



Middle Island
RESOURCES LIMITED

Middle Island Resources Ltd

ACN 142 361 608

ASX code: MDI

www.middleisland.com.au

Capital Structure:

121 million ordinary shares

23 million unlisted options

Cash & Liquid Investments:

\$5.0 million (as of 2 February 2021)

Directors & Management:

Peter Thomas

Non-Executive Chairman

Rick Yeates

Managing Director

Brad Marwood

Non-Executive Director

Dennis Wilkins

Company Secretary

Contact:

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ASX Release – 9 March 2021

Middle Island to demerge Barkly copper-gold assets

The Board of Middle Island Resources Ltd (**Middle Island**; ASX: **MDI**) has resolved to demerge Barkly Operations Pty Ltd (**BOPL**) (**Demerger**) and ultimately IPO BOPL on the ASX (**IPO**), subject to shareholder approval at a Middle Island Shareholder Meeting expected to be held late-April 2021.

BOPL, a wholly owned subsidiary of Middle Island, is the holder of the Barkly copper-gold project (**Barkly**) in the Northern Territory (**NT**).

Barkly comprises twelve exploration licences and applications, collectively covering 4,411 square kilometres. The project has Tier 1 iron oxide-copper-gold (**IOCG**) targets, predicated on extensive government research undertaken by Geoscience Australia (**GA**) and the Northern Territory Geological Survey (**NTGS**) under the Exploring for the Future (**EFTF**) initiative.

The IOCG potential extends along the interpreted, fault-bounded East Tennant Ridge and is principally defined by magnetic, gravity and magneto-telluric anomalies beneath the Georgina Basin, between Tennant Creek in the NT and Mt Isa in Queensland.

Details of the Barkly Project can be found in MDI's ASX Releases variously dated 15/11/2019, 18/02/2020, 18/08/2020, 23/12/2020 and 13/01/21.

It is anticipated that Eligible Shareholders of MDI will be entitled to receive free shares in BOPL in the same proportions as their respective holding in Middle Island, as well as priority entitlement to apply for shares in the future Barkly IPO. Further information will be provided in the upcoming Notice of Meeting to be sent to all MDI shareholders.

Of course no assurance at this stage can be made in relation to the likelihood of BOPL making application to list or, if made, such application being successful.

The Demerger is advocated because, among other reasons, MDI's Directors believe:

- a) MDI's market capitalisation is not according proper value to Barkly;
- b) sentiment for copper, the potential quality and scale of the Barkly copper-gold project and the consequent expected strong interest in BOPL once it is demerged from MDI (market sentiment contingent), give rise to an expectancy that significant value could potentially be liberated for eligible holders;
- c) MDI would be free to focus on optimising shareholder value for its core gold asset at Sandstone;
- d) those shareholders who are invested in MDI for its exclusive gold portfolio, and who have no interest in copper, will not have their shareholding in MDI diluted by the pursuit of active exploration at Barkly, as would be the case if the Barkly Project were to remain in MDI; and
- e) certain investors focused on copper-gold, rather than gold only, might well be deterred from investing in MDI due to its exclusive gold focus, whereas those same investors may be eager to invest in BOPL.

It is anticipated that the Notice of Meeting, containing relevant information for Middle Island shareholders and the resolutions to be considered at the Shareholder Meeting, will be lodged with ASIC in late March.

All Middle Island shareholders are encouraged to read the Notice of Meeting in its entirety as this will contain all relevant information to consider when voting on the resolutions at the Shareholder Meeting.

Middle Island MD, Rick Yeates, made the following comments:-

"The demerger of BOPL will provide investors two opportunities to grow value; in Middle Island as a more advanced pure gold exploration and development company, and in BOPL as it commences greenfields exploration of an exciting new copper-gold province".

AUTHORISED FOR RELEASE BY:

The Board of Middle Island Resources Limited

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