



Middle Island

RESOURCES LIMITED

Middle Island Resources Ltd

ACN 142 361 608

ASX code: MDI

www.middleisland.com.au

Capital Structure:

2,724 million ordinary shares

526 million unlisted options

(as at 30 September 2020)

Cash & Investments

\$7.55 million (as of 30 Sept 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:

Rick Yeates

Mob: +61(0)401 694 313

rick@middleisland.com.au

Middle Island Resources Limited
ACN 142 361 608

Suite 1, 2 Richardson Street
West Perth WA 6005
PO Box 1017
West Perth WA 6872
Tel +61 (08) 9322 1430
Fax +61 (08) 9322 1474
info@middleisland.com.au
www.middleisland.com.au

ASX Release – 30 October 2020

Phase 2 RC drilling results received from Sandstone's Ridge & McClaren deposits in WA

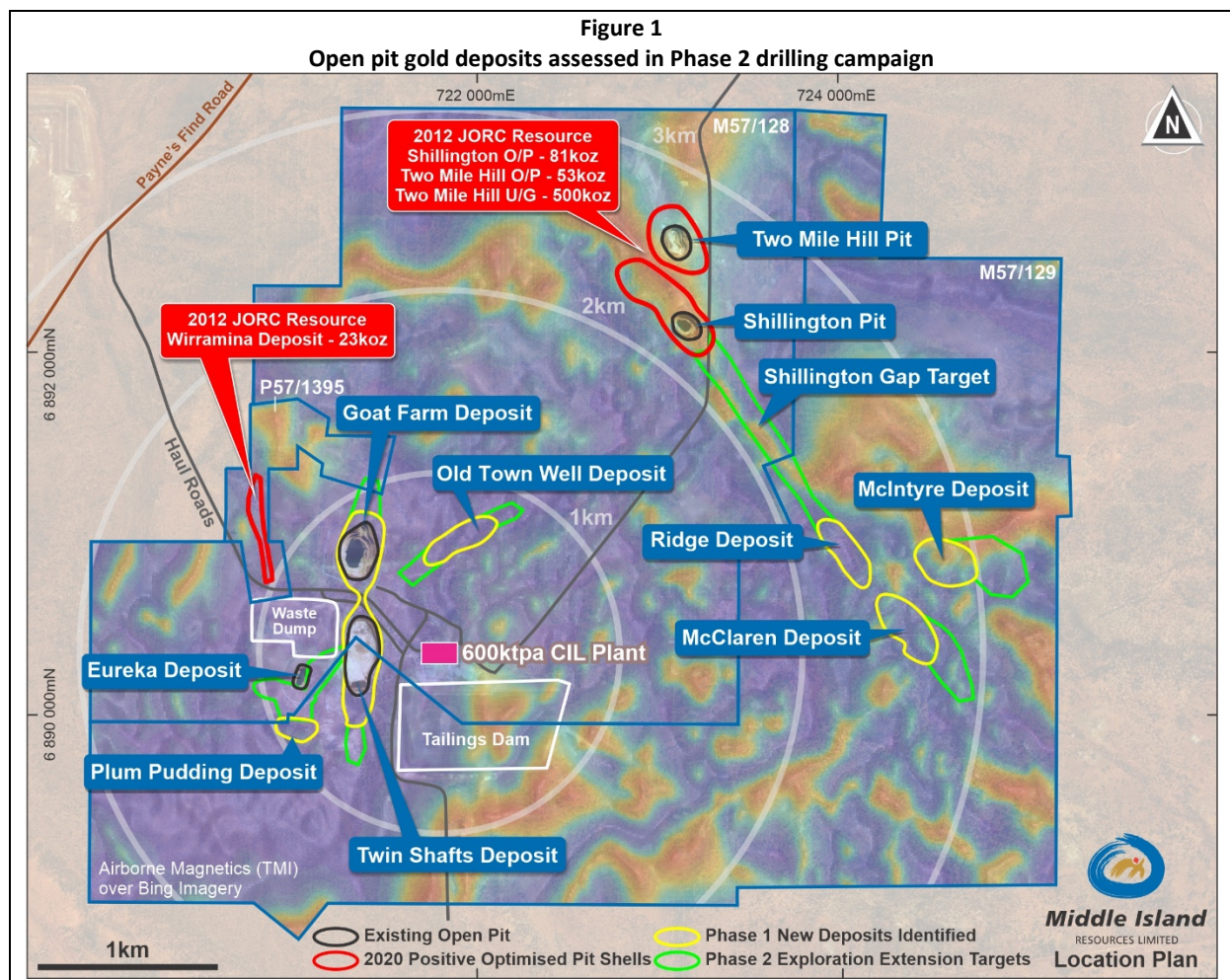
- New Phase 2 reverse circulation (RC) drilling intercepts derived from the **Ridge deposit** within the advanced Sandstone gold project in central WA include:-
 - **7m @ 6.49g/t Au**
 - **4m @ 5.32g/t Au**
- These results complement those derived from Phase 1 RC drilling, including:-
 - **4m @ 99.5g/t Au**
 - **4m @ 50.5g/t Au**
 - **9m @ 5.41g/t Au**
 - **11m @ 2.16g/t Au**
- New Phase 2 reverse circulation (RC) intercepts derived from the **McClaren deposit** include:-
 - **3m @ 29.8g/t Au**
 - **4m @ 5.82g/t Au**
 - **11m @ 2.11g/t Au**
- These results complement those intercepts derived from Phase 1 RC drilling, including:-
 - **4m @ 90.6g/t Au**
 - **8m @ 3.35g/t Au**
- The new results at Ridge and McClaren are respectively derived from a further 90 and 94 holes designed to infill mineralised zones on a nominal 20m x 20m pattern within and adjacent to the optimum pit shells.
- The Ridge and McClaren deposits are situated 2.5km northeast of the Company's 100%-owned 600,000tpa gold processing plant within granted Mining Lease M57/129.
- The new results now complete receipt of all resource definition assays for the total of 10 deposit extensions and new gold deposit discoveries achieved at Sandstone over 2020.
- A Phase 3 exploration drilling campaign, focussed on the McIntyre, Ridge and Shillington Gap areas at Sandstone, is planned to commence immediately following an extensive sterilisation drilling program starting early next week.

SANDSTONE GOLD PROJECT (WA)

WA and Northern Territory explorer and near-term gold developer, Middle Island Resources Limited (**Middle Island, MDI or the Company**) is pleased to announce further significant gold results emerging from the Company's Phase 2 reverse circulation (RC) drilling campaign at its 100%-owned Sandstone gold project in the central goldfields of Western Australia.

Middle Island has completed more than 50,000m of drilling in Phase 1 and Phase 2 to date in 2020, extending several existing Sandstone deposits and identifying five new satellite open pit deposits.

The Phase 2 RC and diamond drilling program was predominantly focussed on upgrading existing deposits and infilling and extending the five new satellite open pit deposits, McClaren, McIntyre, Ridge, Old Town Well and Plum Pudding, identified by the Phase 1 RC drilling campaign in the first half of CY20. All new deposits are located on existing Mining Leases within 2.5km of the Company's 100%-owned gold processing plant, as shown in Figure 1 below.



The Phase 2 drilling campaign was designed to upgrade existing deposits and infill and extend the five new satellite open pit deposits to an Indicated Mineral Resource classification (nominal 20m x 20m drill pattern). Reconnaissance RC drill traverses were also completed across elements of the 1.1km-long Shillington Gap target, interpreted from high resolution airborne magnetic data to lie beneath shallow transported cover between the Shillington and Ridge gold deposits.

The new results reported in this ASX Release represent the final Phase 2 infill and extension, resource definition drilling completed at the Ridge and McClaren satellite gold deposits.

Ridge Deposit

Phase 2 infill RC drilling on a nominal 20m x 20m pattern at the Ridge deposit comprised a further 90 RC holes (3,492m) designed to quantify mineralisation to a predominantly Indicated Mineral Resource classification, and confirm a mineralised northern extension to the deposit. A further two HQ3 diamond core holes have also been completed at the Ridge to provide additional material for bulk density determinations, and geotechnical and metallurgical testwork.

All RC results are based on 50g fire assay analyses completed by Nagrom in Perth.

Results of prior drilling at the Ridge deposit can be found in ASX releases dated 29 May 2020, 26 June 2020 and 6 August 2020. All material drill intercepts, based on 1m samples and a notional open pit cut-off grade of 0.6g/t Au and other parameters, are provided in Table 1 below. The exploration results have been prepared and reported in accordance with the JORC Code 2012.

<p>Table 2 Ridge Deposit – Significant Phase 2 RC drilling intercepts</p>											
Deposit	Hole ID	East (m)	North (m)	RL (m)	Dip (degrees)	Azimuth (degrees)	Hole Depth (m)	Depth From (m)	Depth To (m)	Length (m)	Grade (g/t Au)
Ridge	MSRC745	723657.74	6890974.01	506.56	-60.82	244.96	42	1	5	4	2.80
Ridge	MSRC754	723618.99	6890910.39	505.44	-60.38	245.55	36	2	4	2	4.73
Ridge	MSRC756	723656.53	6890928.23	506.61	-60.42	245.30	36	15	17	2	5.15
Ridge	MSRC759	723727.52	6890962.32	507.80	-60.34	243.63	42	24	26	2	2.04
Ridge	MSRC768	723746.71	6890927.08	509.18	-60.56	245.78	30	19	21	2	2.17
Ridge	MSRC771	723815.00	6890916.00	511.60	-59.14	244.48	42	14	20	6	0.83
Ridge	MSRC771	723815.00	6890916.00	511.60	-59.14	244.48	42	25	29	4	0.78
Ridge	MSRC772	723834.29	6890924.78	511.39	-60.02	248.08	48	24	26	2	2.68
Ridge	MSRC773	723845.35	6890906.54	512.65	-59.79	241.55	30	22	24	2	0.86
Ridge	MSRC779	723743.77	6890903.82	509.81	-59.48	250.08	18	11	17	6	0.83
Ridge	MSRC780	723751.77	6890885.43	510.61	-60.10	243.88	12	7	10	3	1.93
Ridge	MSRC783	723631.34	6890787.99	502.39	-59.69	243.83	66	1	3	2	1.13
Ridge	MSRC784	723650.09	6890796.95	502.97	-59.58	243.48	72	60	67	7	6.49
Ridge	MSRC785	723666.59	6890804.47	503.85	-59.32	244.78	60	1	3	2	1.23
Ridge	MSRC787	723721.48	6890830.35	507.56	-60.40	244.28	42	0	2	2	0.76
Ridge	MSRC790	723791.44	6890859.77	514.39	-59.12	245.73	18	0	4	4	5.32
Ridge	MSRC796	723937.98	6890793.79	521.06	-60.27	241.18	60	27	30	3	1.77

Note: Calculated at a 0.6g/t Au lower cut-off grade, a minimum intercept length of 2m and a maximum of 2m of included waste. Grid MGA94_50.

Significant Phase 2 infill and extension RC drill intercepts from the **Ridge deposit** include the following:-

- **7m @ 6.49g/t Au** (from 60m in MSRC784)
- **4m @ 5.32g/t Au** (from surface in MSRC790)

These complement better Phase 1 RC drill intercepts including:-

- **4m @ 99.5g/t Au** (from 13m in MSRC530)
- **4m @ 50.5g/t Au** (from 3m in MSRC544)
- **9m @ 5.41g/t Au** (from 10m in MSRC545)
- **11m @ 2.16g/t Au** (from 15m in MSRC641)

Consistent with previous work at the Ridge deposit, gold mineralisation is associated with zones of brecciation and quartz veining within a series of stacked, northwest trending and variably northeast dipping banded iron formation (BIF) units comprising the Shillington BIF package, which also hosts the Shillington deposit to the northwest, and the McClaren and McIntyre deposits to the southeast and east respectively. The intensity of brecciation, quartz veining and pyrite replacement of magnetite horizons within the BIF units, all of which are associated with gold mineralisation, appear to be greater adjacent to zones of interpreted oblique (predominantly northwest-trending) faulting, which may in part offset mineralised BIF units.

The mineralised BIF units appear to be steeply dipping and highly contorted towards the southern end, becoming more predictable and shallow northeast dipping towards the northern end.

Reconnaissance drill traverses that were extended well to the southwest of the main mineralised zone have identified an extensive, thin surficial lag gold horizon at or near surface that is interpreted to result from deflation of the shallow dipping mineralised BIF units that would have projected above the current topographic surface. These extended traverses also intercepted a solitary zone of strong saprolite mineralisation, comprising an intercept of **7m at 6.49g/t Au** (from 60m in MSRC784) that is interpreted to be associated with a northeast trending fault (and coincident zone of magnetite destruction) that will be investigated further as part of the imminent Phase 3 exploration drilling campaign.

The infill and extension RC drilling results are presented in plan-view (Figure 2) and as representative cross-sections (Figure 3 and Figure 4) below. For details of previous Ridge drilling results refer to ASX releases dated 29 May 2020, 26 June 2020 and 6 August 2020.

Figure 2
Plan of the Ridge gold deposit showing mineralised area incorporating new RC drilling

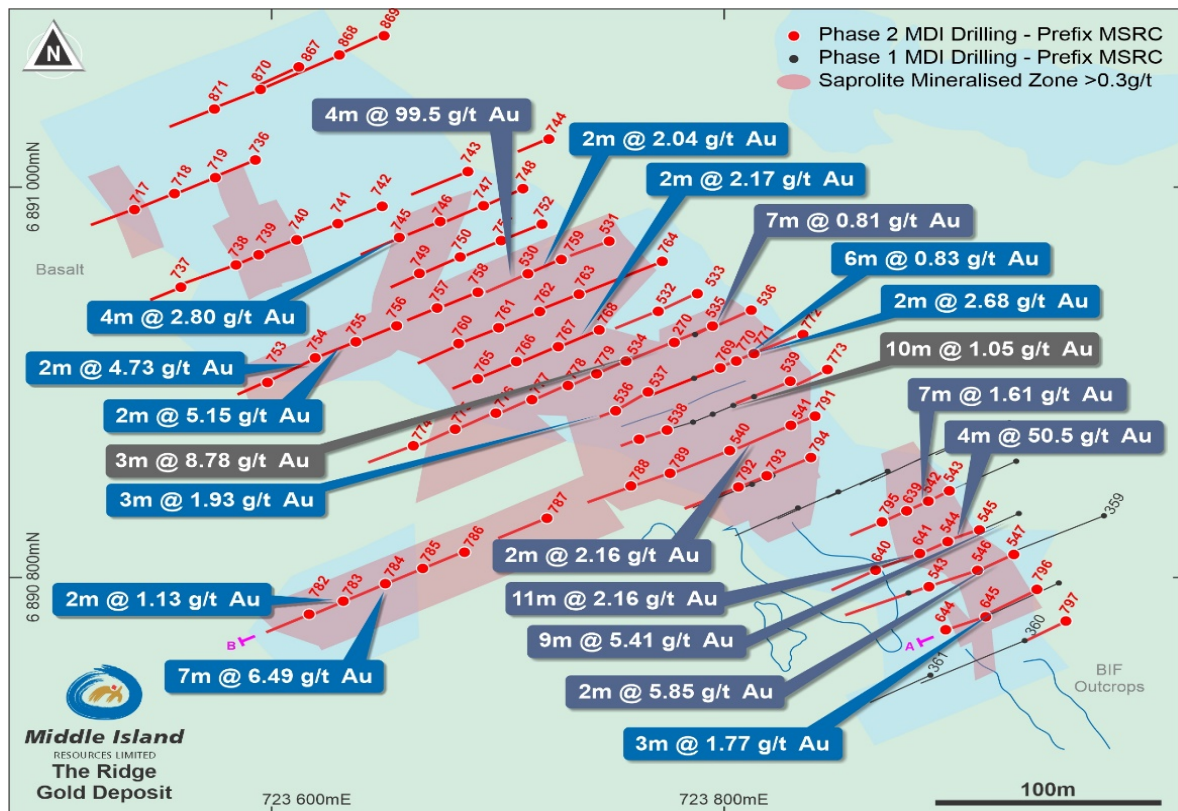
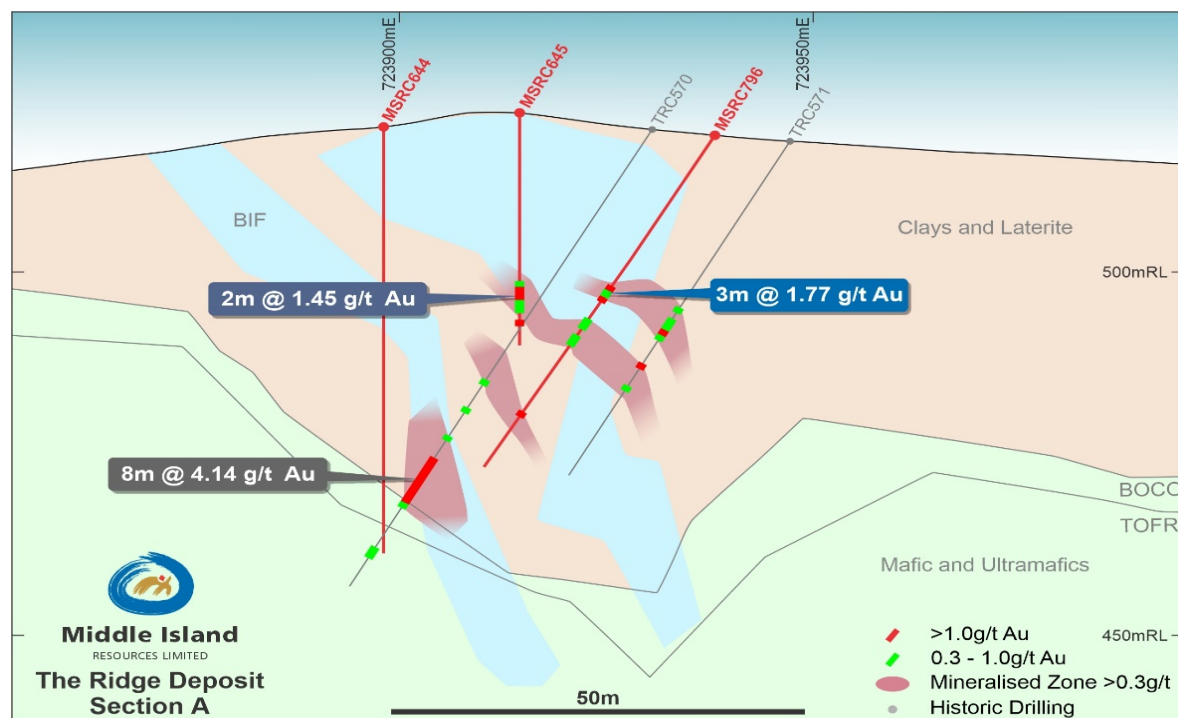
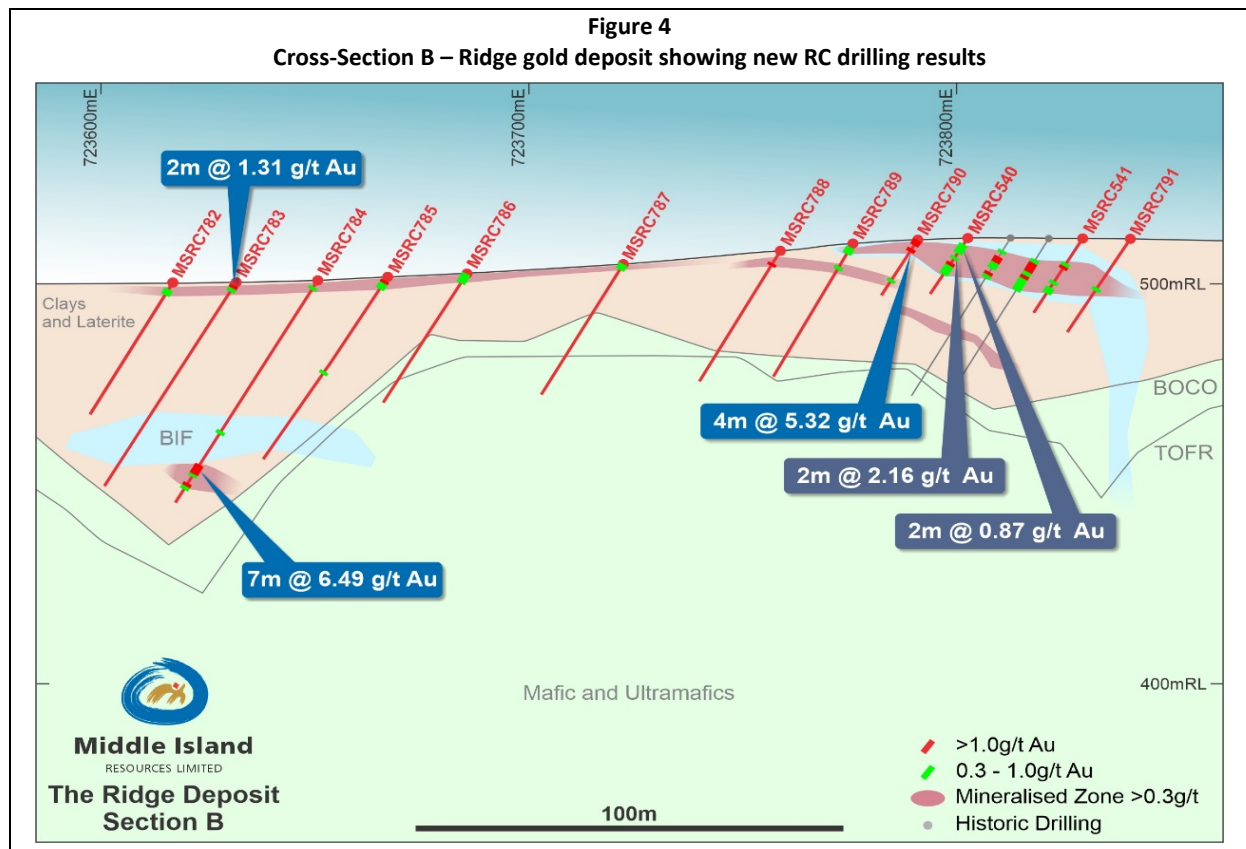


Figure 3
Cross-Section A – Ridge gold deposit showing new RC drilling results





The Ridge deposit is located 2.5km northeast of the Company's 100%-owned gold processing plant within granted Mining Lease M57/129.

McClaren Deposit

Infill RC drilling on a nominal 20m x 20m pattern at the McClaren deposit comprised a further 94 RC holes (6,774m) designed to quantify mineralisation to a predominantly Indicated Mineral Resource classification and establish a mineralised link to the adjacent McIntyre deposit. A further HQ3 diamond core hole (assay results pending) has also been completed at McClaren to provide additional material for bulk density determinations, and geotechnical and metallurgical testwork.

All RC results are based on 50g fire assay analyses completed by Nagrom and SGS laboratories in Perth.

Results of prior drilling at the McClaren deposit can be found in ASX releases dated 8 June 2017 and 14 April 2020. All material drill intercepts, based on 1m samples and a notional open pit cut-off grade of 0.6g/t Au and other parameters, are provided in Table 2 below. The exploration results have been prepared and reported in accordance with the JORC Code 2012.

Table 2
McClaren Deposit – Significant Phase 2 RC drilling intercepts

Deposit	Hole ID	East (m)	North (m)	RL (m)	Dip (degrees)	Azimuth (degrees)	Hole Depth (m)	Depth From (m)	Depth To (m)	Length (m)	Grade (g/t Au)
McClaren	MSRC651	724136.65	6890562.12	532.34	-60.00	230.00	78	13	15	2	1.54
McClaren	MSRC652	724146.52	6890498.45	532.82	-60.00	230.00	84	57	59	2	1.78
McClaren	MSRC653	724159.79	6890509.31	533.66	-60.00	230.00	96	70	75	5	1.53
McClaren	MSRC654	724176.09	6890520.13	533.95	-60.00	230.00	96	46	49	3	3.86
McClaren	MSRC657	724187.05	6890501.91	533.81	-60.00	230.00	96	1	5	4	6.55
McClaren	MSRC657	724187.05	6890501.91	533.81	-60.00	230.00	96	68	70	2	2.80
McClaren	MSRC658	724207.54	6890528.20	533.46	-60.00	230.00	72	53	55	2	6.08
McClaren	MSRC660	724200.81	6890488.91	533.23	-60.00	230.00	90	63	74	11	2.11
McClaren	MSRC662	724225.71	6890511.41	533.18	-60.00	230.00	72	48	58	10	1.62
McClaren	MSRC665	724150.58	6890529.87	533.58	-60.00	230.00	84	12	16	4	0.65
McClaren	MSRC667	724243.12	6890499.19	532.62	-60.00	230.00	66	54	58	4	2.60
McClaren	MSRC668	724240.06	6890474.47	532.19	-60.00	230.00	72	48	51	3	4.44
McClaren	MSRC668	724240.06	6890474.47	532.19	-60.00	230.00	72	56	59	3	29.8
McClaren	MSRC669	724255.40	6890487.74	532.26	-60.00	230.00	72	46	50	4	5.82
McClaren	MSRC675	724298.11	6890466.62	530.80	-60.00	230.00	72	55	58	3	4.45
McClaren	MSRC678	724364.07	6890462.24	526.53	-60.00	230.00	72	57	59	2	0.80
McClaren	MSRC680	724393.60	6890486.33	522.19	-60.00	230.00	84	12	15	3	1.26
McClaren	MSRC681	724242.50	6890529.30	531.15	-60.00	230.00	72	50	53	3	0.94
McClaren	MSRC683	724273.40	6890523.40	529.29	-60.00	230.00	72	54	56	2	1.56
McClaren	MSRC684	724289.21	6890536.59	526.85	-60.00	230.00	78	57	60	3	3.02
McClaren	MSRC689	724342.43	6890506.94	524.36	-60.00	230.00	72	54	57	3	2.83
McClaren	MSRC691	724336.25	6890467.89	529.16	-60.00	230.00	72	52	59	7	1.12
McClaren	MSRC693	724412.93	6890501.96	519.81	-60.00	230.00	90	17	24	7	2.46
McClaren	MSRC693	724412.93	6890501.96	519.81	-60.00	230.00	90	73	80	7	0.90
McClaren	MSRC701	724424.33	6890460.61	523.04	-60.00	230.00	84	71	73	2	2.83
McClaren	MSRC705	724186.11	6890348.68	520.22	-60.74	230.57	42	16	19	3	2.05
McClaren	MSRC706	724199.99	6890359.92	520.62	-60.47	232.20	48	19	28	9	1.12
McClaren	MSRC812	724433.01	6890441.64	523.95	-59.64	230.12	84	68	72	4	0.70

Note: Calculated at a 0.6g/t Au lower cut-off grade, a minimum intercept length of 2m and a maximum of 2m of included waste. Grid MGA94_50.

Significant Phase 2 infill and extension RC drill intercepts from the **McClaren deposit** include the following:-

- **11m @ 2.11g/t Au** (from 63m in MSRC660)
- **3m @ 29.8g/t Au** (from 56m in MSRC668)
- **4m @ 5.82g/t Au** (from 46m in MSRC669)

These complement better Phase 1 RC drill intercepts including:-

- **4m @ 90.6g/t Au** (from 60m in MSRC341)
- **8m @ 3.35g/t Au** (from 52m in MSRC342)

The final Phase 2 RC drilling at McClaren has confirmed that mineralisation is predominantly hosted within the lower, predominantly sub-horizontal, BIF unit encountered in drilling. Gold mineralisation is present as thinner, semi-continuous zones of generally higher grade mineralisation, incorporating occasional pockets of bonanza gold grades.

The higher stripping ratio likely associated with the deeper, sub-horizontal mineralised zone, will make economic extraction more challenging. However, a Mineral Resource will be estimated for pit optimisation purposes to determine what component may contribute to Ore Reserves in the current feasibility study (FS).

A single traverse of holes was also completed between the McClaren and McIntyre deposits to establish the continuity of geology and mineralisation between the two. While only weak, discontinuous mineralisation appears to persist between the two deposits, the mineralised 'lower' BIF unit at McClaren appears to be the same unit that is strongly and consistently mineralised near surface at the topographically lower McIntyre deposit.

Consistent with previous work, gold mineralisation is associated with zones of brecciation and quartz veining within a series of stacked, northwest trending and shallow northeast dipping banded iron formation (BIF) units comprising the Shillington BIF package, which also hosts the Ridge and Shillington deposits along strike to the northwest, and the McIntyre deposit to the east. The intensity of brecciation, quartz veining and pyrite replacement of magnetite horizons within the BIF units, all of which are associated with gold mineralisation, appear to be better developed adjacent to zones of interpreted oblique (predominantly northwest trending) faulting.

The infill and extension RC drilling results are presented in plan-view (Figure 5) and as representative cross-sections (Figure 6 to Figure 8) below. For details of previous McClaren drilling results refer to ASX releases dated 8 June 2017 and 14 April 2020.

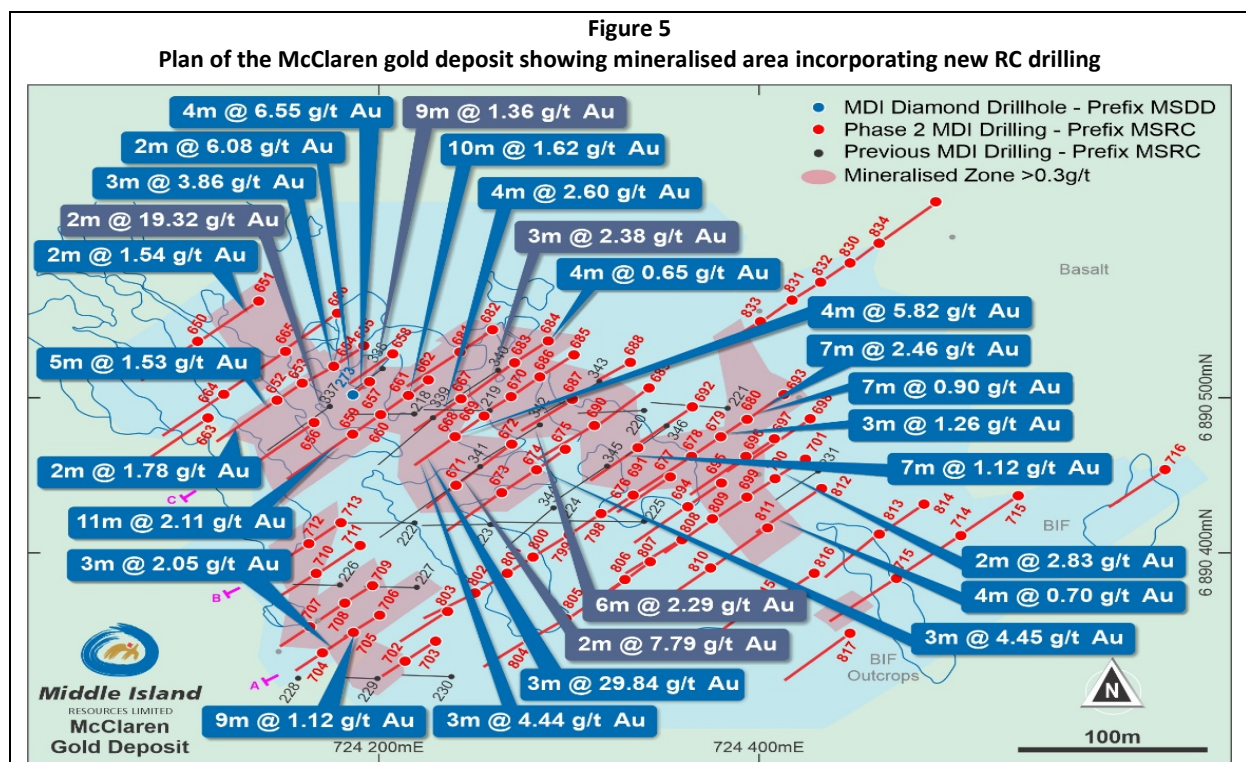


Figure 6
Cross-Section A – McClaren gold deposit showing new RC drilling results

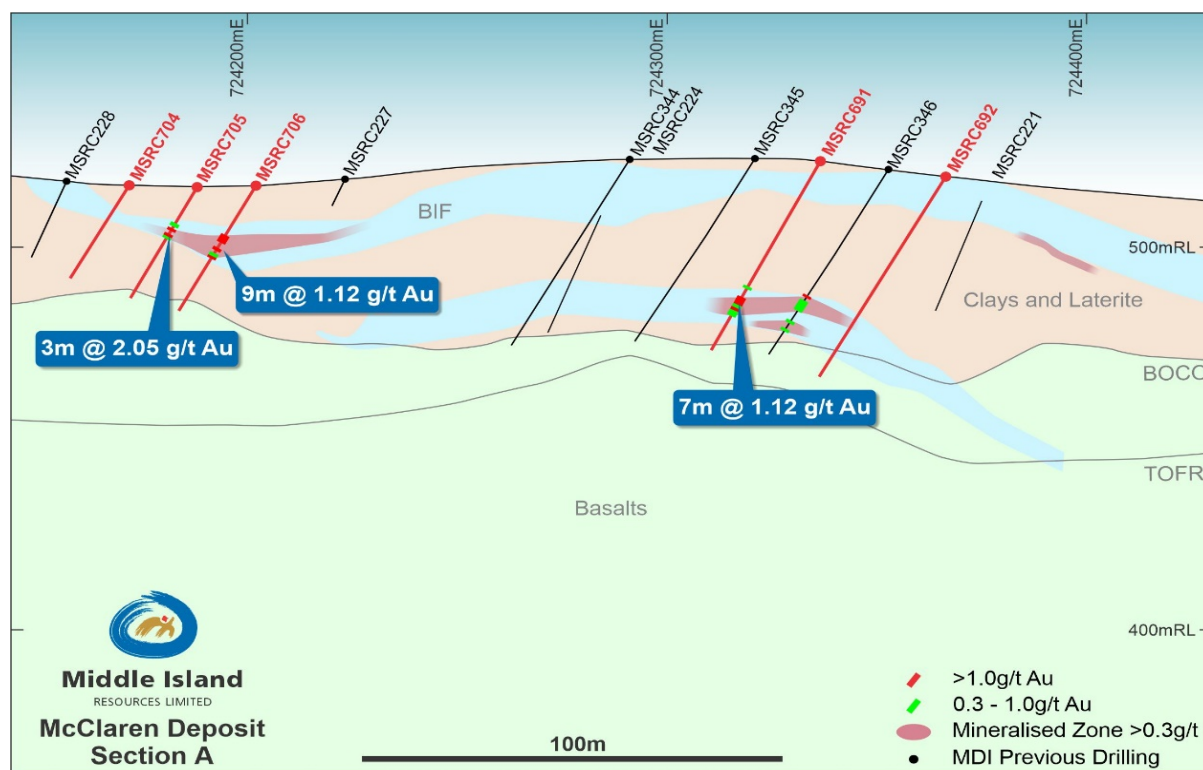
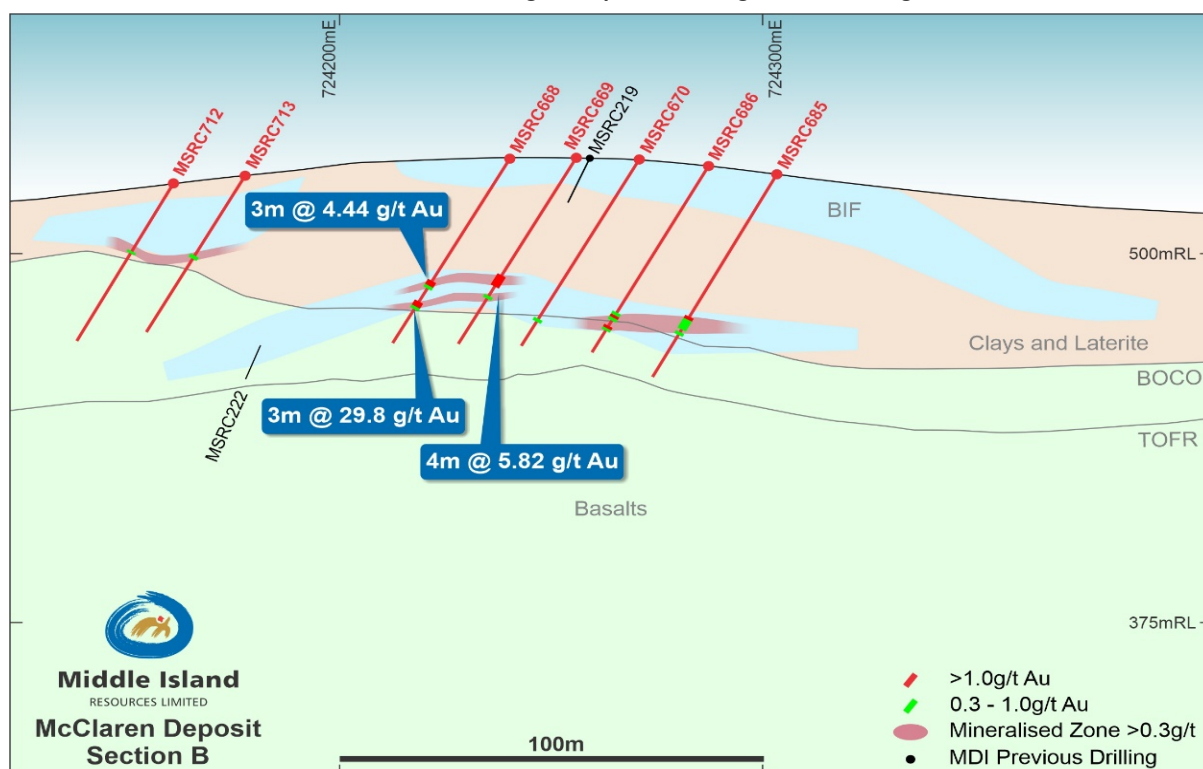
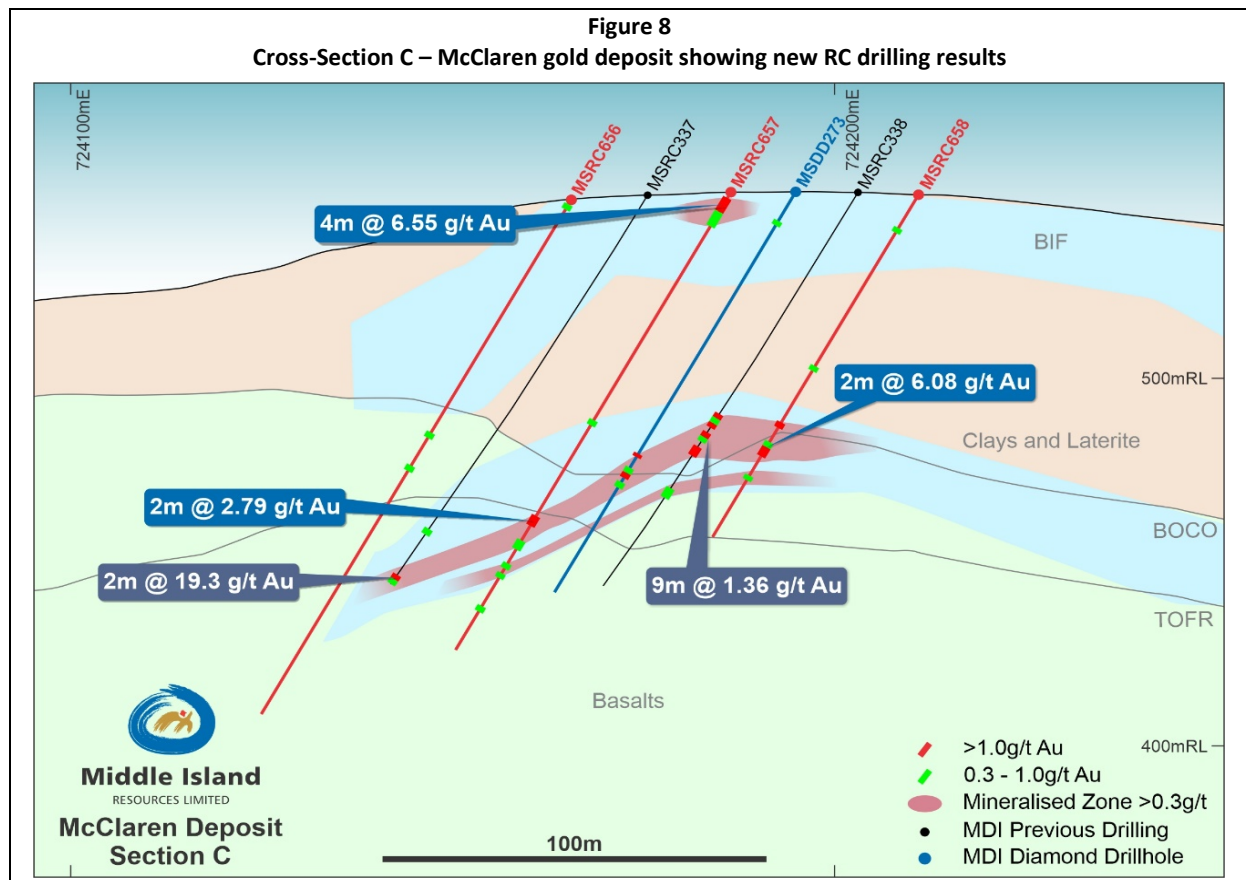


Figure 7
Cross-Section B – McClaren gold deposit showing new RC drilling results





The McClaren deposit is located 2.5km northeast of the Company's 100%-owned gold processing plant within granted Mining Lease M57/129.

Exploration Status

Large diameter (HQ3) oxide diamond drilling of Sandstone's five new satellite deposits has been successfully completed. Bulk density determinations, across all rock types and oxidation profiles, are complete, geotechnical testwork is nearing completion and metallurgical testwork has commenced.

Given the significant success of drilling to date in 2020, plans for a further (Phase 3) exploration drilling campaign are being finalised. This campaign will focus on extensions to and repetitions of the Ridge and McIntyre deposits, and further assessment of the Shillington Gap target. The Phase 3 exploration campaign will immediately follow extensive RC sterilisation drilling required for planned new waste dumps and the TSF expansion, which is anticipated to commence late in October once program of work (POW) approvals have been received.

RELEASE AUTHORISED BY:

Rick Yeates – Managing Director

+61 (0)401 694 313

MEDIA CONTACT:

Kevin Skinner Field Public Relations

+61 (0) 414 822 631

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.

Competent Persons' Statement

Information in this release that relates to new Exploration Results at the Ridge and McClaren deposits is based on, and 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 notices released to ASX.

Previously reported information

This report includes information that refers to previously reported Exploration Results for the Ridge and McClaren deposits, which was prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous announcements variously dated 8 June 2017 and 14 April 2020, 29 May 2020, 26 June 2020 and 6 August 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.

Appendix 1

The following Table is provided in compliance with the JORC Code

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> The results are derived from a RC drill program completed by Middle Island Resources. The sampling was carried out by collecting 2-3kg of RC chips off the drill rig's cone splitter; the sampling was undertaken at one metre intervals taken over the whole length of each drillhole. Recovery was excellent for the vast majority of samples, with minor exceptions due to broken ground. The sample was a consistent size of 2–3kg, derived from the drill rig's cone splitter. The primary sample was taken from the same splitter chute the entire program. Samples of drill cuttings weighing 2-3kg were sent to the laboratory to be crushed (-10mm) and pulverised to produce a 300g pulp, then split to a 50g charge for fire assay analysis. RC drilling was used to obtain 1m samples of RC chips (see first point above) from which 2-3kg was sent to the laboratory to be crushed (-10mm) and pulverised to produce a 300g pulp, then split to a 50g charge for fire assay analysis.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i> 	<ul style="list-style-type: none"> The RC rig used a face sampling hammer with a 5 inch bit to return sample every metre.
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> 	<ul style="list-style-type: none"> RC chip recovery data for this drilling was estimated for each drill metre and captured in a digital logging software package. The recorded average RC chip recovery for the Ridge and McClaren drilling was 97.2% and 98.3% respectively. The water table was encountered typically at a 60m down-hole depth, with appropriate measures taken by the drilling contractor to maintain recovery and dry samples, including additional air pressure and foam injection. For the drillholes where no water was encountered no extra measures were needed to maximise the sample recovery at time of drilling.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> No relationship between sample recovery and grade has been established.
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> 	<ul style="list-style-type: none"> The RC chips were logged for lithology, weathering, mineralogy, mineralisation, colour and other features. Logging was carried out according to Middle Island Resources internal protocols at the time of drilling. Sampling was carried out according to Middle Island Resources internal protocols, which comply with industry standards. All drill holes were quantitatively logged from start to finish of the hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc., and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Not applicable RC chips were rotary split with a cone splitter on the drill rig. Samples were collected and bagged in 1m intervals. All samples were dry. The samples were dried and crushed to -10mm before being split and then a 300g subsample pulverised to 95% passing 75 microns. This fraction was then split again down to a 50g sample charge for fire assay with an ICP-OES finish. For the RC chips the routine sample procedure was to consistently take the primary split from the same chute. A field duplicate (via a second split) off the drill rig's sample splitter was collected and assayed at a rate of 1:50 samples. Field duplicates were taken via a second split from the cyclone. Results have been compared to the original sample taken. Sample size and assay charge size are considered entirely appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of</i> 	<ul style="list-style-type: none"> Middle Island adopted a 50g fire assay method with an ICP-OES finish. This technique is considered appropriate for gold mineralisation of this style. No other measurement tools/instruments were used to derive assays. Field duplicates, lab duplicates, field and laboratory standards were routinely included in the assay train at a 1:9 frequency when taking all QC samples into account, and a quartz wash was applied between each sample pulverised. Sample results are consistent with those reported by previous drilling

Criteria	JORC Code explanation	Commentary
	<i>accuracy (ie lack of bias) and precision have been established.</i>	programs.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> 	<ul style="list-style-type: none"> • Sampling was undertaken by field assistants supervised by experienced geologists from Middle Island Resources. Significant intercepts were checked by senior personnel who confirmed them as prospective for gold mineralisation. • New drilling in the vicinity derived mineralised intervals are consistent with historic intercepts in terms of both length and grade, providing confidence that these holes are likely valid. • Data was collected digitally utilising designated templates following industry best practice. Sampling data was also captured manually to ensure a paper trail was maintained by the field staff and checked by the supervising geologists. Logging and sampling data were imported and validated using the OCRIS database software system by an experienced external database manager. After database import, drillhole data was plotted and validated in plan and section view by Middle island geologists, any errors encountered were rectified.
	<ul style="list-style-type: none"> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Assay data have not been adjusted.
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Surface collar coordinates are surveyed via RTK GNSS with 1cm accuracy by a professional surveying contractor. A high-quality downhole north-seeking multi-shot or continuous survey gyro-camera was used to determine the dip and azimuth of the hole at 25m intervals down the hole. • MGA94 Zone 50 • The topographic surface was calculated from the onsite mine survey pickups, and subsequently verified by RTK GNSS collar surveys and a recent drone survey.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Results being reported comprise individual 1m sample intervals. • The data spacing is sufficient to demonstrate the continuity of grade. • Composite samples were not utilised.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Drilling orientations were appropriate to intersect the anticipated mineralisation orientations to provide a representative sample approximating true width. • The Competent Person does not believe that any sample bias has been introduced.

Criteria	JORC Code explanation	Commentary
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> The samples were collected by a field assistant and two experienced company geologists and transferred directly to the laboratory via a reputable commercial freight courier contractor. Sample receipt by Nagrom and SGS was carried out in line with their respective internal procedures to maintain chain of custody control.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> Reported results are consistent with historic results.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The drilled holes and sampled RC chips are derived from Mining Lease M57/129, which is 100%-owned by Sandstone Operations Pty Ltd (SOP), a wholly-owned subsidiary of Middle Island Resources Limited. As of 15/02/2016 Sandstone Operations Pty Ltd was the sole owner of the project, including M57/129.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> No acknowledgement or appraisal by other parties.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Ridge and McClaren deposits are hosted within or immediately associated with banded iron formation (BIF) units comprising the Shillington package, in turn encapsulated by basalts. Gold mineralisation is associated with mesothermal quartz veining, brecciation and pyrite replacement of magnetite within the BIF units and immediately adjacent basalts.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> See Table 1 (Ridge) and Table 2 (McClaren) within the release. No material information has been excluded.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. 	<ul style="list-style-type: none"> Drill intercepts reported with weighted averages to create the grade intercepts. Individual internal values of <0.6g/t Au were included over a minimum internal interval of two metres, with a maximum of 2m of internal waste. Aggregated intercepts do not include reported lengths of higher grade internal intercepts.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> Metal equivalent values are not reported. Holes have been drilled orthogonally to the general dip and strike of the mineralised zones, where known. True widths are estimated to range from 60% to 100% of down-hole intercepts. The primary control on gold mineralisation is believed to be deformation associated with a series of predominantly northeast trending faults responsible for fracturing, quartz veining, brecciation and pyrite replacement of magnetite horizons adjacent to these structures.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> See table and figures within the release. A plan and representative cross-sections are provided for both the Ridge and McClaren deposits within the release.
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> Results are derived from a targeted drill program on a nominal 20m x 20m pattern to infill and extend known mineralised zones defined from previous programmes completed by Middle Island and prior project owners.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> Other than that included in the release, there is no other relevant, meaningful or material exploration data that is currently known.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> The Company intends to estimate a Mineral Resources (to notional Indicated status), prior to completing pit optimisations to establish the deposits' potential to contribute to Ore Reserves in the Feasibility Study. Included - see tables, plans and representative cross-sections for each deposit within the release.