

16 May 2023

ASX: MDI

MIDDLE ISLAND ACQUIRES STRATEGIC PROJECT

HIGHLIGHTS

- **East Tennant Project proposed to be purchased from Strategic Energy Resources Ltd (ASX:SER)**
- **Complimentary asset with a portfolio of high priority targets**
- **Positions the Barkly Super Project for a re-rate with a larger and target rich strategic holding in the region**
- **Total tenement holdings after acquisition of 1,319 sq km in tenement area from SER will be 6,753 sq km**

Middle Island Resources Limited (ASX: MDI or “Middle Island”) is pleased to announce that it has entered into a binding Sale and Purchase Agreement (“SPA”) with ASX-listed Strategic Energy Resources Ltd (ASX:SER or “Strategic Energy”) pursuant to which Middle Island proposes to acquire SER’s East Tennant Project. The purchase, which covers exploration licenses EL32109, EL32306, EL32307, EL32617, EL32760 and EL32809, will expand Middle Island’s existing Barkly Super Project in the East Tennant region.

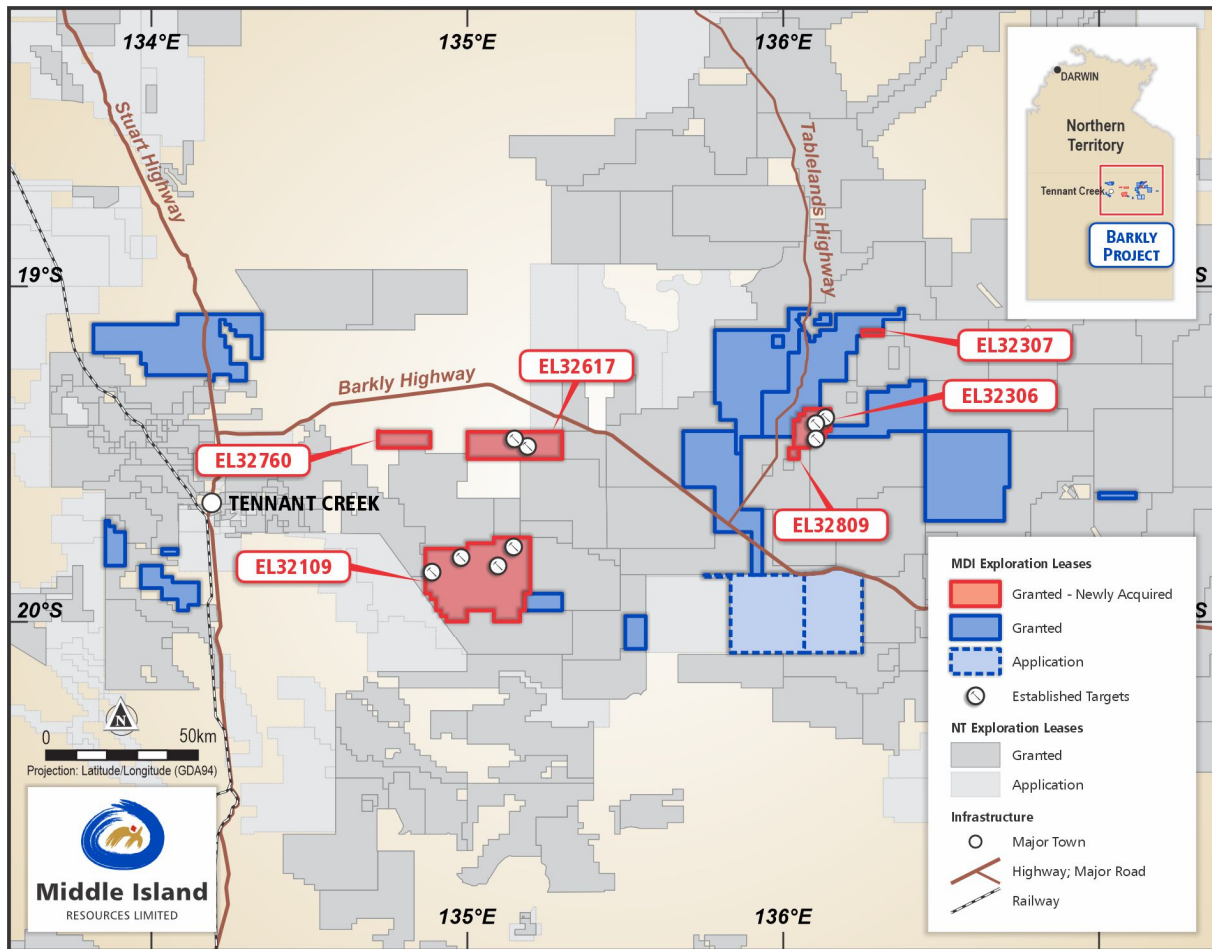
Commenting on the signing of the SPA, MDI Chief Executive Officer, Roland Bartsch said;

“The East Tennant region is highly prospective for the discovery of copper-gold, and lead-zinc-silver, and SER has assembled a portfolio of high priority targets which demand drill testing. The proposed purchase of the East Tennant Project by MDI will expand the Barkly Super Project’s already considerable land position and target list, and is an exciting addition to MDI’s exposure to potential exploration success across the region.”

“This transaction is aligned with MDI’s corporate strategy: to build value through exploration and consolidation of high-quality underexplored Greenfields projects with potential to deliver world class discoveries, adding value through efficiencies and growth of scientific understanding by focusing on a highly prospective region.”

Transaction Details:

- Middle Island proposes to purchase 100% of SER's East Tennant Projects for 18,240,000 fully paid ordinary MDI shares at a deemed price of \$0.035 per share, this being the closing price of ASX:MDI on Friday 12 May 2023 (**Consideration Shares**);
- The Consideration Shares are to be issued within 5 business days following satisfaction of conditions precedent in the SPA out of the Company's existing ASXLR 7.1 capacity, and accordingly will be issued without requiring prior shareholders' approval;
- Completion will be subject to standard conditions which are usual for this type of transaction, in particular:
 - o MDI completing due diligence within 60 days and being satisfied with its findings;
 - o Statutory consents being received in relation to the transfer of the tenements;
 - o Consents required from ASX under the Listing Rules (if any) having been given; and
 - o No event occurring prior to completion which materially and adversely affects the right or interests proposed to be acquired by MDI under the SPA.
- It is expected that the transaction will be completed within a period of 90 days from date of execution of the SPA; and
- MDI shares proposed to be issued to SER will be subject to a voluntary escrow period of a minimum of 12 months from date of completion, or any ASX mandated escrow restrictions if this period exceeds 12 months.
- MDI confirms that the proposed transaction is not a significant change to the scale of the Company's activities within ASX Listing Rule 11.1.



Tenement Location Map

RELEASE AUTHORISED BY THE MDI BOARD:

Contacts: +61 (8) 9322 1430 info@middleisland.com.au

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.