

Exploring Golden Frontiers

Middle Island Resources

Towards a Sandstone Recommissioning

RIU Explorers Conference, Fremantle - February 2020



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: 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.

Authorised for release by
Mr Rick Yeates
Managing Director

Capital Structure

ASX Code: MDI

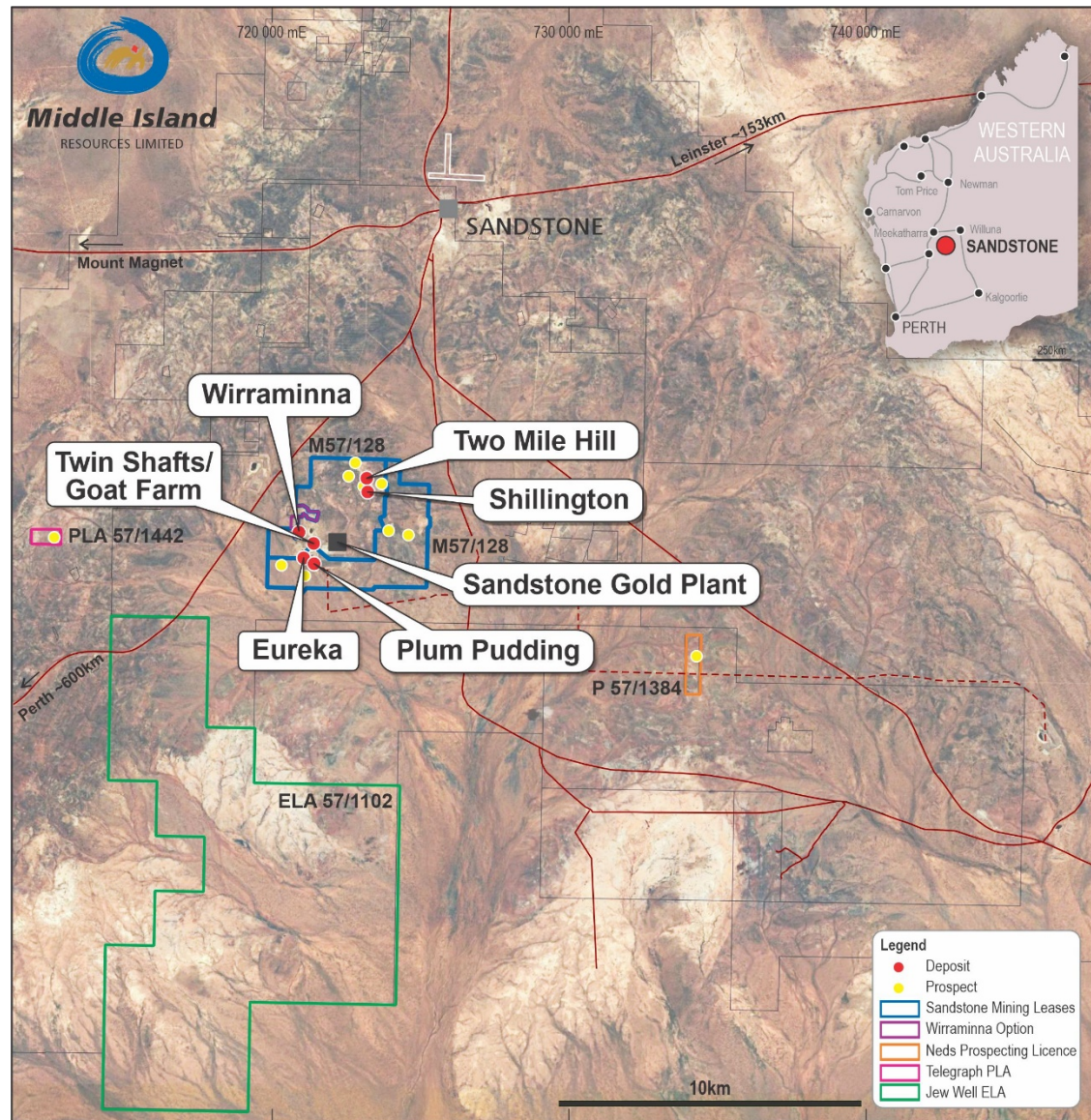


Shares on Issue (post issue)	1,765M
Unlisted Options (post issue)	994M
Number of Shareholders (pre issue)	640
Top 20 Shareholders (pre issue)	70%
Institutions (pre issue)	20%
Directors (pre issue)	10%
Cash & Liquid Investments (post issue)	A\$2.7M
Market Cap at 0.5cps (post issue)	A\$7.06M

Sandstone Gold Project - Location & Tenure



- 11km south of Sandstone, 400km NW of Kalgoorlie.
- Sealed highway between Mt Magnet & Leinster.
- 100% interest in 180km².
- 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 Q2 2020.**



Sandstone Gold Project - Processing Plant & Infrastructure



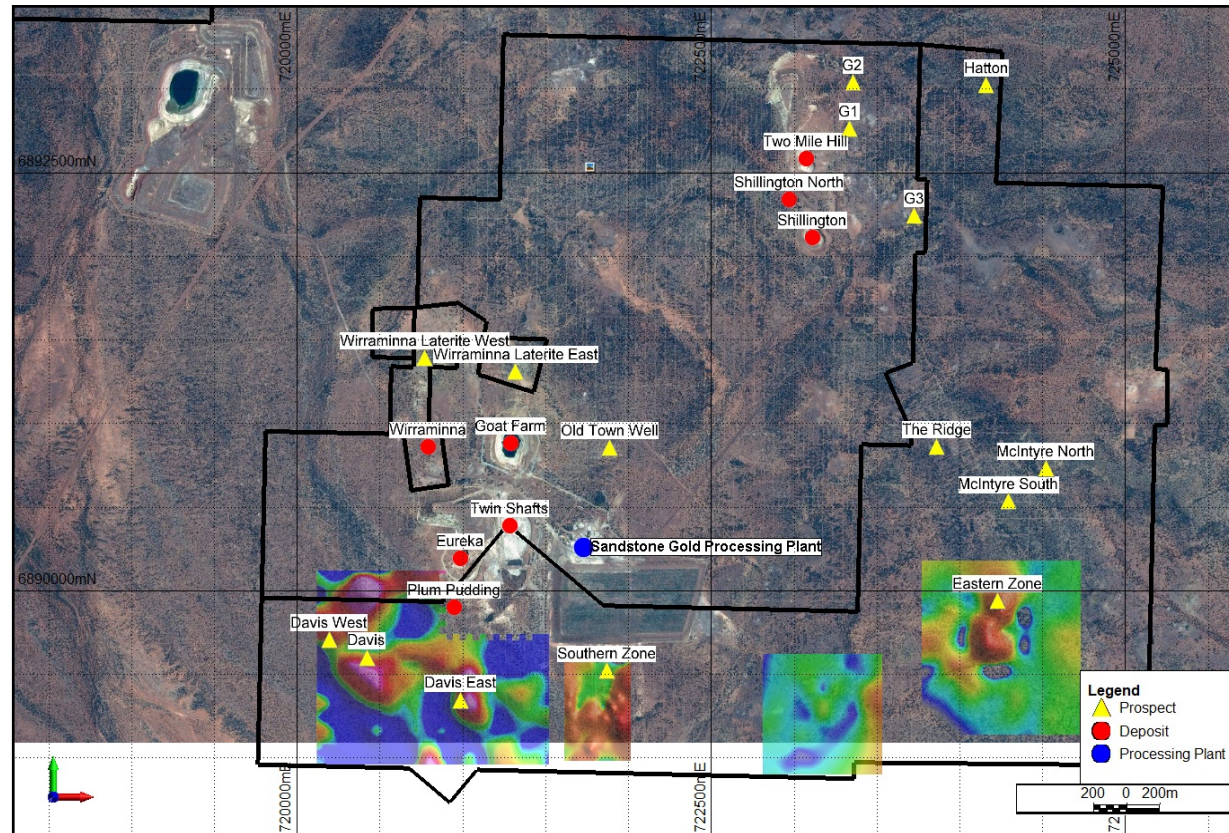
- **Contract diesel-generated power plant.**
- **Fuel tanks, workshops, laboratory & mine offices.**
- **Substantial inventory of equipment & spares.**
- **Permitted tailings storage facility & bore field.**
- **Fully equipped camp (accommodating 100) on freehold title in nearby Sandstone township.**
- **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)**.
- **12,800m RC drilling campaign in progress** to increase & upgrade Mineral Resources.
- **Stand-alone PFS update to be completed in Q2 2020**.



**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



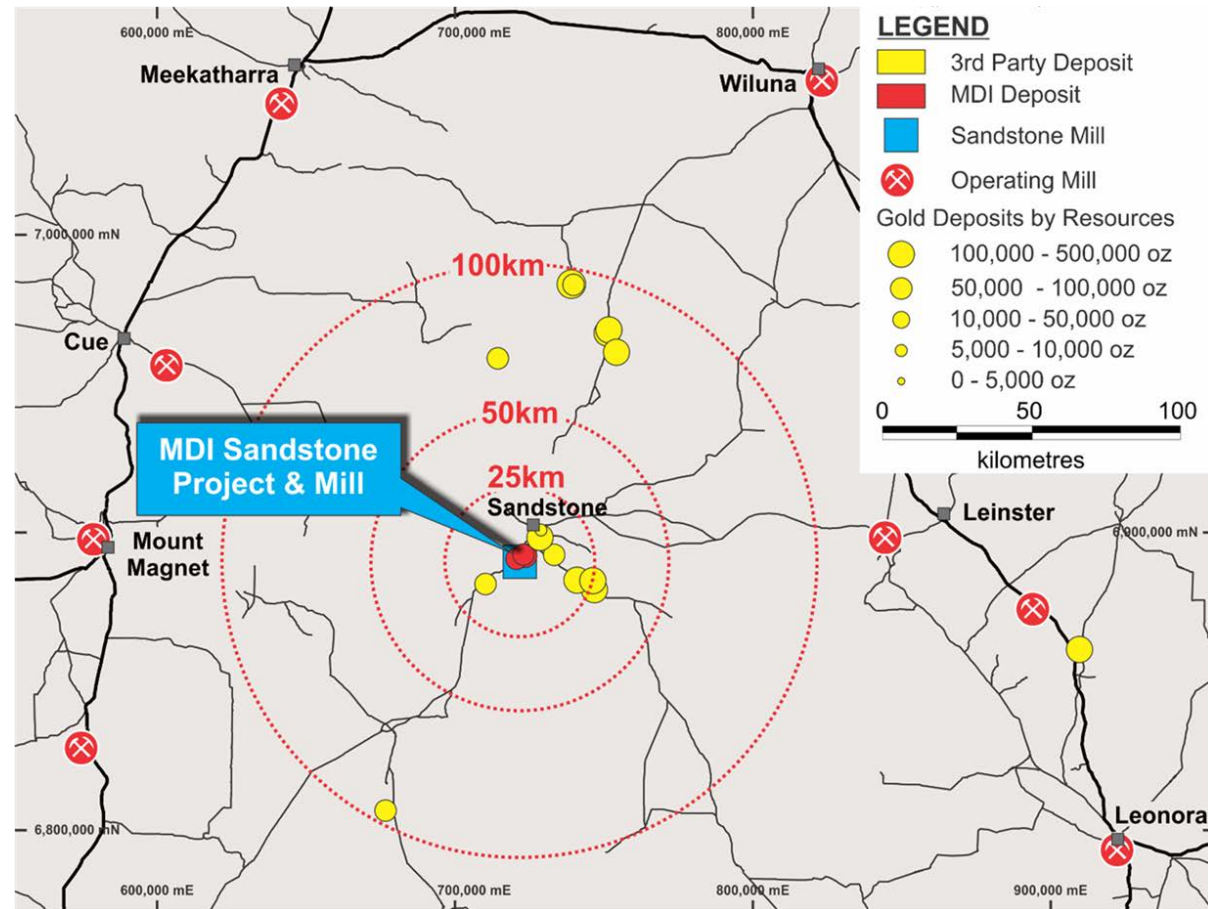
Strategy & Vision comprises three sequential elements:-

- **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.**
- **2020 focus to enhance the front-end of the production schedule via:-**
 - Major RC drilling campaign (in progress) to supplement open pit inventory.
 - PFS update, applying contemporary costs & gold prices, in Q2 2020.
 - Consolidation of proximal, third-party deposits.

Sandstone Gold Project – Strategy & Vision



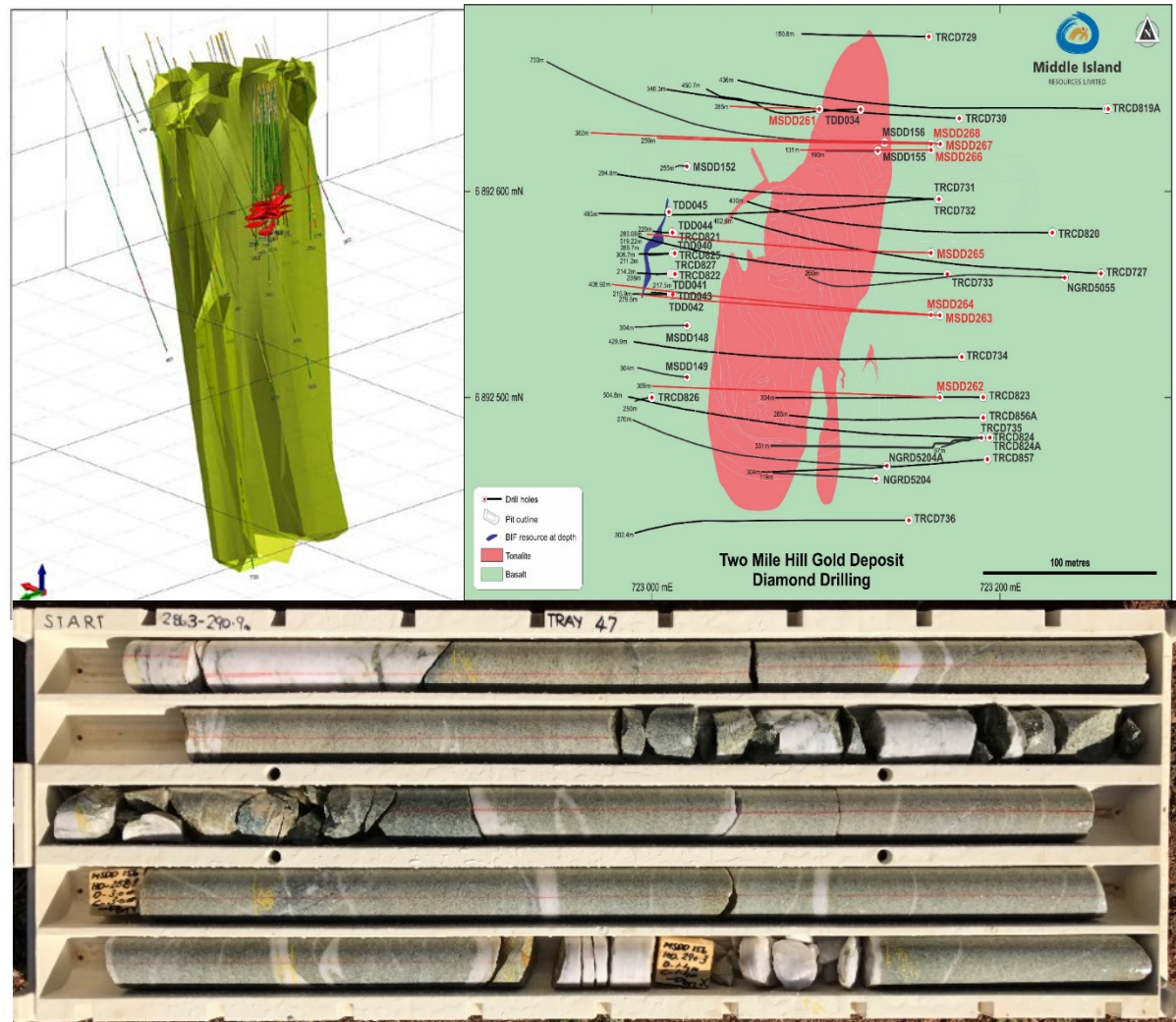
- **Sandstone only plant within 150km; central processing hub.**
- **At least 15 stranded gold deposits aggregating 1.8Moz within 100km.**
- **Based on published (JORC 2012) Mineral Resources.**
- **Actively pursuing any or all of several consolidation opportunities.**
- **Flexible on milling options.**
- **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.

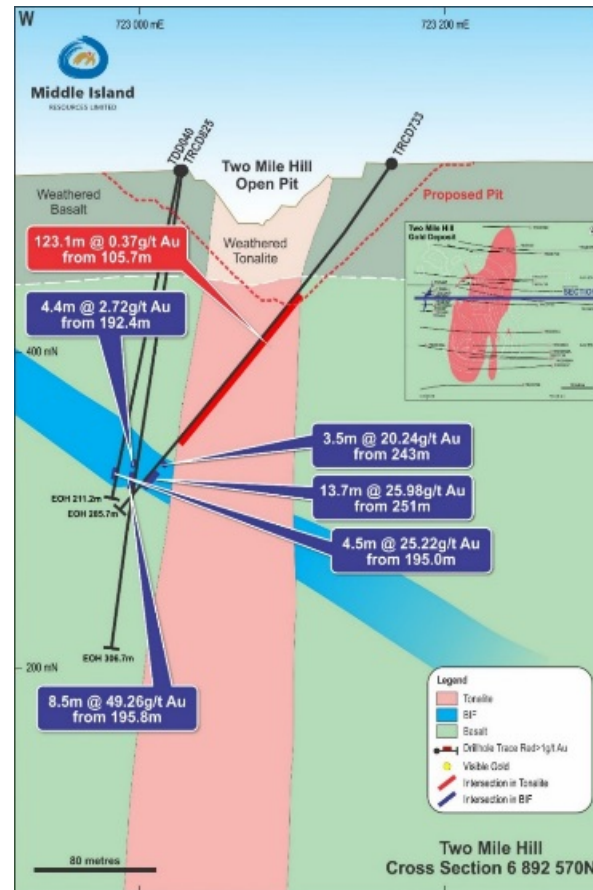


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Sandstone Gold Project - Two Mile Hill BIF



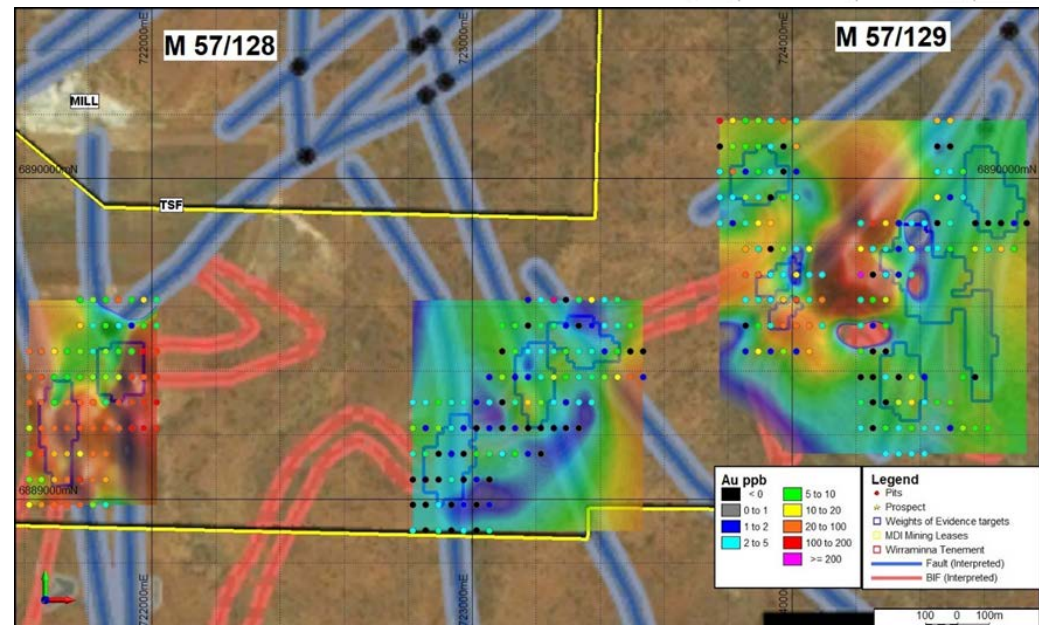
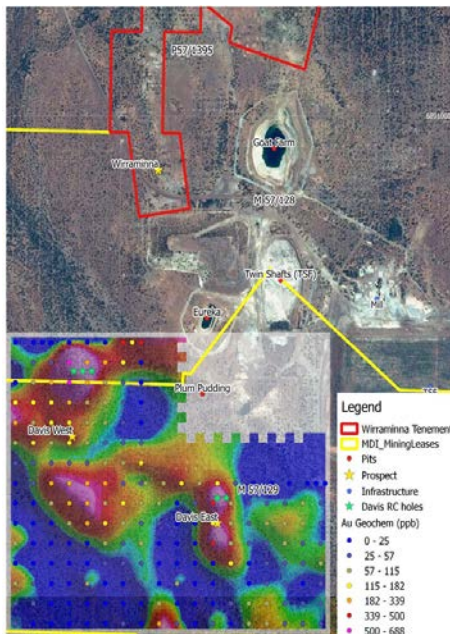
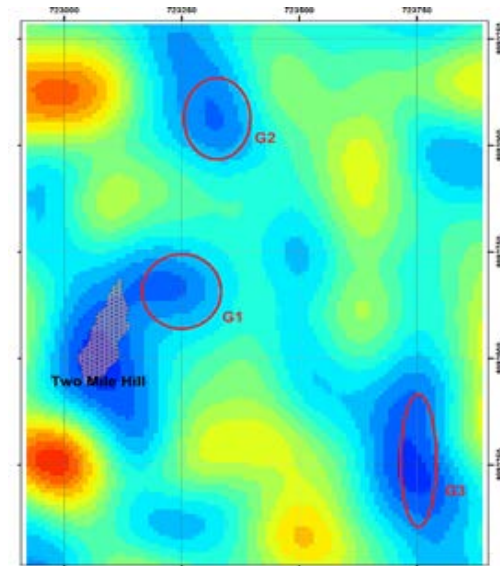
- **High grade gold hosted in BIF units** immediately adjacent to tonalite.
- Gold associated with **pyrite replacement of magnetite** horizons.
- True width intercepts include:-
 - 22m at 24g/t
 - 8m at 56g/t
 - 5m at 27g/t
 - 5m at 22g/t
- **Multiple ore positions** intersected marginal to tonalite.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



Sandstone Gold Project – Exploration Potential



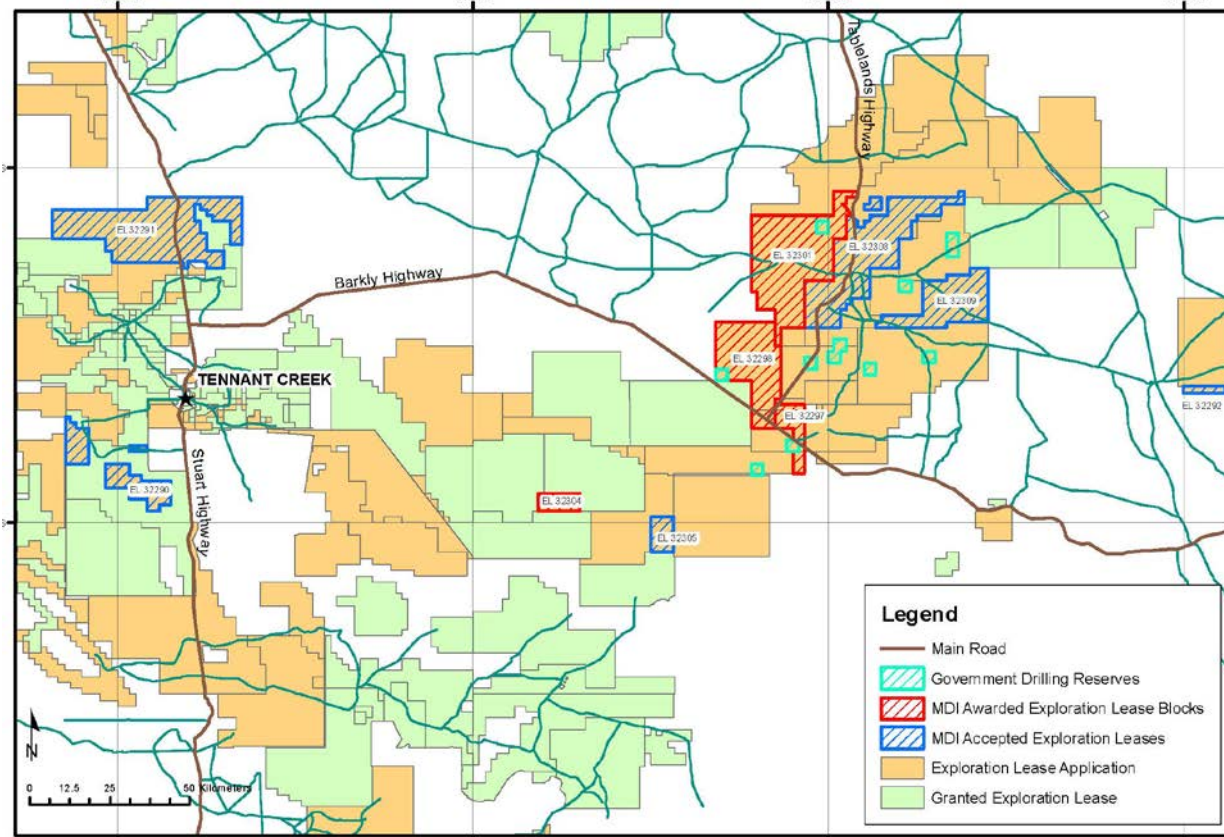
- **Three priority gravity targets**, interpreted to represent **potential mineralised intrusives**, proximal to Two Mile Hill tonalite; initial RC drill testing of G2 & G3 in progress.
- Aircore drilling of **weights of evidence targets** define a **further three palaeo-surface gold anomalies** on permitted tenure within 2.5km of the mill.
- **12,800m RC drilling campaign in progress** to upgrade or test a further 14 deposits & targets.



Barkly Copper-Gold Super-Project



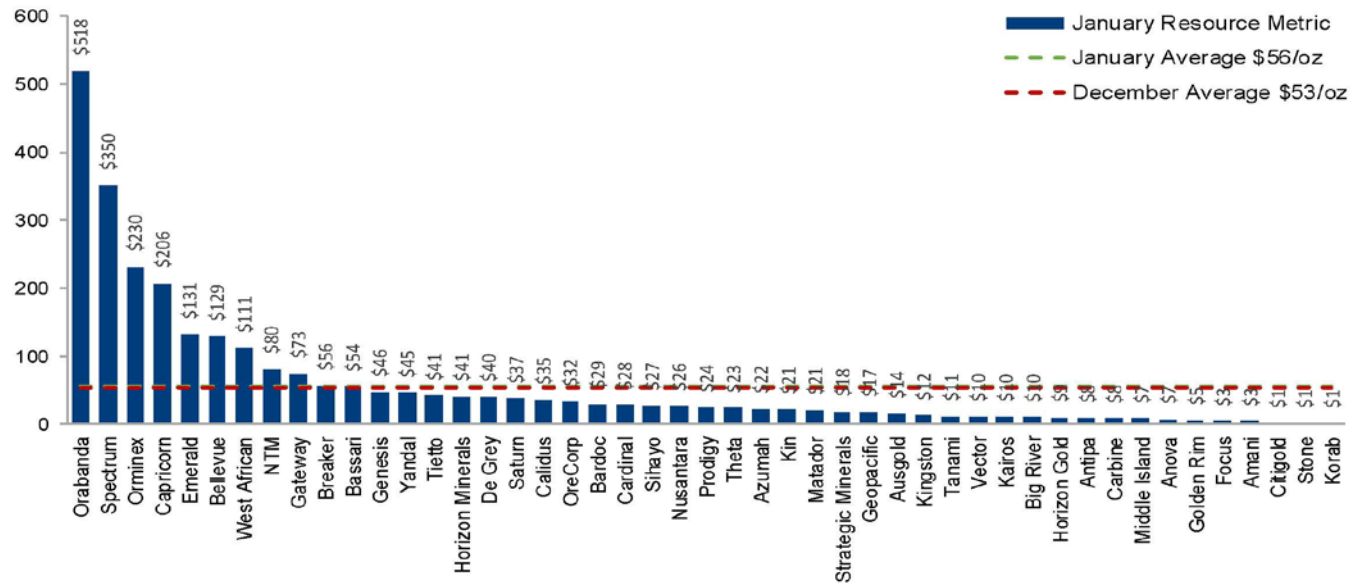
- New applications aggregating **3,253km²** between **Tennant Creek & Mount Isa**.
- First-mover in recently identified **East Tennant iron oxide-copper-gold (IOCG) province**.
- Competing applications with **Rio Tinto & Newcrest** endorse merit & strategy.
- Potential **high value targets** beneath shallow Georgina Basin cover.
- **Exploration** anticipated to commence in **Q3 2020**.



Corporate - Investment Rationale



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



- Market Capitalisation of **A\$4.71 million** (as at 31/1/2020).
- Enterprise Value (EV) of ***A\$7 per resource ounce gold**.
- **Peer average EV** (explorers & developers) of ***A\$56 per resource ounce gold**.
- Pro-forma MDI EV of **~A\$30 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.**
- **Major drilling campaign in progress.**
- **PFS update in Q2 2020.**
- **Genuine prospect of imminent recommissioning.**
- **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.



Thank you

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