



## Middle Island

RESOURCES LIMITED

**Middle Island Resources Ltd**  
ACN 142 361 608  
**ASX code: MDI**  
[www.middleisland.com.au](http://www.middleisland.com.au)

**Capital Structure:**

2,132 million ordinary shares  
1,100 million unlisted options

**Cash & Investments:**

\$5.17m (as at 25 May 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 – 9 June 2020

### Commencement of Phase 2 drilling campaign at Sandstone gold project, WA

- The Phase 2 drilling campaign has commenced, comprising an initial 13,800m of resource definition reverse circulation (RC) drilling and ~1,000m of HQ diamond drilling in advance of the feasibility study for the Company's advanced, 100%-owned, Sandstone gold project in central WA.
- A successful Phase 1 drilling campaign identified five new satellite deposits at McClaren, McIntyre, Ridge, Old Town Well and Plum Pudding.
- Phase 2 resource definition drilling will initially target the five new satellite deposits and an extension to Shillington.
- An airborne magnetic and radiometric survey has been commissioned to aid exploration activities, including more accurately discerning prospective banded iron formation units beneath shallow cover in advance of Phase 2 RC exploration drilling.
- Phase 2 RC exploration drilling to target at least two further exploration priorities:
  - The undrilled 1.15km-long Shillington Gap, where the mineralised Shillington BIF package extends beneath superficial transported cover.
  - Extensive zones of gold mineralisation observed in historic drilling below and adjacent to the Eureka open pit deposit.
- Feasibility activities, including a drone terrain survey, are simultaneously being ramped up in anticipation of a significant increase in open pit Mineral Resources at Sandstone.
- The Company remains well-funded to complete the Phase 2 drilling campaign and subsequent feasibility study.



## **SANDSTONE GOLD PROJECT (WA)**

Explorer and aspiring gold developer, Middle Island Resources Limited (**Middle Island, MDI or the Company**) is pleased to announce that the Phase 2 drilling campaign has commenced as scheduled at the Company's 100%-owned Sandstone gold project in the central goldfields of Western Australia.

Exploration work programs completed or in progress comprise:-

- **Phase 1 Aircore & RC drilling** – recently completed, with five new satellite deposits identified, comprising McClaren, McIntyre, Ridge, Old Town Well and Plum Pudding.
- **Phase 2 RC resource definition drilling** – commenced 5 June 2020 with 13,846m of RC drilling at the five new satellite deposits and Shillington extension.
- **Phase 2 diamond drilling** – notionally two HQ3 diamond holes per satellite target (~1,000m in total) to commence in the latter stages of the Phase 2 RC program (July).
- **Airborne magnetic & radiometric survey** – commencing June 2020 to be undertaken over the two granted Mining Leases and Wirraminna Prospecting License to accurately identify prospective BIF units in advance of Phase 2 RC exploration drilling.
- **Phase 2 RC exploration drilling** - to commence between the Ridge and Shillington gold deposits (**Shillington Gap**), and adjacent to Eureka following Phase 2 RC resource definition drilling and airborne magnetic survey (July).
- **Drone terrain survey** – commenced 5 June to complete a high resolution digital terrain model (DTM) over the two granted Mining Leases and Wirraminna Prospecting Licence in advance of the feasibility study update.

### **Phase 2 Resource Definition RC & Diamond Drilling**

The Phase 2 campaign will comprise an initial 222 holes (13,846m) of reverse circulation (RC) resource definition drilling and circa 10 holes (1,000m) of HQ3 diamond drilling. The RC drilling component has been significantly expanded from ~3,000m due to the success of the Phase 1 campaign, which identified five new satellite gold deposits, rather than the one new deposit on which the original program and budget was predicated.

The RC component of the revised Phase 2 drilling campaign will employ two drill rigs to infill and extend the new satellite deposits (McClaren, McIntyre, Ridge, Old Town Well and Plum Pudding) on a nominal 20m x 20m pattern. A further 12 holes (720m) are also planned at Shillington, primarily to confirm a possible southern extension to the deposit identified in the Phase 1 program. This drilling will generate notional Indicated Mineral Resources for inclusion in the updated feasibility study scheduled for completion in Q3 CY 2020.

Diamond drilling will comprise ~1,000m of HQ3 oxide coring from surface (notionally two holes per satellite deposit) to generate material for bulk density determination, and metallurgical and geotechnical testwork, permitting the new deposits to be considered as Ore Reserves in the feasibility study update.



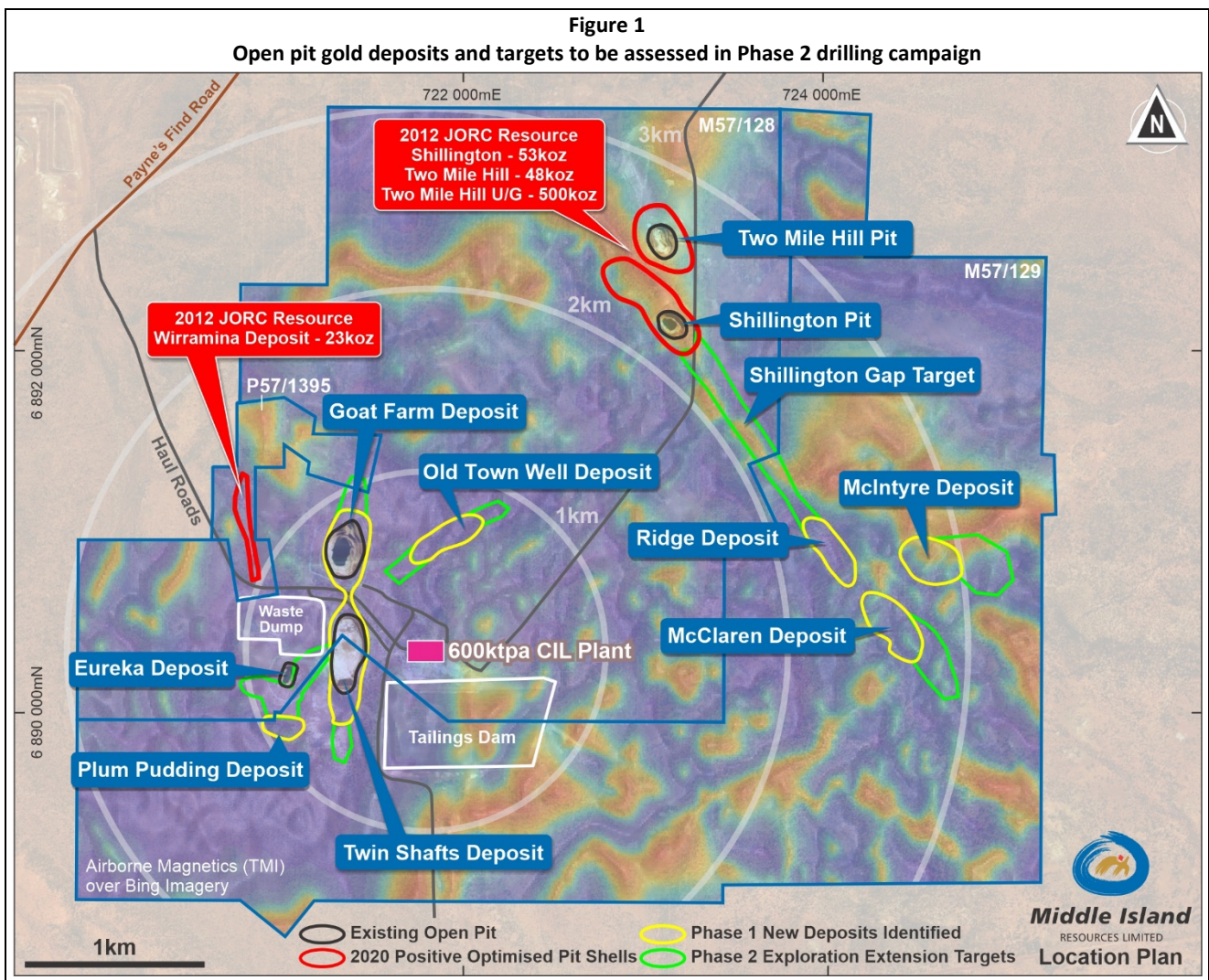
**Phase 2 RC Exploration Drilling**

A high-resolution (25m line spacing) airborne magnetic and radiometric survey will be undertaken over the two granted Mining Leases and Wirraminna Prospecting Licence. Data from this survey will initially be utilised to more accurately discern prospective banded iron formation (BIF) units beneath shallow cover in advance of exploratory Phase 2 RC drilling.

The Phase 2 RC drilling will be expanded to provide an initial assessment of at least two further exploration priorities that have been presented by the Phase 1 campaign as follows:-

- The first exploration target is the undrilled, 1.15km-long Shillington Gap, where the mineralised Shillington BIF package extends beneath superficial transported cover (Figure 1).
- The second exploration target comprises extensive zones of gold mineralisation observed in historic drilling below and adjacent to the Eureka open pit deposit, situated 700m west of the Company’s 100%-owned 600,000tpa gold processing plant.

Although details of the exploratory component of the Phase 2 program are yet to be finalised, application has been made to extend the existing POW over M57/129 to accommodate the anticipated additional drilling.





### **Resource Estimation & Pit Optimisation**

Preliminary resource estimates and pit optimisations are being progressively undertaken as a priority on all five new satellite deposits to assist in refining planned Phase 2 resource definition RC and diamond drilling.

Final resource estimates will then be prepared for the Two Mile Hill, Wirraminna and Shillington deposits, where resource definition drilling has largely been completed, prior to final pit optimisation studies for the feasibility update. Shillington will be the last of the three deposits to be re-estimated, following limited Phase 2 RC drilling on the recently identified southern extension.

Final resource estimates and pit optimisations will then be progressively undertaken on the new satellite deposits as the Phase 2 drilling results are received and compiled, prior to inclusion in the feasibility study.

### **Drone Terrain Survey**

Land Surveys Pty Ltd has commenced a high resolution (+/-50mm) digital terrain model (DTM), utilising a drone, over the two granted Mining Leases and Wirraminna Prospecting Licence, in advance of the feasibility study update.

### **CORPORATE**

Middle Island refers to the Company's Non-Renounceable Rights Issue (refer ASX Release 13 January 2020) and advises that Non-Executive Director, Mr Beau Nicholls' application to follow part (to the extent of \$25,000) of his entitlement under the January 2020 Rights Issue was not processed due to an administrative oversight.

While the Company acknowledges and accepts the oversight, due to the related-party aspect of the matter, the Company will seek shareholder approval to issue \$25,000 dollars of securities on the same terms and prices as would have prevailed had Mr Nicholls' application to follow his rights (in aggregate \$42,000) to the extent of \$25,000 been duly processed.

The Board, other than Mr Nicholls, wishes to take this opportunity to acknowledge Mr Nicholls' pivotal contribution to the recent significant enhancement to the Company's Mineral Resources.

The Company will put the matter before shareholders at the next general meeting of members or, if a meeting is not required beforehand, at the 2020 Annual General Meeting.

### **Middle Island Managing Director, Mr Rick Yeates:**

*"Following an extremely successful start to the extended 2020 drilling campaign at the Sandstone gold project, I am pleased to confirm that the Phase 2 RC drilling program commenced on schedule last week.*

*"The Phase 2 program comprises an initial 13,800m of resource definition RC drilling to infill and extend the five new satellite deposits identified during Phase 1 work, along with confirmation of a possible southern extension to the Shillington deposit.*

*"The resource definition component of the program will be followed by an exploration element to provide initial assessment of two further significant targets identified by the Phase 1 drilling, at Shillington Gap and Eureka. Planning for this component is still on-going and will be partly predicated on assessment of the imminent high resolution airborne magnetic and radiometric survey results.*

*"I look forward to sharing the details, progress and results of an extremely exciting and expanded Phase 2 program with you during June and July."*





RELEASE AUTHORISED BY:

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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.

### **Competent Persons' Statement**

Information in this release that relates to new Exploration Results fairly reflects information and supporting documentation prepared by Mr Rick Yeates. Mr Yeates is a Member of the Australasian Institute of Mining and Metallurgy and a fulltime employee of Middle Island Resources Limited. Mr Yeates has sufficient experience, which is relevant to the nature of work and style of mineralisation under consideration, to qualify as Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Yeates has given his prior written consent to the inclusion in the release of the statements, based on his information, in the form and context in which they appear. Mr Yeates is a shareholder in the Company and entities associated with Mr Yeates hold unlisted options in the capital of the Company as disclosed in Appendix 3Y and substantial shareholder notices released to ASX.

### **Previously Reported Information**

This report includes information that relates to previously reported Exploration Results, which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous announcements dated 14 December 2016, 14 April 2020, 21 April 2020, 28 April 2020, 8 May 2020, 22 May 2020 and 29 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.