

# Exploring Golden Frontiers

## Middle Island Resources Towards a Sandstone Recommissioning AGM - November 2019



**Middle Island**  
RESOURCES LIMITED



# Disclaimer Notice and Competent Person's Statement



## Disclaimer Notice

The material in this presentation ("material") is not and does not constitute an offer, invitation or recommendation to subscribe for, or purchase any security in Middle Island Resources Limited ("MDI") nor does it form the basis of any contract or commitment. MDI makes no representation or warranty, express or implied, as to the accuracy, reliability or completeness of this material. MDI, its directors, employees, agents and consultants shall have no liability, including liability to any person by reason of negligence or negligent misstatement, for any statements, opinions, information or matters, express or implied, arising out of, contained in or derived from, or for any omissions from this material except liability under statute that cannot be excluded.

## Forward Looking Statements

Statements contained in this material, particularly those regarding possible or assumed future performance, timeframes, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of MDI, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.

## 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: ASX Releases 14 December 2016 & 8 December 2017.
- 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



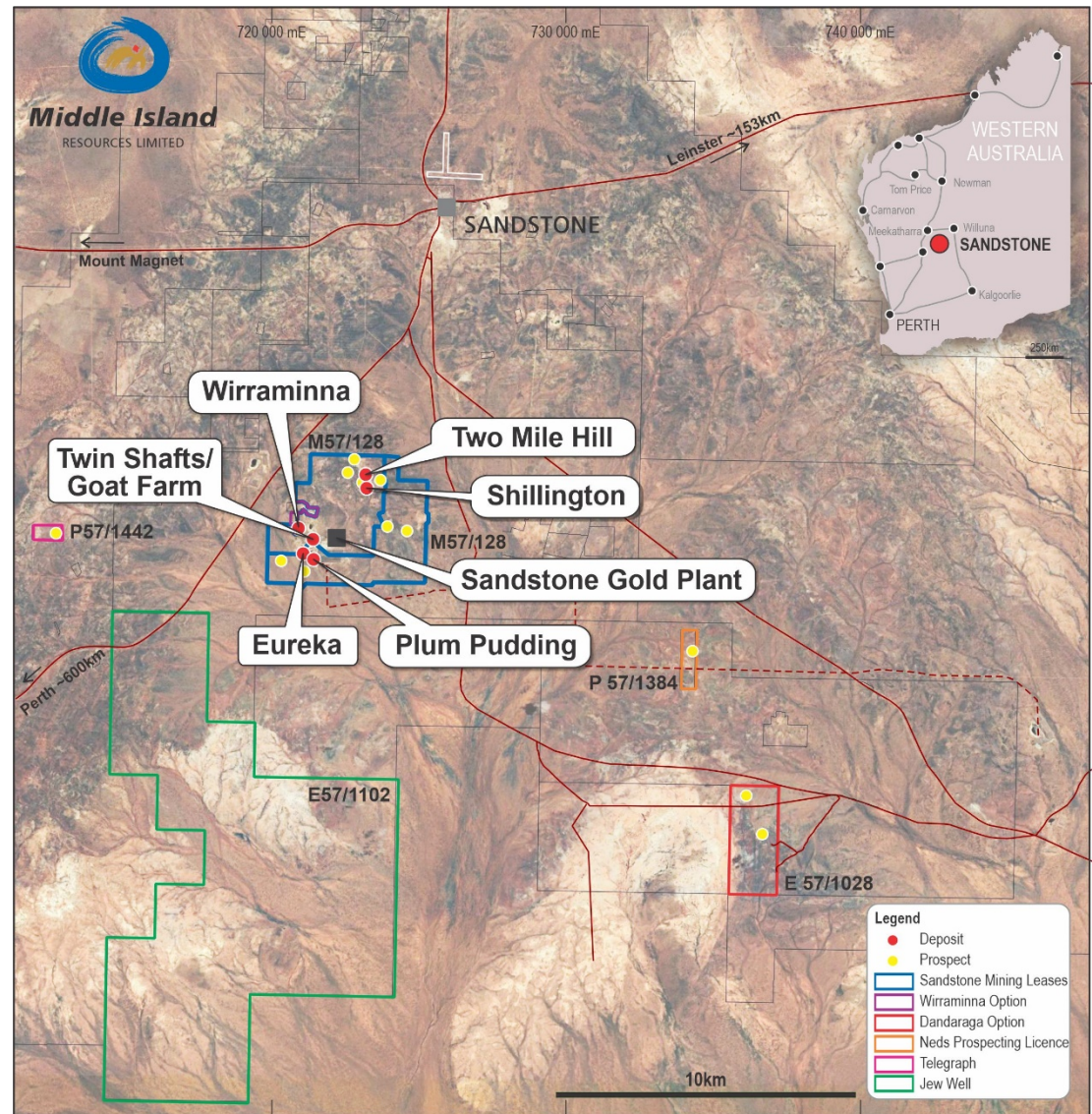
Shares on Issue	1,177M
Unlisted Options	406M
Number of Shareholders	640
Top 20 Shareholders	70%
Institutions	20%
Directors	10%
Cash & Liquid Investments (at 26/11/19)	A\$0.8M
Market Cap (at 0.6cps on 26/11/19)	A\$7.06M



# Sandstone Gold Project - Location & Tenure



- 11km south of Sandstone, 400km NW of Kalgoorlie.
- Sealed highway between Mt Magnet & Leinster.
- 100% interest in 191km<sup>2</sup>.
- Includes two fully permitted Mining Leases that pre-date Native Title.
- Existing gold processing plant on site.
- Operating licence, permitted tailings storage facility & bore field.



# Sandstone Gold Project - Processing Plant & Infrastructure



- **600,000tpa CIP plant** on care & maintenance.
- Includes conventional grinding, milling & leach circuits.
- **Refurbishment costs of \$10.3M**, including owner's costs & contingency.
- **5 months to refurbish mill & infrastructure.**
- **Positive re-optimisation of open pit deposits** at contemporary gold prices.
- Stand-alone **PFS update due Q1 2020.**





# Sandstone Gold Project - Processing Plant & Infrastructure



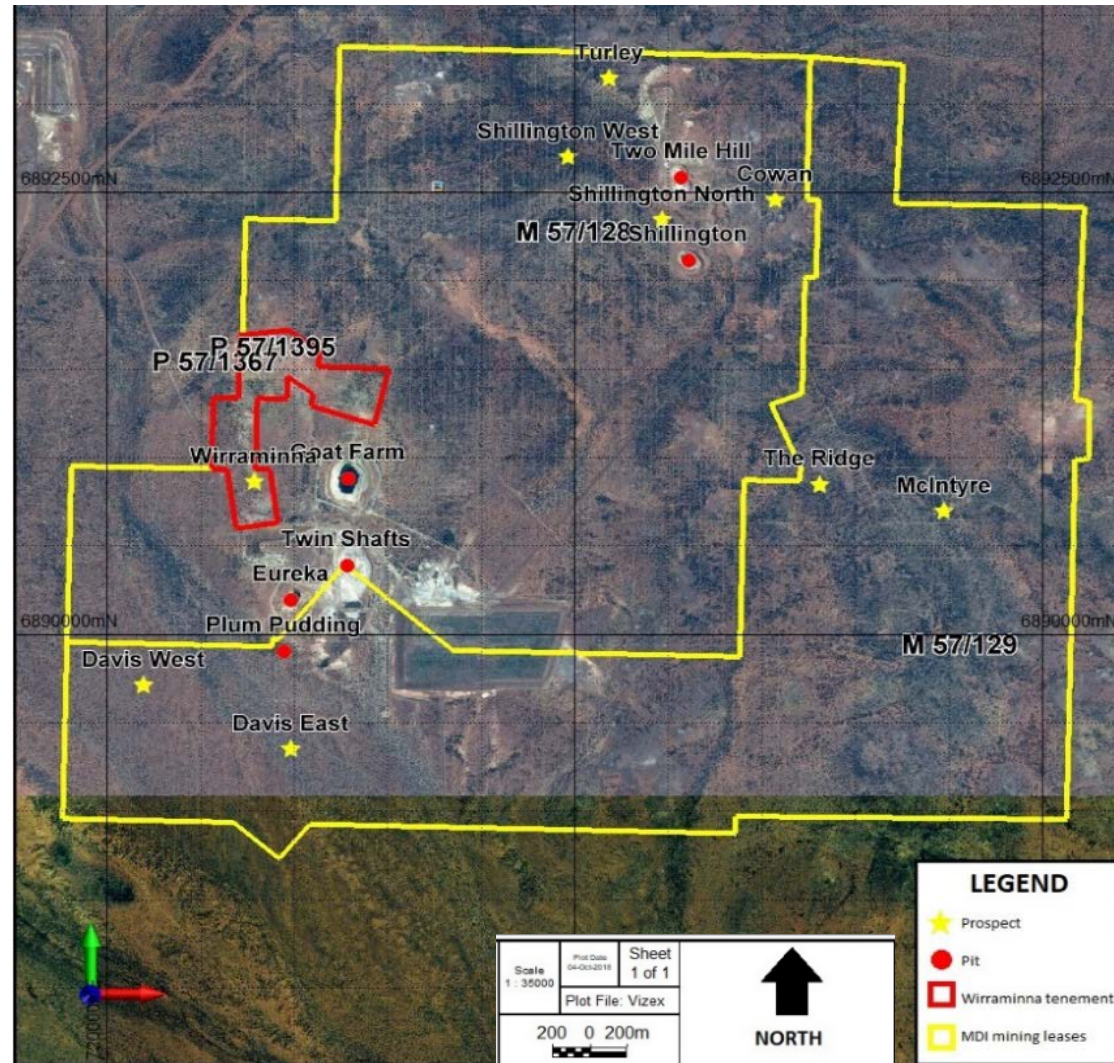
- **Contract diesel-generated power plant.**
- **Fuel tanks, workshops, laboratory & mine offices.**
- **Substantial inventory of equipment & spares.**
- **Permitted tailings storage facility & bore field.**
- **Fully equipped camp (accommodating 100) on freehold title in nearby Sandstone township.**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



# Sandstone Gold Project – Mineral Resources



- 2004 & 2012 JORC Mineral Resources of **537,000oz gold**.
- \*Exploration Target of **900,000oz to 1.5Moz gold**.
- **Four defined open pit deposits** aggregating 125,300oz (JORC 2012).
- **Stand-alone PFS update commenced**, based on positive pit re-optimisation at current gold prices.
- **PFS results expected Q1 2020**.
- In discussion with four parties to secure proximal supplementary mill feed.



*\*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 & Vision



## Strategy & Vision comprises three sequential elements:-

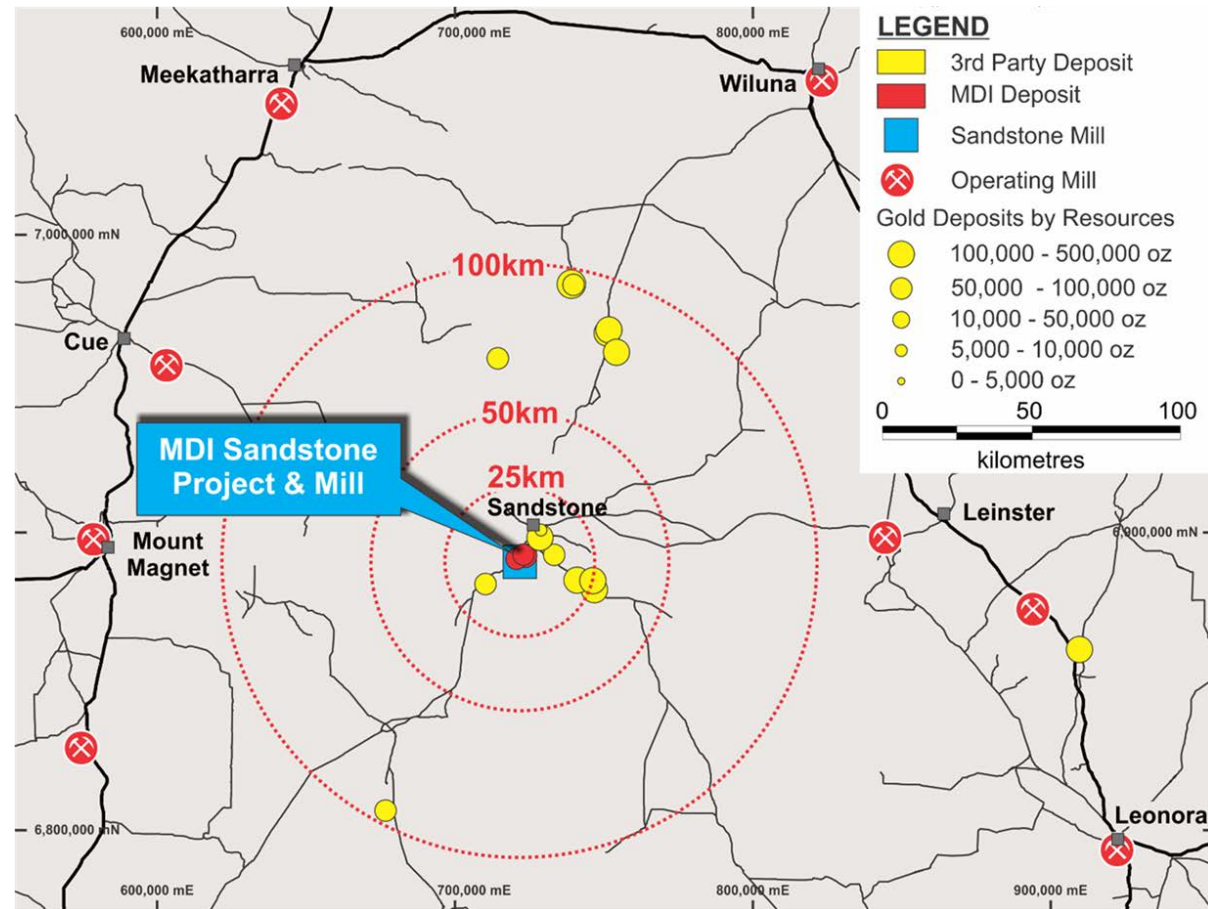
- **Recommission the Sandstone gold plant** at the earliest opportunity via stand-alone PFS update &/or consolidation of proximal third party deposits &/or exploration.
- **Consolidate additional deposits** & exploration tenure within the broader Sandstone district around a central processing hub.
- **Demonstrate sufficient production, resource & exploration potential** to attract corporate investment.
- **Considerable success in extending production schedule via Two Mile Hill tonalite deeps and BIF underground deposits.**
- **2019-20 focus to enhance the front-end of the production schedule via:-**
  - PFS update, at contemporary gold prices, based on positive re-optimisation.
  - Consolidation of proximal, third-party deposits; discussions with four parties.
  - Drilling of multiple, permitted MDI prospects & targets.



# Sandstone Gold Project – Strategy & Vision



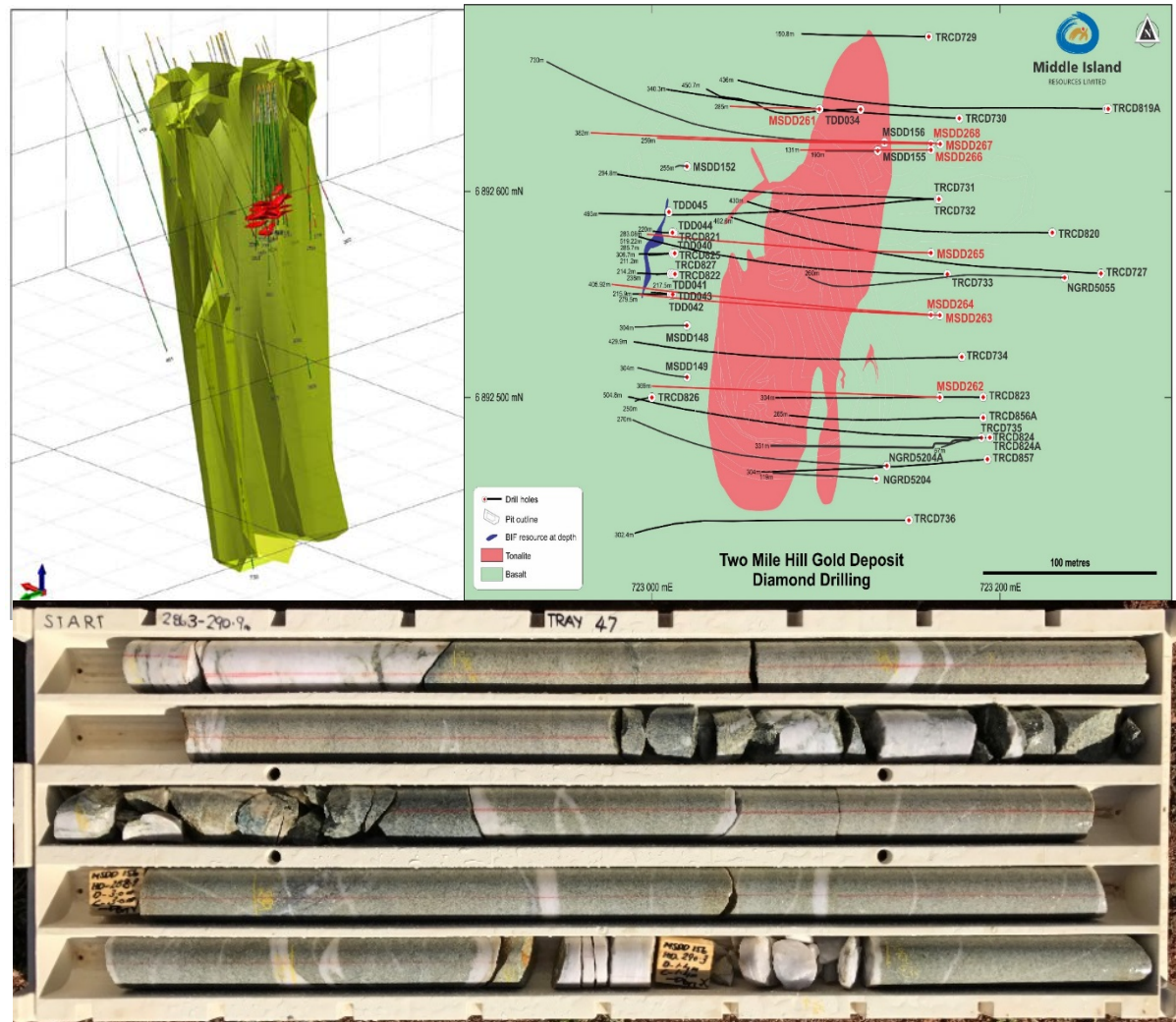
- **Sandstone only plant within 150km; central processing hub.**
- **At least 15 stranded gold deposits aggregating 1.8Moz within 100km.**
- **Based on published (JORC 2012) Mineral Resources.**
- **Actively pursuing any or all of four consolidation opportunities.**
- **Flexible on milling options.**
- **May ultimately justify larger processing plant.**
- **Potential to consolidate two greenstone belts.**



# Sandstone Gold Project - Two Mile Hill Tonalite



- Tonalite plug, 250m x 90m & 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
- Ore sorting; up to 93% of gold reporting to 36% of mass; represents mill feed upgrade of ~3x.
- Excellent metallurgy at coarse grind size.



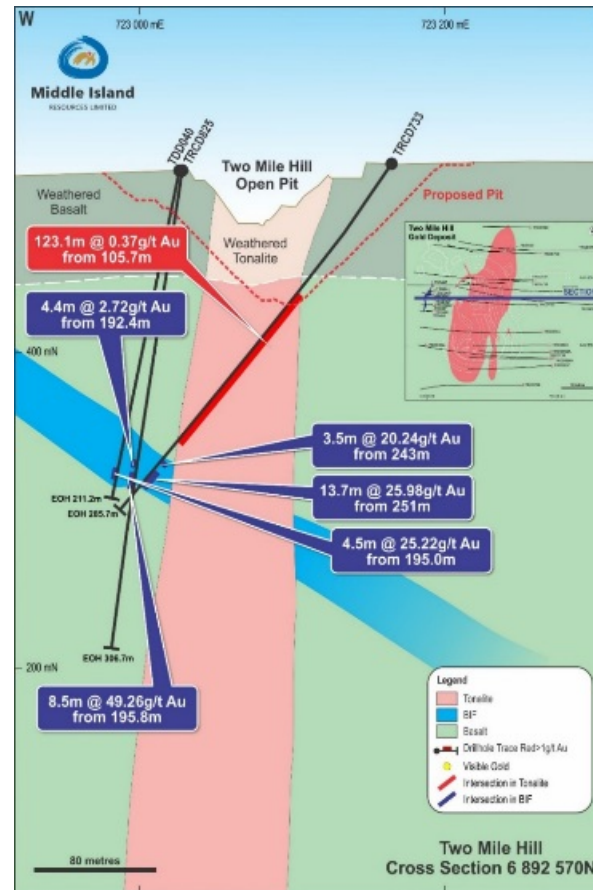
*\*The potential quantity and grade of an Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*



# Sandstone Gold Project - Two Mile Hill BIF



- **High grade gold hosted in BIF units** immediately adjacent to tonalite.
- Gold associated with **pyrite replacement of magnetite** horizons.
- True width intercepts include:-
  - 22m at 24g/t
  - 8m at 56g/t
  - 5m at 27g/t
  - 5m at 22g/t
- **Multiple ore positions** intersected marginal to tonalite.
- Two further BIF units identified at depth.

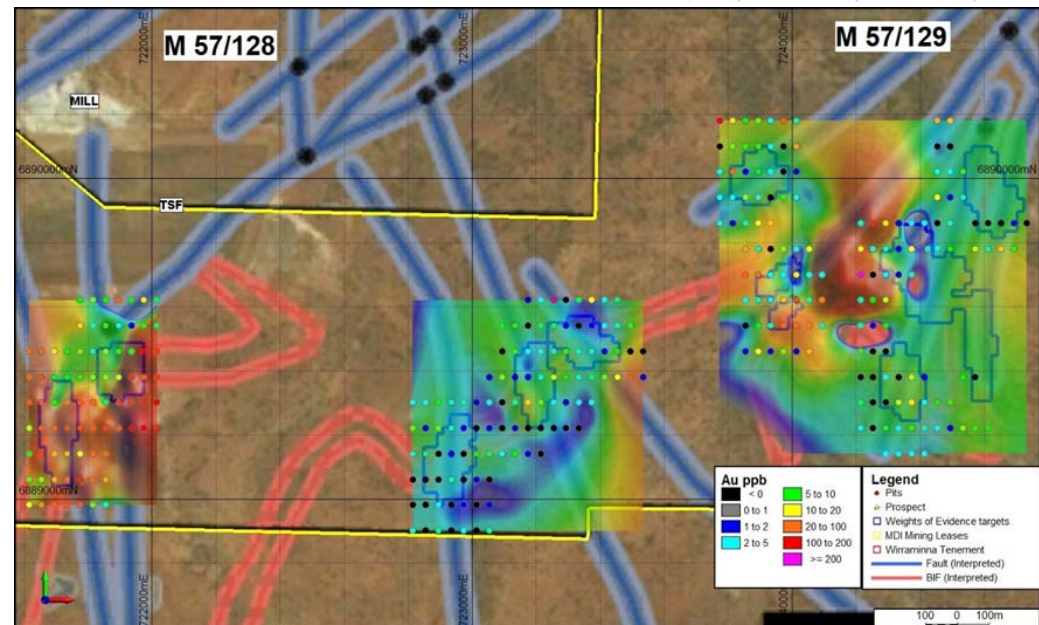
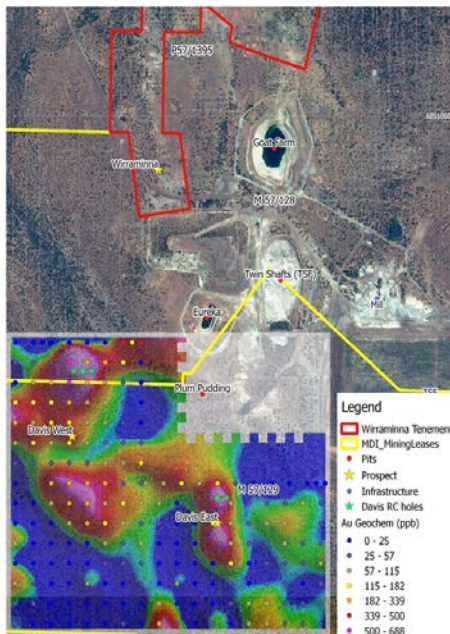
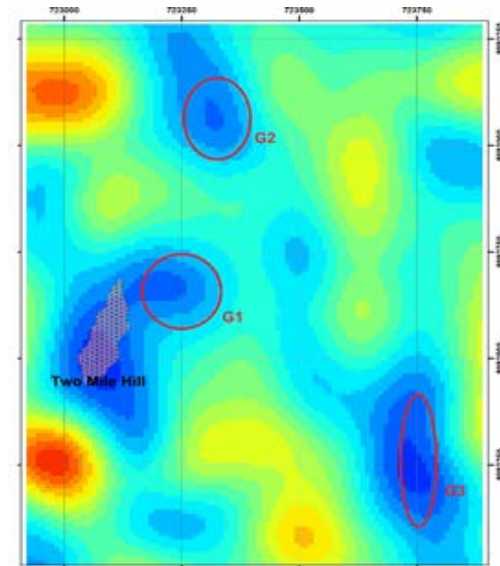




# Sandstone Gold Project – Exploration Potential



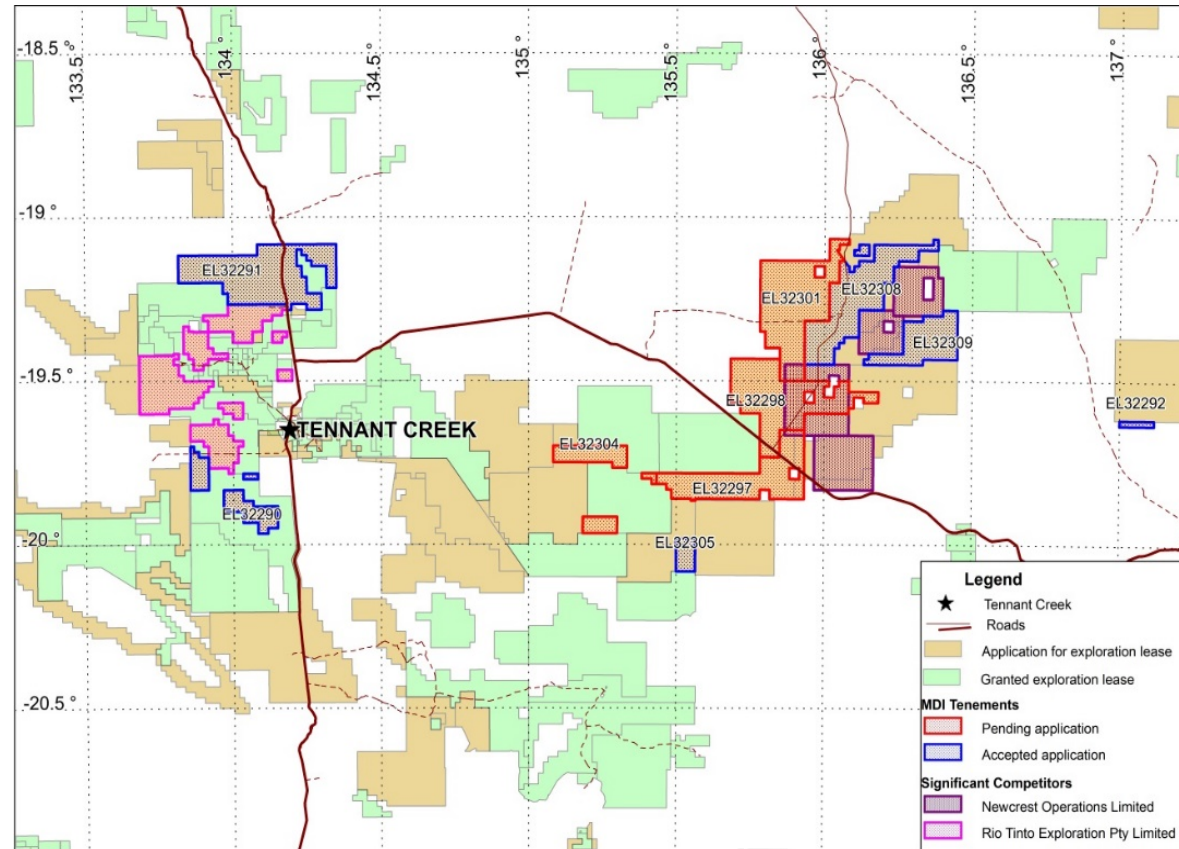
- **Three priority gravity targets** identified from 3D inversion modelling, interpreted to represent **potential mineralised intrusives**, proximal to Two Mile Hill tonalite.
- Aircore drilling of **11 weights of evidence targets** recently completed; **identified a further three gold anomalies** on permitted tenure within 3km of the mill.
- **Seven priority exploration prospects** & 19 untested 'weights of evidence' targets.



# Barkly Copper-Gold Super-Project



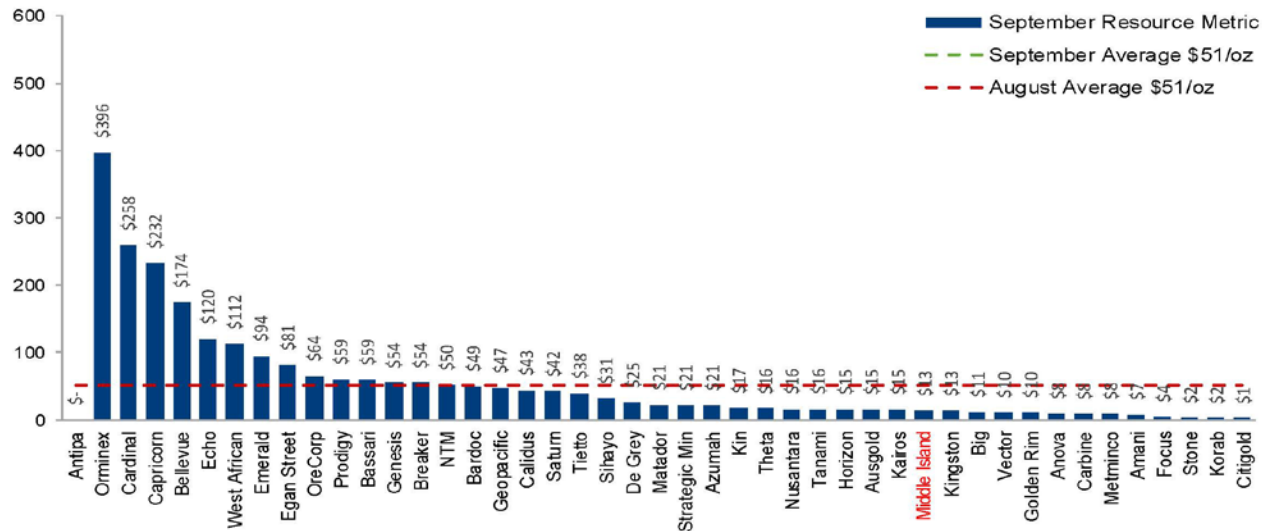
- New applications aggregating **3,912km<sup>2</sup>** between **Tennant Creek & Mount Isa**.
- First-mover in **highly prospective** East Tennant iron oxide-copper-gold (IOCG) province.
- Competing applications with Rio Tinto & Newcrest endorse merit & strategy.
- Potential **high value targets** beneath shallow Georgina Basin cover.
- Exploration anticipated to commence in **2020 dry season**.



# Corporate - Investment Rationale



ASX Explorers & Developers - EV / Resources (A\$/oz AuEq)



- Market Capitalisation of **A\$7.33 million** (as at 10/10/2019).
- Enterprise Value (EV) of **\*A\$13 per resource ounce gold**.
- **Peer average EV** (explorers & developers) of **\*A\$51 per resource ounce gold**.
- Pro-forma MDI EV of **A\$28.8 million**.
- **Excludes value of processing plant & associated infrastructure.**
- **Excludes value of 900koz-1.5moz Exploration Target.**
- **Excludes value of Barkly super-project.**
- **Significantly under-valued** relative to peers.
- **Clear investment opportunity.**



# Corporate - Investment Rationale



- Sandstone Project **100% owned.**
- **600,000tpa processing plant;** fully permitted, operating licence.
- JORC Mineral Resources of **537,000oz gold.**
- Exploration Target of **900,000oz to 1.5Moz gold.**
- Stand-alone **PFS update in progress,** following positive re-optimisation outcome.
- **Genuine prospect of imminent recommissioning,** pending PFS update &/or further exploration success &/or successful consolidation of third-party deposits.
- **Only plant for 150km;** actively pursuing broader regional consolidation.
- Optionality of **new Barkly IOCG super-project.**
- **Emerging, under-valued developer/explorer** in buoyant Australian gold market.