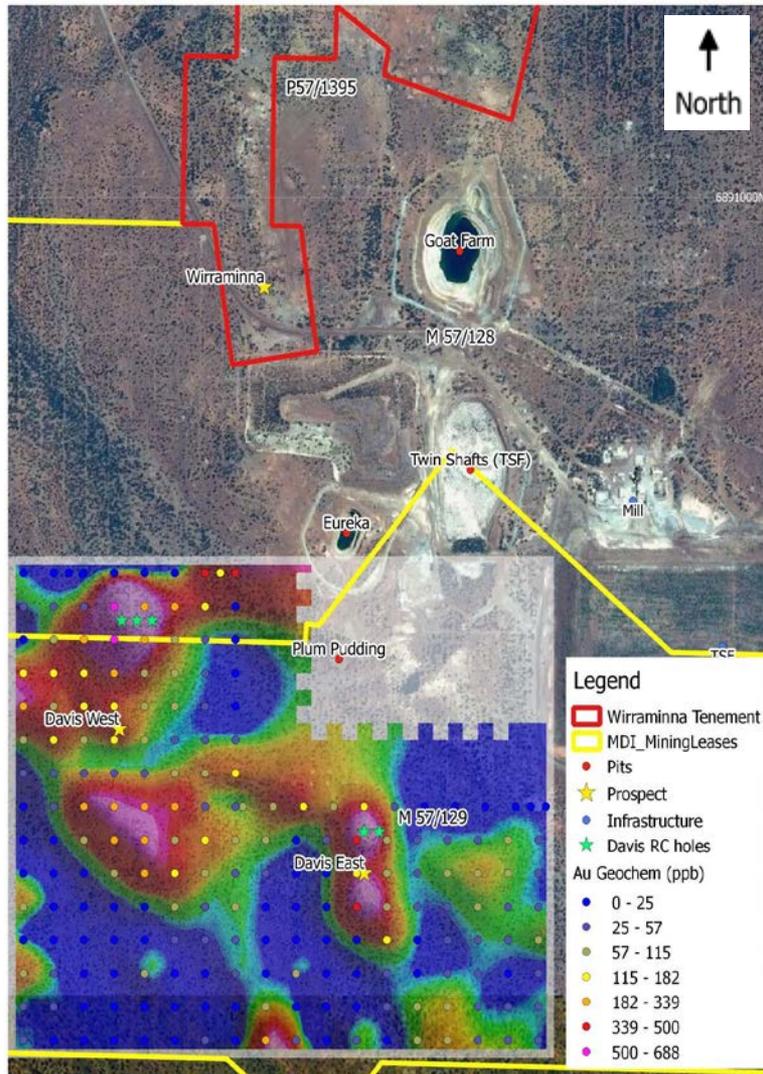
Sandstone Gold Project – Deposit Consolidation



- Sandstone only plant within 160km; central processing hub.
- At least 15 gold deposits within 100km.
- Published Mineral Resources of 1.2Moz gold.
- Other deposits also being quantified.
- Due diligence on-going; in discussion with five entities.
- Flexible on milling options.
- Opportunity to consolidate two entire greenstone belts.



Sandstone Gold Project – 2019 Exploration

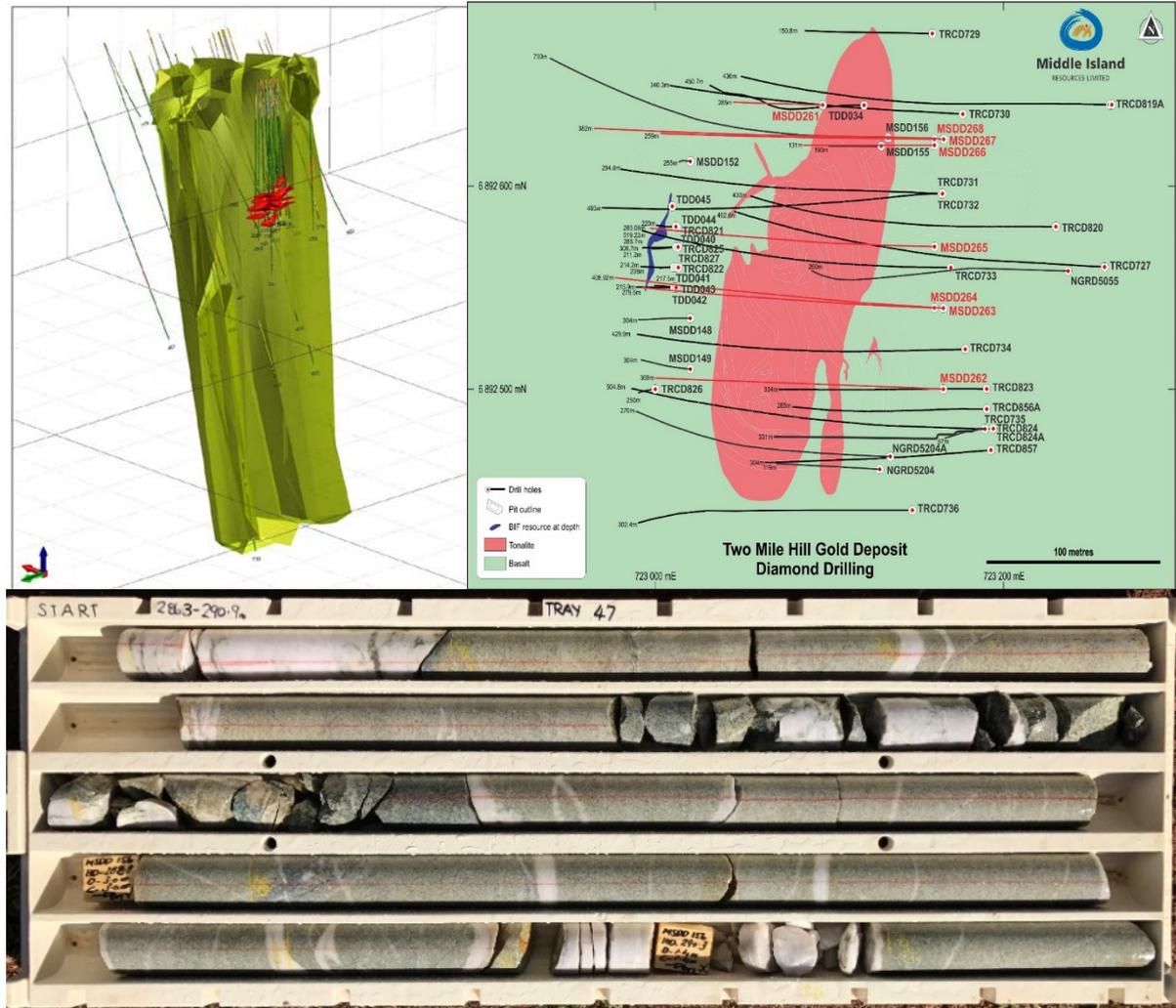


- **Aircore drilling of 11 weights of evidence targets commencing next week.**
- **All targets on permitted tenure within 3km of the mill.**
- **RC drilling on at least a further three advanced targets, including Davis & Agnes.**

Two Mile Hill Tonalite



- Tonalite (granite) plug or stock.
- 250m long, 90m wide & extends to at least 700m depth.
- *Exploration Target of **24-34Mt at 1.1-1.4g/t (900K-1.5Moz) gold.**
- Consistent diamond core intersections:-
508.3m at 1.38g/t
372.7m at 1.52g/t
230.4m at 1.62g/t
- Gold associated with sub-horizontal sheeted quartz veining.

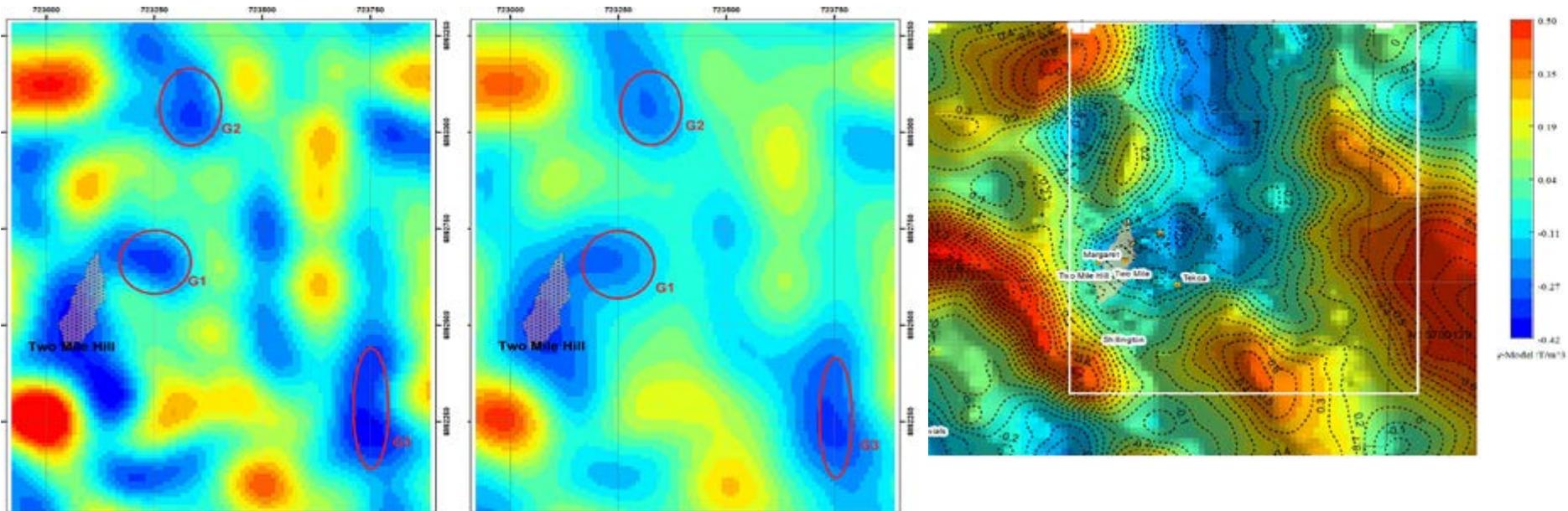


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Sandstone Gold Project – 2019 Exploration



- Three priority gravity targets identified from 3D inversion modelling.
- Interpreted to represent potential mineralised intrusives, proximal to Two Mile Hill tonalite.
- \$150,000 EIS Grant provides endorsement as high value targets.
- Diamond drilling of these targets planned to commence Q3 2019.



Why invest in Middle Island?



- Market Capitalisation of **A\$6.3 million** (15/2/2019).
- Enterprise Value (EV) of ***A\$7 per resource ounce gold**.
- Peer average EV (explorers & near-term developers) of ***A\$29 per resource ounce gold**.
- Pro-rata EV valuation **A\$15.6 million**.
- Significantly under-valued relative to peers, providing clear investment opportunity.



Why invest in Middle Island?



- Sandstone **100% owned & fully permitted.**
- **Near-term gold production** requiring modest capital.
- Mineral Resources of **537,000oz gold.**
- Considerable additional exploration upside.
- Only plant for 160km; **15 deposits within 100km, aggregating 1.2Moz gold.**
- Emerging developer in buoyant Australian gold market.
- Strong, stable, supportive register.
- Experienced exploration & project development team.



Thank you

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