



Middle Island
RESOURCES LIMITED



Middle Island Resources Limited
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Middle Island Resources Ltd

ACN 142 361 608

ASX code : MDI

www.middleisland.com.au

Capital Structure:

122,418,222 ordinary shares

Cash & Investments

\$9.9 million (as of 30 June 2022)

No debt

Directors & Management:

Peter Thomas

Non-Executive Chairman

Brad Marwood

Executive Director

Bruce Stewart

Non-Executive Director

Rudolf Tieleman

Company Secretary

Contact:

Brad Marwood

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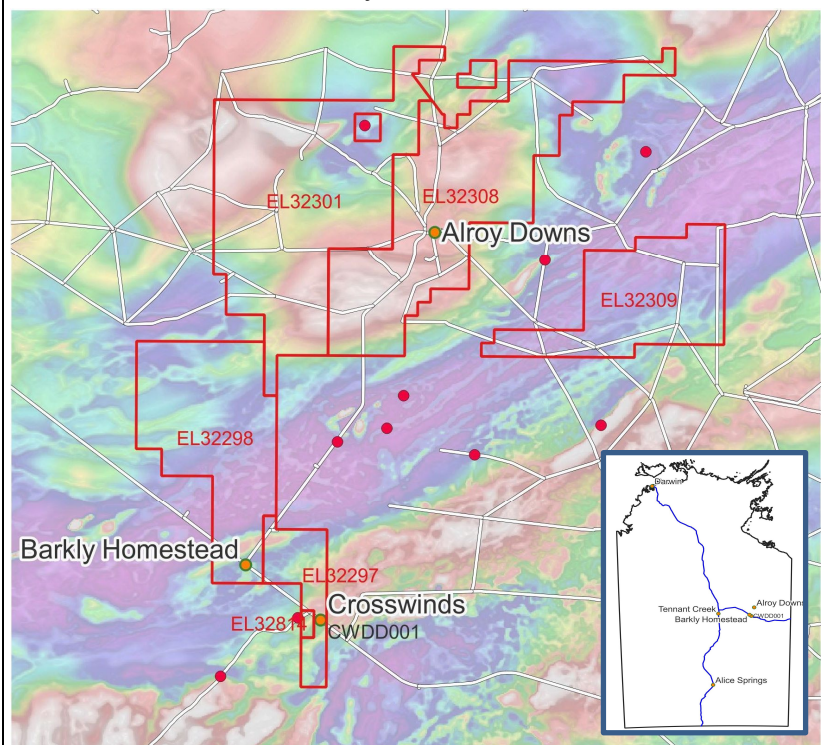
brad@middleisland.com.au

ASX Release – 1 August 2022

DRILLING INDICATES IOCG POTENTIAL

- First hole CWDD001 completed at Crosswinds to 808.4m.
- Iron Oxide-Copper-Gold (IOCG) alteration styles intersected in first drill hole at Crosswinds.
- Host rock Alroy Formation sediments intersected showing hematite alteration.
- Alroy Formation overlies granitic rocks with increasing veining and alteration, including chlorite, hematite, potassic feldspar, quartz and carbonate.

Figure 1
Project Location



Introduction

Explorer, Middle Island Resources, is pleased to announce that the drilling program on the 100% owned East Tennant region at Barkly in the Northern Territory has begun and that the first drill hole has been completed.

The primary objective was to test the Crosswinds target for the potential of hidden IOCG and/or SEDEX style mineralization to host a large-scale Copper-Gold deposit. This drilling was located based on geophysics from aeromagnetic and the Induced Polarization (IP) conducted earlier in the year.

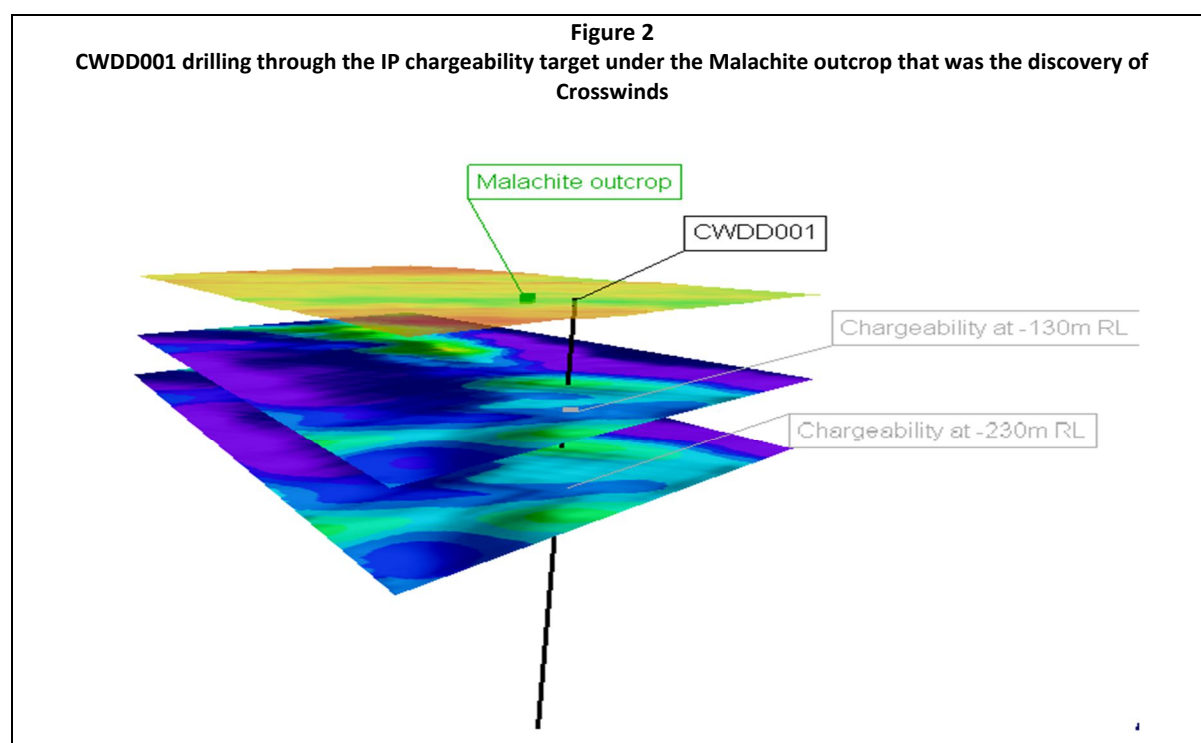
Drilling

Drilling of the first hole at the Crosswinds prospect has been completed to 808.4m. The Crosswinds prospect was a discovery based on an initial expression of Malachite mineralization observed at surface as mentioned in ASX release 23 December 2020.

The early geological interpretations of the Crosswinds prospect suggested there was a proximal source of mineralization beneath the overlying Georgina Basin with malachite at the surface. This secondary mineralization has migrated along growth fault structures bringing the oxide copper mineralization to surface.

Table 1								
Project	Hole ID	East	North	RL	Depth	Azimuth	Dip	Target
Crosswinds	CWDD001	597125	7812820	240	808.4	225	-80	IP target with low level magnetic high under a malachite surface expression

The interpreted IP depth slices were used to determine the depth of drilling to target. The depth of the IP anomaly was close to 500m below surface as seen in Figure 2.



The drilling was very straight and kept to the target area. Some issues were incurred when transitioning from the base of the Georgina Basin (and basal Helen Springs Volcanics) to the Alroy Formation but this did not affect the drill direction and continued to the target area.

Within the upper Alroy Formation, a sequence of thick hematite alteration zones was observed. This upper zone also showed fine micaceous (biotite) schist. Throughout the Alroy sequence small quartz veins were observed being in some cases brecciated and hematite altered.

The first drill hole passes through hematite at 200m and again at 220m down hole. This is below the contact with the Georgina sediments into the Alroy Formation. IOCG deposits generally follow growth faults from fluid accumulation as deep as 5km. Along these growth faults, from closest to surface, we can expect to see hematite, magnetite, disseminated sulphides to massive sulphides carrying economic metal content. It was expected that following the hematite we would see a sequence of disseminated sulphides then massive sulphides. The absence of the sulphides may be due to intersecting the edge of the deposition. It is for this reason that MDI plans a second hole in the Crosswinds target drilling at in the opposite direction from the first hole aiming to intersect the potential middle of the sulphide zone.

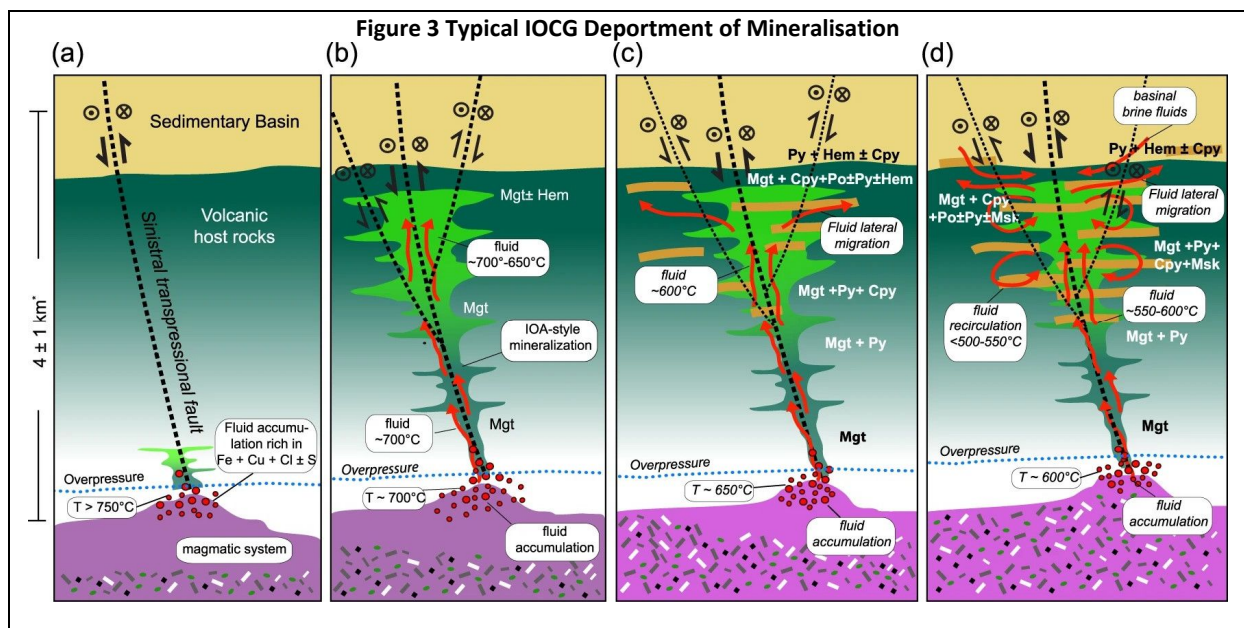
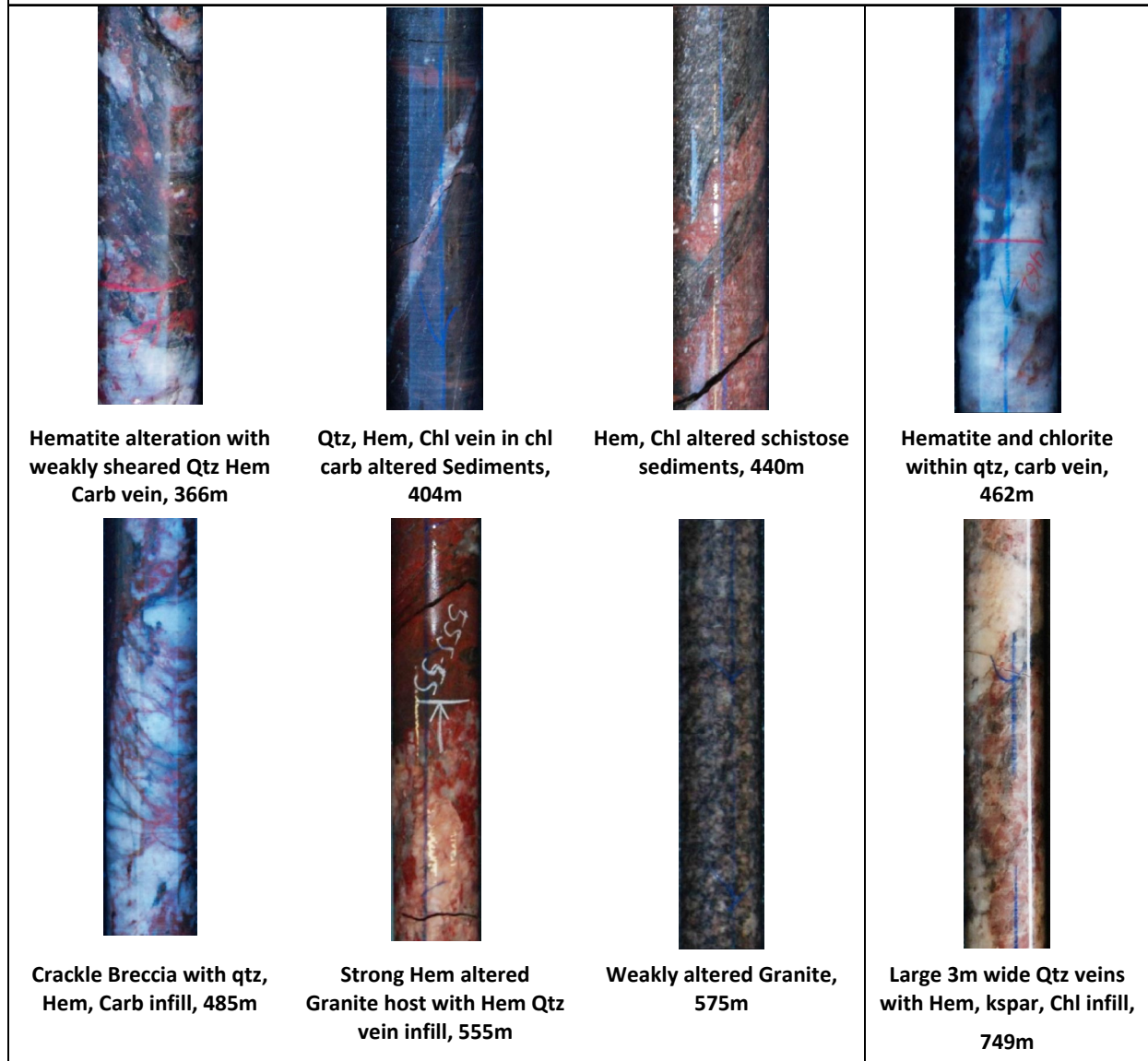


Figure 4
Core Samples



The lower part of the hole from 500m intersected granodiorite-granite till the end of hole with many quartz veins within. These quartz veins showed discontinuous brecciation along with a matrix of carbonate and hematite.

The core has been delivered to the logging shed in Tennent Creek where the geological interpretation will be completed, core cut and samples prepared to be sent to the SGS laboratory in Adelaide. The results are expected to take approximately two months. The results will be announced once established.



Comments from the Executive Director – Brad Marwood

“The commencement of drilling at the highly prospective Crosswinds prospect has been anticipated for a few months. The results of assays will take a further few months to obtain. The geological inspection of the core from surface provides invaluable insights to the IOCG system potential at Crosswinds. The core demonstrates that multiple sequences of deformations occurred providing fracturing for development of mineralisation. The drilling continues seeking to define a IOCG deposit at Barkly Copper-Gold Super Project”

RELEASE AUTHORISED BY THE MDI BOARD:

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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 Person Statement

The reported Exploration Results were compiled by Paul Frawley, a Member of the Australian Institute of Geoscientists. Mr. Frawley has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. Frawley is a full-time employee of MDI, and the Competent Person for the Company and other than being paid fees for services in cash and shares for compiling this report, he does not have any financial interest (direct or contingent) in MDI.

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"> 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 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. 	<ul style="list-style-type: none"> The exploration results contained in this announcement include preliminary core logging and core photography of drill hole CWDD001, the first hole of the recently commenced drilling. CWDD001 was drilled to a total depth of 808.40m all of diamond core. This announcement also includes a drill section showing the drill stem relative to geophysical anomalies. No samples or sample results are mentioned in the announcement.
Drilling techniques	<ul style="list-style-type: none"> 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.). 	<ul style="list-style-type: none"> Diamond drilling to a depth of 808.40m with Both HQ and NQ2 core (diameter 63.5mm and 50.7mm respectively). Core was oriented by use of Reflex ori tool
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 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. 	<ul style="list-style-type: none"> Diamond core recovery data was measured for each drill run/interval and captured in a digital logging software package. The data has been reviewed and the core recovery was effectively 100% throughout. Middle Island had no issues with any elements effecting the samples. No relationship between sample recovery and grade has been established.

Criteria	JORC Code explanation	Commentary
<i>Logging</i>	<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> <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> 	<ul style="list-style-type: none"> The diamond core was logged for lithology, weathering, structure, mineralogy, mineralisation, alteration, colour, RQD and geotechnical parameters. Logging was carried out according to Middle Island Resources internal protocols at the time of drilling. Diamond core was logged continuously to record all relevant features, regardless of length. Core was also photographed within each core tray.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <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"> At the time of writing the core was whole. Not applicable. Other than standard laboratory protocols, no quality control procedures were adopted, given the nature of sampling. When sampled the size and assay charge size are considered appropriate for the style of mineralisation.
<i>Quality of assay data and laboratory tests</i>	<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 accuracy (i.e. lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> No quality controls protocols were utilised, other than those employed by the laboratory in assaying, given the reconnaissance nature of sampling.
<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> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Sampling was undertaken by experienced geologists contracted to Middle Island Resources. Other than an independent laboratory undertaking the assaying, the results were verified by the Company's external, independent database managers. No twinned holes or umpire assaying were used as part of this programme. Sampling data were imported and validated using a GBIS database software system by an experienced database consultancy.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Assay data were not 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"> Hand-held GPS located the on-ground positions of drill holes. MGA94 Zone 53S The topographic surface was recorded by hand-held GPS.
<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"> Core samples are to be reported at 1m sample/assay intervals when bulk assaying is conducted. On occasion specific intervals will also be recorded for their specific lengths. The data spacing is adequate to provide continuity of grade for exploration drilling and resource estimation purposes. Individual sample interval results will be aggregated via length-weighting to report an overall contiguous mineralised interval.
<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"> The amorphous (and generally sub-horizontal) nature of secondary calcrete and silcrete outcrops at surface preclude determination of the orientation of mineralisation, relative to the strike of underlying stratigraphy. However, the Magnetic modelling demonstrates that the basement geology and associated growth faults are oriented normal to the sampling traverse. Insufficient evidence is available to confirm if the sampled mineralisation reflects true width and may therefore be biased.
<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"> All samples are held at the Middle Island exploration camp in the custody of Middle Island employees prior to collection by the courier for transport to the laboratory in Adelaide for sample preparation.
<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"> No independent audits or reviews of sampling techniques and data has been conducted.

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 diamond core are derived EL32297, which is 100%-owned by Barkly Operations Pty Ltd (BOP), a wholly owned subsidiary of Middle Island Resources Limited.
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 has been undertaken other parties at this Crosswinds prospect is a new discovery.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Copper mineralisation at the Crosswinds prospect is hosted by calcrete and silcrete, representing the weathered expression of limestones comprising the Cambrian Georgina Basin. At this point the Georgina Basin is interpreted to overlie (at circa 200m depth) Proterozoic basement (possibly chloritic siltstones of the Warramunga Formation or equivalent) that has been identified by collaborative pre-competitive government research as prospective for IOCG mineralisation. The surface copper occurrence at Crosswinds is interpreted by the CP to reflect secondary copper mineralisation that has migrated up along growth faults extending from a primary copper source within the basement, through the otherwise unmineralised Georgina Basin.
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 	<ul style="list-style-type: none"> See Table 1 within the release. No material information has been excluded.

Criteria	JORC Code explanation	Commentary
	<i>why this is the case.</i>	
Data aggregation methods	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Metal equivalent values are not reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <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"> The primary control on secondary copper mineralisation is believed to result from groundwater movement along growth faults through the Georgina Basin, remobilising copper from a primary mineralised source within the basement beneath. As such, the mineralisation is of significance as a possible vector to primary mineralisation within the basement, rather than being of economic interest in its own right.
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, map, photos and diagrams 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> 	
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.

Criteria	JORC Code explanation	Commentary
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 commence more systematic research and exploration in the 2022 dry season. A selection of photos, maps and a diagrammatic interpretation are included within the release.