



Middle Island
RESOURCES LIMITED

Middle Island Resources Ltd

ACN 142 361 608

ASX code: MDI

www.middleisland.com.au

Capital Structure:

122 million ordinary shares

22 million unlisted OOTM options

Cash & Investments

\$4.07 million (as of 31 March 2021)

No debt

Directors & Management:

Peter Thomas

Non-Executive Chairman

Rick Yeates

Managing Director

Brad Marwood

Non-Executive Director

Dennis Wilkins

Company Secretary

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ASX Release – 1 June 2021

Sandstone Gold Project Plan

- Strategy for Sandstone remains to re-commission the mill.
- Target: additional >25,000oz Au by exploration, and/or toll treatment and/ or asset/corporate consolidation to improve the Feasibility Study's result.
- Middle Island has defined the exploration program for Sandstone gold project in Western Australia for the remainder of 2021.
- Five near-mill geochemical targets have been defined for first pass exploration, including the Jew Well Central target (10km south of plant) that hosts **5km of completely untested greenstone belt**.
- Middle Island estimates over 70% of the Sandstone region is covered by transported cover with historical soil geochemistry being ineffective. Middle Island will utilise low cost first pass auger drilling geochemistry up to 20m depth to define gold targets below transported cover.
- Aircore and RC drilling will follow-up any identified targets from this geochemical work.
- Extensional and infill resource definition drilling is also planned on several existing deposits.
- Planning is underway for a deep ~700m diamond hole to assess untested portions of the tonalite-hosted mineralisation below the existing Resource at the Two Mile Hill deeps deposit.
- On-going discussions with explorers in the region to explore mutually attractive milling or corporate arrangements.



Sandstone Strategy

The overall aim for the Sandstone gold project in Western Australia remains for Middle Island Resources Limited (**MDI or the Company**) to re-commission the Sandstone mill and become a gold producer.

This requires one or more of the following:

- A longer mine life and larger milling inventory.
- Higher weighted average gold grade.
- Higher plant throughput.
- A higher gold price.

To increase the gold production target above that reported in the recently completed Feasibility Study (FS), being 2,068kt of mill inventory at 1.32g/t Au; with a weighted average gold recovery of 92.9% results in gold produced of 81,500oz (refer ASX release of 19 April 2021), requires one or more of the following:

- Further organic exploration to build on the success achieved in 2020.
- Mill feed from other regional explorers, above 1.5g/t head grade, on a toll treat or profit share basis.
- A corporate transaction of sufficient scale to justify not only the re-commissioning the mill but to upgrade the mill throughput to 750ktpa.

MDI is actively and concurrently pursuing all of the above.

Exploration and Resource Definition Plan - 2021

There remains significant potential on MDI's landholdings at Sandstone to identify additional mill feed via the following:

- Discovery of new deposits.
- Extensions to current Mineral Resources.
- Conversion of Inferred Mineral Resources to Indicated or Measured Mineral Resources.

Proposed Auger Drilling

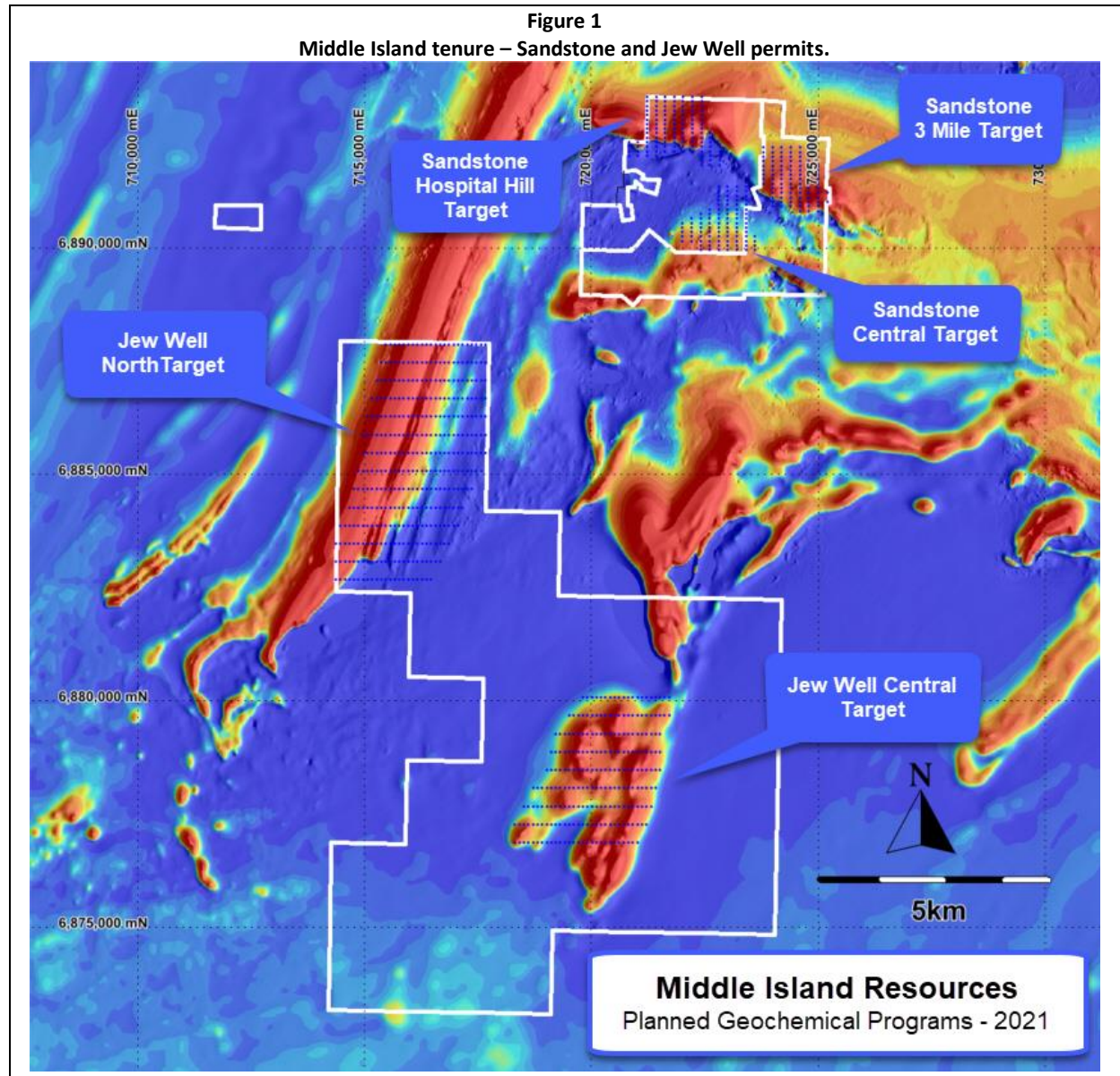
The Company estimates over 70% of the Sandstone region is covered by transported cover with historical soil geochemistry being ineffective. The Company therefore is pleased to announce an auger drilling geochemical survey is planned to test five (5) new targets, including the Jew Well Central Target which comprises 5km of untested greenstone which is largely veneered by transported cover.

As shown on Figure 1 the planned auger exploration will cover the following targets:

- Sandstone Permits
 - Hospital Hill Target – approximately 3 km north of the processing plant.
 - Three Mile Target – 3 km NE of the plant.
 - Central Target, immediately east of the plant, including the Mt Klemptz prospect.
- Jew Well Permit
 - North Target (7 km greenstone with previous, limited wide-spaced soil geochemistry).
 - Central Target (5 km of untested greenstone).



The planned auger program comprises approximately 3,000m of auger drilling (depending on an average depth of cover) and will take some 3 weeks to complete.



Aircore and RC drilling will be planned in due course to follow up any targets identified via auger drilling.

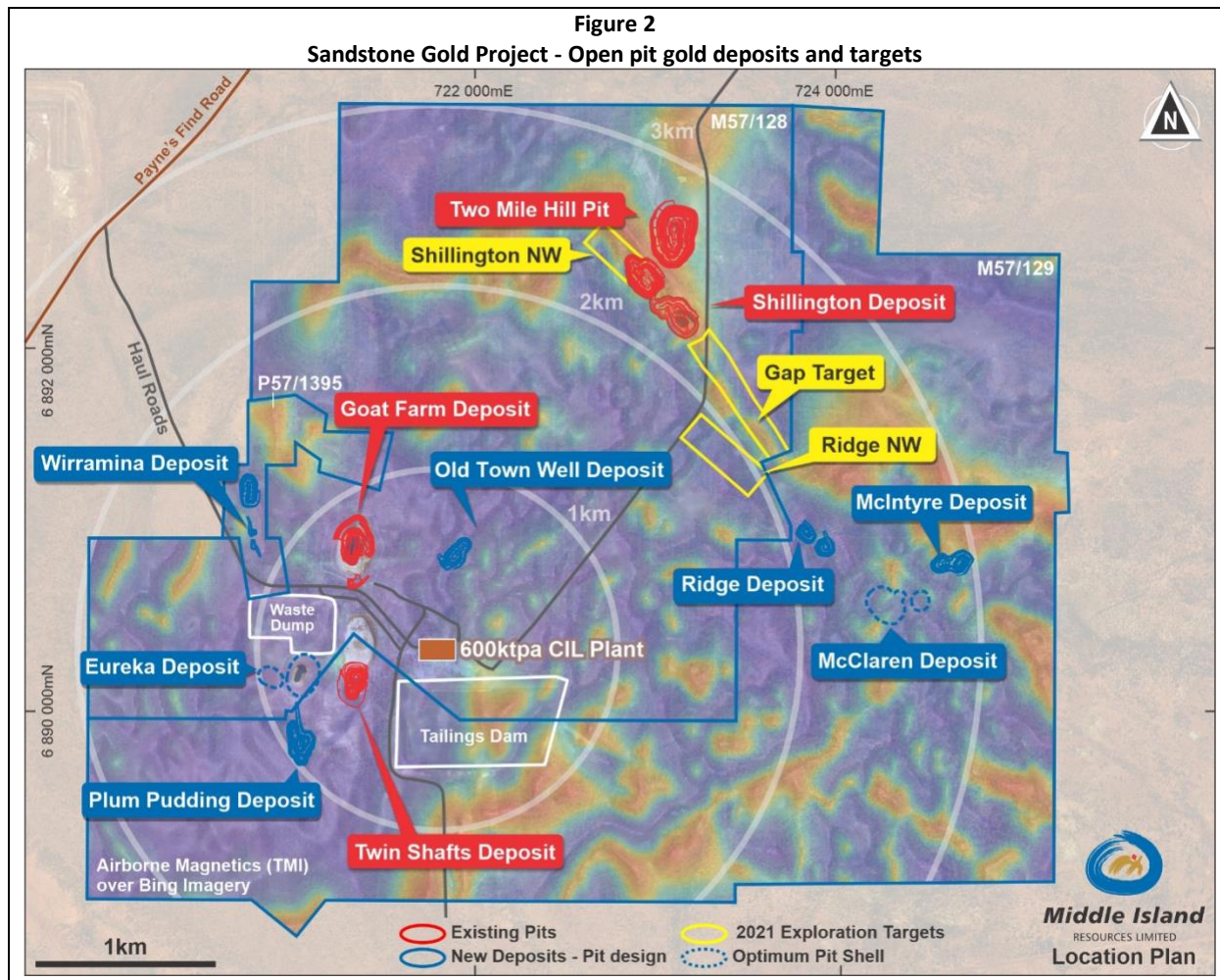
Extensions and Infill Drilling to Existing Mineral Resources

As shown in Figure 2, following the successful 2020 drilling program, significant potential remains to extend some deposits, variously including:

- Shillington North.
- Shillington Gap.
- Ridge NW.



Due to the modest cost of doing so, it is planned to convert some Mineral Resource from Inferred to Indicated status within existing deposits and to complete a JORC 2012 Mineral Resource estimate for the Eureka deposit, following limited infill drilling completed earlier in 2021.



Underground Potential

As identified in Table 1 below, some 500,000oz of gold comprises Inferred Mineral Resources at the Two Mile Hill underground deposit (refer ASX Release dated 14 April 2020). Mineralisation is known to continue at depth, beneath this Mineral Resource, largely defined by a single diamond core intercept of 160m @ 2.13g/t Au from 432m depth in hole MSDD156 (refer ASX Release 14 November 2017).

The planning of a 700m diamond core hole is well advanced to assess untested portions of the tonalite-hosted mineralisation below the existing resource at the Two Mile Hill deeps deposit.

The underground potential below other deposits on MDI’s tenements is yet to be fully evaluated.



Table 1									
Sandstone Mineral Resources, March 2021									
Sandstone Open Pit Deposits – Summary Mineral Resource Estimates (2012 JORC Code) at 0.5g/t cut-off									
Deposit	Indicated			Inferred			Total		
	Tonnes kt	Au g/t	Au Oz	Tonnes kt	Au g/t	Au Oz	Tonnes kt	Au g/t	Au Oz
Two Mile Hill ¹	1,901	1.1	66,000	178	0.8	5,000	2,078	1.1	71,000
Shillington ³	1,440	1.2	57,200	830	1.1	29,300	2,270	1.2	86,500
Wirraminna ³	300	1.3	12,100	280	1.1	9,700	580	1.2	21,800
Old Town Well ⁵	282	1.0	8,800	68	0.6	1,400	351	0.9	10,100
Plum Pudding ⁵	384	1.1	13,100	35	0.9	1,000	419	1.1	14,100
Twin Shafts ⁴	149	1.0	4,700	37	0.7	900	186	0.9	5,600
Goat Farm ⁴				398	1.0	13,200	398	1.0	13,200
McIntyre ⁴	496	1.2	19,400	67	0.9	1,900	562	1.2	21,300
Ridge ⁶	173	1.2	6,700	67	1.9	4,000	240	1.4	10,700
McClaren ⁶	236	1.4	10,600	60	1.7	3,200	296	1.5	13,800
Open Pit Subtotal	5,361	1.2	198,600	2,020	1.1	69,600	7,380	1.2	268,100
Sandstone Underground Deposits – Summary Mineral Resource Estimates (2012 JORC Code)*									
Two Mile Hill ²				14,000	1.10	480,000	14,000	1.10	480,000
Two Mile Hill – BIF ²				200	3.10	20,000	200	3.10	20,000
Underground Subtotal				14,200	1.1	500,000	14,200	1.1	500,000
TOTAL	5,361	1.2	198,600	16,220	1.2	569,600	21,580	1.2	768,100

The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimates, which may result in some computational discrepancies.

*The Two Mile Hill Tonalite Deeps and BIF Deeps have been reported within optimised wireframes. All wireframes include waste and have an aggregate grade at or above the cut-off of 0.64g/t Au.

This Statement includes information extracted from the Company's previous ASX announcements, which are available to view on the Company's website, as follows:

¹ ASX Release dated 14 December 2016.

² ASX Release dated 14 April 2020.

³ ASX Release dated 24 July 2020.

⁴ ASX Release dated 2 October 2020.

⁵ ASX Release dated 21 October 2020.

⁶ ASX Release dated 17 November 2020



RELEASE AUTHORISED BY THE MDI BOARD:

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WEBSITE: www.middleisland.com.au

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 and Mineral Resources, which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous announcements, which are available to view on the Company's website and variously include the following:-

Mineral Resources: ASX Releases dated 14 April 2020, 24 July 2020, 14 August 2020, 2 October 2020, 21 October 2020 & 17 November 2020.

Exploration Results: ASX Releases dated 18 January 2017, 12 September 2017, 14 November 2017, 19 December 2018, 14 April 2020, 21 April 2020, 28 April 2020, 8 May 2020, 22 May 2020, 29 May 2020, 26 June 2020, 2 July 2020, 29 July 2020, 30 July 2020, 6 August 2020, 18 August 2020, 27 August 2020, 9 October 2020, 30 October 2020 & 23 December 2020.

Feasibility Study Results: ASX Releases dated 19 April 2021

The Company confirms that it is not aware of any new information or data that materially affects the information included the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, 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.