



Middle Island
RESOURCES LIMITED

Middle Island Resources Ltd
ACN 142 361 608
ASX code: MDI
www.middleisland.com.au

Capital Structure:

1,765 million ordinary shares
994 million unlisted options

Cash & Investments

\$2.28m (as at 31 March 2020)
No debt

Directors & Management:

Peter Thomas

Non-Executive Chairman

Rick Yeates

Managing Director

Beau Nicholls

Non-Executive Director

Brad Marwood

Non-Executive Director

Dennis Wilkins

Company Secretary

Contact:

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ASX Release – 14 May 2020

\$4.0m raised for further WA gold project drilling and to complete Sandstone feasibility study

- **A\$4.0 million raised to fund Phase 2 RC and diamond drilling campaign at the Company's Sandstone gold project in central WA.**
- **Priority will be on MDI's 2020 gold discoveries at Sandstone, completion of the project's updated feasibility study and for working capital.**
- **Over-subscribed capital raising well supported by new and existing institutional and sophisticated shareholders.**

Middle Island Resources Limited (**ASX:MDI, Middle Island** or the **Company**) is pleased to announce the Company has received firm commitments to raise A\$4.0 million to conduct the next phase of exploration and resource drilling at its 100%-owned Sandstone gold project.

Middle Island Managing Director Mr Rick Yeates:

"The 2020, Phase 1 RC drilling program, for which some 70% of assay results have been received and reported, has proved remarkably successful, with four new gold deposits identified as follows:-

McLaren: including drilling results of **4m at 90.6g/t** and **8m at 3.35g/t**.

McIntyre: including drilling results of **24m at 1.66g/t**, **23m at 1.40g/t**, **11m at 1.39g/t** and **18m at 1.35g/t**.

Old Town Well: including drilling results of **20m at 0.87g/t**, **8m at 2.17g/t** and **8m at 1.45g/t**.

Plum Pudding: including drilling results of **11m at 22.5g/t**, **17m at 8.16g/t**, **12m at 3.52g/t**, **8m at 6.98g/t**, and new intercepts of **3m at 3.72g/t**, **10m at 3.08g/t** and **2m at 4.98g/t**.



“The new deposits are all located within granted Mining Leases, within 2.5km of the Company’s 100%-owned 600,000tpa Sandstone gold processing plant. The Company expects the remaining 30% (4,200m) of assay results to be compiled and reported within the next 2 weeks.

“Given the extraordinary success of the 2020 drilling campaign to date, proceeds of the equity raising will allow the Company to embark on a, necessarily substantially expanded, Phase 2 drilling campaign of at least 13,000m of RC and diamond drilling to infill and extend new, supplementary deposits identified at the Sandstone gold project and complete the project’s pre-feasibility study.

“I would like to take the opportunity to thank both existing shareholders for their support and to welcome new institutional and sophisticated investors to the Middle Island register.”

None of the above four new deposits were included in the positive optimisation study announced in October 2019 and their inclusion in the updated pre-feasibility study, expected Q3 2020, will significantly heighten the prospect of a positive decision to recommission the Sandstone mill.

The placement of approximately 363.6 million ordinary shares at an issue price of 1.1c per share to raise A\$4.0 million is being conducted under the Company’s existing placement capacity in accordance with ASX Listing Rules 7.1 and 7.1A (**Placement**). The Placement was oversubscribed, being well supported by new and existing institutional and sophisticated investors. Bell Potter Securities Limited acted as Lead Manager to the Placement.

The Placement was conducted at an offer price of 1.1 cents per share, which represents a 15.4% discount to the last closing price and a 17.3% discount to the 5 day VWAP.

Shares issued under ASX Listing Rule 7.1 comprise 264,791,735

Shares issued under ASX Listing Rule 7.1A comprise 98,844,629

Settlement of the Placement will occur Tuesday 19 May 2020, with allotment to occur Wednesday 20 May 2020.

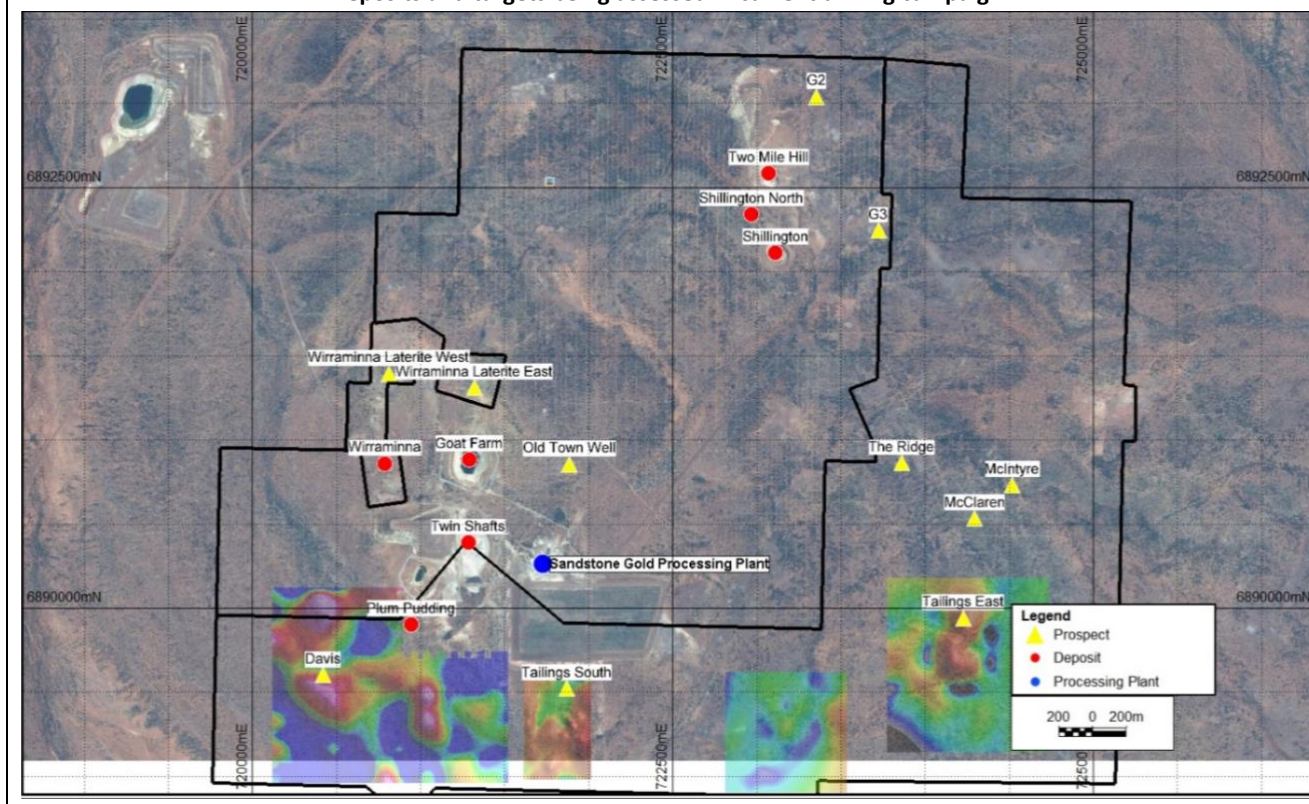
Use of Funds

The proceeds from the Placement and existing cash reserves will be used to undertake the next phase of exploration and resource drilling at the Sandstone gold project and feasibility study, including:

- A program of at least 13,000m of RC and diamond drilling to in-fill and extend the four recent discoveries at McLaren, McIntyre, Old Town Well and Plum Pudding (see Figure 1), and any further discoveries.
- Increase and upgrade Mineral Resource estimates prior to completion of the pre-feasibility study anticipated in Q3 2020.
- Working capital towards additional exploration drilling and recommissioning of the Company’s 600,000ktpa Sandstone processing plant.
- Costs of the offer.



Figure 1
Deposits and targets being assessed in current drilling campaign



RELEASE AUTHORISED BY:

Board of Middle Island Resources Limited

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Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of Middle Island, 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 report includes information that relates to previously reported Exploration Results for the McClaren, McIntyre, Old Town Well and Plum Pudding prospects, which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous announcements respectively dated 14 April 2020, 21 April 2020, 28 April 2020 and 8 May 2020, which are available to view on the Company's website.

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 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.