



Middle Island
RESOURCES LIMITED



Middle Island Resources Limited
ACN 142 361 608
Suite 1, 2 Richardson Street
West Perth WA 6005
PO Box 1017
West Perth WA 6872
Tel +61 (08) 9322 1430
Fax +61 (08) 9322 1474
info@middleisland.com.au
www.middleisland.com.au

Via ASX Online

Market Announcements
ASX Limited
5 February 2020

Notice of change of exercise price of options under rule 3.11.2 of ASX Listing Rules

On 20 December 2019, Middle Island Resources Limited (ABN 70 142 361 608) (**Middle Island** or the **Company**) announced a fully underwritten, pro-rata, non-renounceable entitlement issue on the basis of one (1) new ordinary share (**New Shares**) for every two (2) ordinary shares held on the record date, at an issue price of \$0.004 per New Share to raise gross proceeds of approximately \$2.35 million, before costs (**Entitlement Issue**). Each participant in the Entitlement Issue will be issued one (1) option for every one (1) New Share subscribed for and issued (**New Options**). The New Options will have an exercise price of \$0.0077 and will expire on 31 January 2022.

There are currently two classes of options on issue:

Options currently on issue:	Number
Unquoted exercisable at \$0.03 on or before 8 November 2021	30,000,000
Unquoted exercisable at \$0.008 on or before 31 January 2022	375,950,719

Upon exercise, each option in each class entitles the holder to be issued 1 ordinary share in Middle Island. None of the options are quoted on the Australian Securities Exchange operated by ASX Limited (**ASX**).

The terms and conditions of both classes of options do not permit their holders to participate in the Entitlement Issue, except by exercise of the options before the record date for the Entitlement Issue, being 16 January 2020. No options were exercised before the record date.

The terms and conditions of both classes of options provide that if the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the option exercise price shall be reduced according to the formula specified in the ASX Listing Rules. Upon completion of the Entitlement Issue, the exercise price of both classes of options will therefore be amended in accordance with ASX Listing Rule 6.22.2.

The exercise price adjustment is, in part, dependent on the difference between the price under the Entitlement Issue and the volume weighted average closing price of Middle Island ordinary shares for the five trading days ending on the day before the 'ex entitlement date' for the Entitlement Issue. The 'ex entitlement date' was 15 January 2020 and the volume weighted average closing price of Middle Island ordinary shares for the relevant five trading days was \$0.0042 (rounded to 4 decimal places). Therefore, in consequence of, and upon issue of the New Shares offered under, the Entitlement Issue, the exercise price of both classes of options will be adjusted as follows:

Number of options on issue	Expiry date	Current exercise price	Adjusted exercise price
30,000,000	8 November 2021	\$0.03	\$0.0299
375,950,719	31 January 2022	\$0.008	\$0.0079

Dennis Wilkins
Company Secretary



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5 February 2020

Dear Middle Island option holder

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Unquoted exercisable at \$0.03 on or before 8 November 2021	30,000,000
Unquoted exercisable at \$0.008 on or before 31 January 2022	375,950,719

Upon exercise, each option in each class entitles the holder to be issued 1 ordinary share in Middle Island. None of the options is quoted on the Australian Securities Exchange operated by ASX Limited (**ASX**).

You own options in the class exercisable at \$0.03 on or before 8 November 2021.

However, the terms and conditions of your options provide that if the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the option exercise price shall be reduced according to the formula specified in the ASX Listing Rules. Upon completion of the Entitlement Issue, the exercise price of your options will therefore be amended in accordance with ASX Listing Rule 6.22.2.

The exercise price adjustment is, in part, dependent on the difference between the price under the Entitlement Issue and the volume weighted average closing price of Middle Island ordinary shares for the five trading days ending on the day before the 'ex entitlement date' for the Entitlement Issue. The 'ex entitlement date' was 15 January 2020 and the volume weighted average closing price of Middle Island ordinary shares for the relevant five trading days was \$0.0042 (rounded to 4 decimal places). Therefore, in consequence of, and upon issue of the New Shares offered under, the Entitlement Issue, the Company gives notice that the exercise price of each of your options (and all options in the relevant class) will be adjusted as follows:

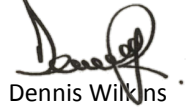


Number of options on issue	Expiry date	Current exercise price	Adjusted exercise price
30,000,000	8 November 2021	\$0.03	\$0.0299

If you have any questions in relation to any of the above matters and this notice, please contact the Company Secretary, Dennis Wilkins on dennis@dwcorporate.com or +61 8 9389 2111 or contact your stockbroker, accountant or other independent professional adviser.

Yours faithfully,

for **MIDDLE ISLAND RESOURCES LIMITED**



Dennis Wilkins

Company Secretary



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