



**Middle Island**  
RESOURCES LIMITED

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

**Capital Structure:**  
122,418,222 ordinary shares

**Cash**  
\$6.1M (as at 20.3.2022)

**Directors & Management:**  
**Peter Thomas**  
Non-Executive Chairman  
**Brad Marwood**  
Executive Director  
**Bruce Stewart**  
Non-Executive Director  
**Rudolf Tieleman**  
Company Secretary

**Contact:**  
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## ASX Release – 21 March 2022

### Barkly Copper-Gold Super Project 10,000m Maiden Drill Programme to Commence In April Following Completion Of Sandstone Gold Project Divestment

- The A\$12M sale of the Sandstone Assets to Aurumin Limited (AUN) has been completed.
- The consideration of A\$12m was payable by way of \$6,000,000 in cash, with the balance of \$6M payable in AUN shares (at a notional issue price of \$0.20 per share).
- The cash component has been fully paid. The share component has been partly issued taking MDI's holding in AUN to 19.9%; leaving 9.0M shares yet to be issued.
- By 30 April 2022, the remaining 9.0M shares must either be issued, subject to AUN shareholder approval under S611(7) of the Corporations Act (allowing MDI to acquire >20% of AUN), or be paid out in cash at A\$0.20 per share (equating to \$1.8M).
- MDI Board recognises the effort required to complete this transaction against a backdrop of market volatility, and the AUN capital raising was done at a premium to its share price with the strong personal support of directors of AUN.
- MDI's exploration focus is now solely directed at defining the potential of the Barkly Copper-Gold Super Project with a continuing mandate to review mineral resource opportunities globally.
- Barkly Copper-Gold Super Project maiden drilling campaign to consist of 20 holes at an anticipated average depth of 500 metres for 10,000 metres over the eight-month drilling season, with drilling on track to commence in April.

### **SANDSTONE GOLD PROJECT (Western Australia)**

The sale of the Sandstone assets to Aurumin Limited has been completed with A\$6M of the cash component of the A\$12M consideration having been received and 21.0M of 30.0M the A\$6M of the share component having been issued; the remaining 9.0M shares will be issued when AUN shareholders approve MDI acquiring greater than 20% of AUN or, if shareholders don't approve the same by 30 April then, \$1.8M in cash will be paid in lieu.

The MDI Board remains positive on the outlook for gold and supports the approach proposed by AUN's board and management team to explore and develop the Sandstone Project.

Accordingly, MDI accepted the opportunity to support the \$5.0M partially underwritten entitlement issue in AUN and, as sub-underwriter, received an allocation of 5.0M AUN shares. Therefore, subject to AUN shareholder approval, MDI will hold approximately 25.1% of AUN shares.

MDI has a current shareholding in AUN of 19.9% following the issue of the upfront portion of the Sandstone sale consideration shares as well as the shares acquired in the sub-underwriting of the AUN entitlement issue.

All shares in AUN acquired under the sale agreement will be escrowed for twelve months until 20 March 2023.

### **BARKLY COPPER-GOLD SUPPER PROJECT (Northern Territory)**

MDI has outlined a drilling programme for the 2022 drilling season that will see 20 holes completed with an anticipated average depth of 500 metres for a total of 10,000 metres over the eight-month drilling season.

The weather across the top of Australia has delayed the completion of the airborne geophysics (now expected to be completed during Q2 2022) and the deployment of the two drill rigs booked in September 2021 for an April 2022 start but interrupted due to retention by the current client. However, MDI has secured a replacement rig which is scheduled to mobilise in the next two weeks to commence drilling in April.

MDI awaits the results of the 5 extra lines of IP work being undertaken at its highly prospective and very exciting Crosswinds Prospect. This information will be used to enhance drilling vector selection and increase confidence in the resultant explanation of the identified anomalies and the likelihood of hitting the postulated primary source of the copper discovered at surface.

Ground gravity work across the entire project is expected to be completed during Q2 2022 to assist in further target generation.

**Middle Island Executive Director, Mr Brad Marwood:**

“We are very pleased to announce the completion of the divestment of the Sandstone gold project. We acknowledge the expertise and track record of AUN board and management team in exploring and developing gold projects and, as a significant shareholder of AUN, we are pleased to share in any upside of their success.

Importantly, MDI can now focus solely on properly testing the highly prospective Barkly Copper-Gold Super Project which, frankly, is exceptional. We are pleased to retain 100% ownership of the Project, despite several approaches from listed peers, especially given the Crosswinds prospect can be tested relatively quickly and cheaply considering the potential size and scale of the project. The recent excellent gold drill results at Tennent Creek are within a few kilometres of MDI’s project and along strike.

MDI is now well positioned to drive exploration forward towards copper and gold discoveries.”

**This announcement has been authorised for issue by the MDI Board.**

**COMPANY CONTACTS:**

Brad Marwood – Executive Director +61 8 9322 1430

WEBSITE: [www.middleisland.com.au](http://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 or Aurumin, 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.