



Middle Island
RESOURCES LIMITED

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

QUARTERLY REPORT

For the period ended 30 Sep 2022

Middle Island Resources Ltd

ACN 142 361 608

ASX Code: MDI

Office:

Suite 1, 2 Richardson Street
WEST PERTH WA 6005

Postal Address:

PO Box 1017
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E: info@middleisland.com.au

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Capital Structure :

122,418,222 ordinary shares

Board Members:

Peter Thomas

Non-Executive Chairman

Brad Marwood

Executive Director

Bruce Stewart

Non-Executive Director

Rudolf Tieleman

Company Secretary

HIGHLIGHTS

BARKLY

ASX- 13 SEPTEMBER 2022

- IOCG type Hematite alteration, including carbonate, Potassic feldspar, sericite and biotite alteration observed in all holes completed at Barkly Holding.
- Wide zones of observed alteration and veining associated with intrusives intersected throughout the targeted areas.
- Hydrothermal alteration, including quartz-sericite-epidote-chlorite, within widespread zones of quartz veining.
- A complete interpretation and review to be completed on all data collected from the drilling including the assays results when returned.
- Airborne geophysics interpretation well advanced.

ASX 1 AUGUST 2022

- 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.

CORPORATE

- MDI is fully funded for presently envisaged business activities for the next two years. Should drilling at Barkly hit a bonanza hole then drilling will be accelerated and current funds will not cover the expanded scope.
- MDI as 22.5% shareholder of AUN continues to encourage AUN's efforts to bring the Sandstone Gold Project into production.



Operating Activities

Corporate

Finances

Middle Island Resources Limited (**ASX: MDI, Middle Island or the Company**), held aggregated cash and share investments of A\$7.56M as of 30 Sep 2022, comprising A\$3.7M in cash, and A\$3.87M in ordinary shares held in Aurumin Limited (ASX:AUN) (A\$3.675M) and Tajiri Resources Corporation (TSXV:TAJ) (A\$194k).

ASX Additional Information

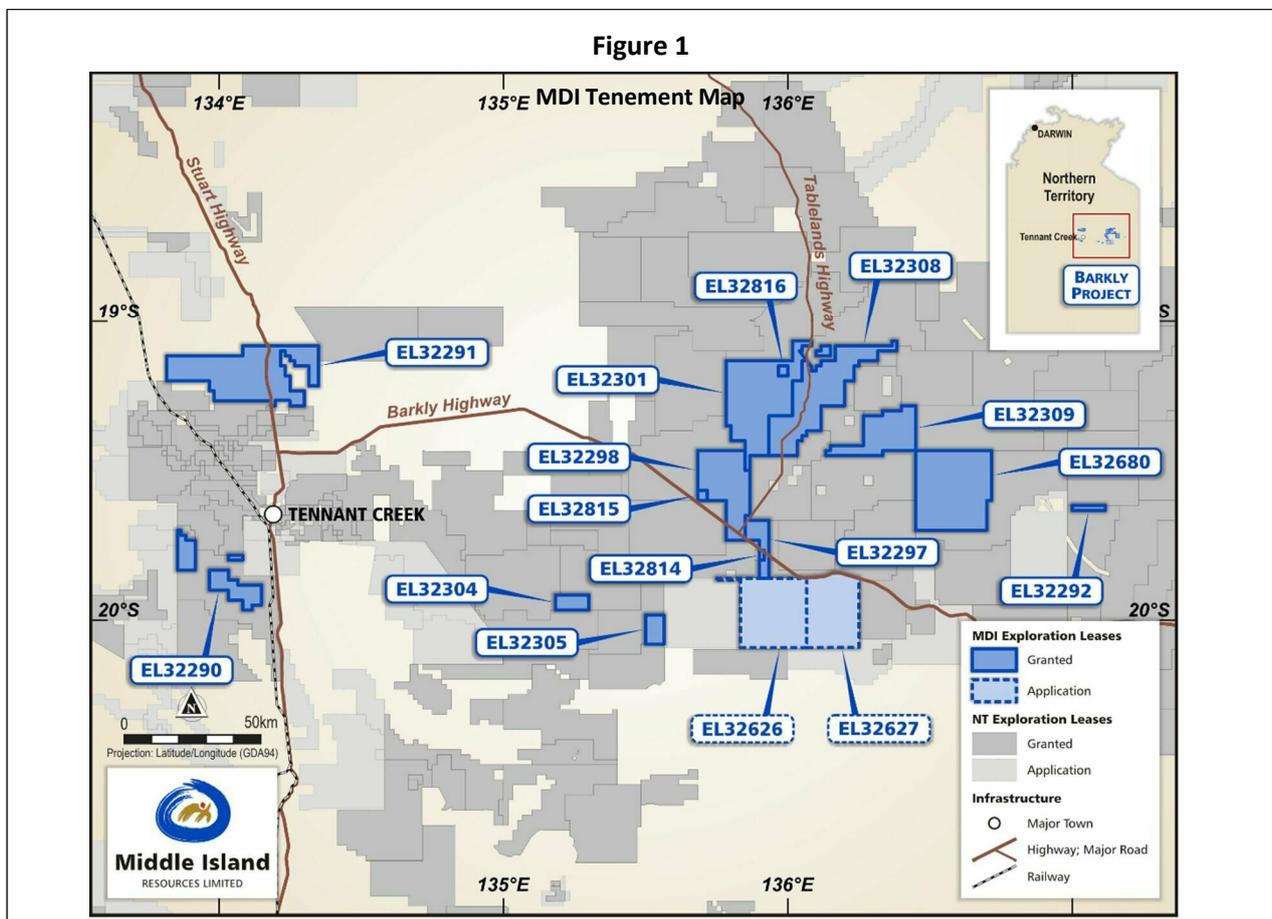
ASX Listing Rule 5.3.1: Exploration and evaluation expenditure during the September 2022 quarter was \$1,108k.

ASX Listing Rule 5.3.2: No substantive mining production or development activities were undertaken during the September 2022 quarter.

ASX Listing Rule 5.3.5: During the September 2022 quarter, the Company made cash payments of \$70k to related parties and their associates, being the aggregate amount paid to Directors, including salary, directors' consulting fees, and related statutory superannuation.

Tenure

MDI holds 100% in 14 granted exploration licences covering 4,375.87km² and 2 pending applications covering 1,157.72km² within the Barkly region of the Northern Territory.





Strategy

MDI's strategy regarding its Barkly Copper-Gold Super Project is to generate shareholder value via exploration, complimentary assets acquisition or transactional activity. MDI continues to assess asset acquisition opportunities both in Australian and elsewhere.

Barkly Copper-Gold Super Project (100%) – Northern Territory

MDI commenced drilling targets in the June quarter (25 June 2022).

(ASX Announcement 27 June 2022).



Figure 2

The planned drilling addressed three targets located at or adjacent to the Crosswinds prospect. The results were issued in the announcements 1 August 2022, 10 August 2022 and 13 September 2022.

The assay results will take at least 6 weeks to process. The core logging observed the presence of IOCG minerals in the sequence as expected. The drill holes did not intersect massive sulphide but did intersect disseminated sulphides at depths below 550m down hole.



Hole CWDD001

Figure 3
Core Samples



Hematite alteration with weakly sheared Qtz Hem Carb vein, 366m



Qtz, Hem, Chl vein in chl carb altered Sediments, 404m



Hem, Chl altered schistose sediments, 440m



Hematite and chlorite within Qtz, carb vein, 462m



Crackle Breccia with Qtz, Hem, Carb infill, 485m



Strong Hem altered Granite host with Hem Qtz vein infill, 555m



Weakly altered Granite, 575m



Large 3m wide Qtz veins with Hem, ksp, Chl infill, 749m



A summary of the drill holes is presented in Table 1 below.

Table 1 Drill Hole Details							
Prospect	Hole ID	Easting	Northing	RL	Dip	Azi	Total Depth
Crosswinds West	CWDD004	596045	7813795	335	-70	270	810.8
Crosswinds North	CWDD007	596750	7814900	335	-75	360	855.5
Crosswinds	CWDD002	597125	7812820	334	-70	360	550.3
Crosswinds	CWDD001	597125	7812820	240	-80	225	808.4

Three thousand and twenty-five metres (3025m) were drilled in the first drilling programme at Barkly Coper- Gold Super Project. The four holes were all longer than 800m and intersected the basement rocks. The presence of a magnetic basalt at the base of the Georgina Basin sediments has provided further insight when interpreting magnetic data. At the end of the quarter MDI's geological services were evaluating options to screen out the influence of the magnetic basalts as they may mask the magnetic anomalies below. The effect of magnetic basalt layer at the base of the sediments is to mask the magnetic anomalies below. The 3D inversion work seeks to filter out the masking of the magnetic basalts revealing the magnetic anomalies in the mineralised host rock.

Drill hole CWDD007 showed the presence of Chalcopyrite at 848.6m down hole or approximately 550m below surface. The copper sulphide mineralisation was not present in economic quantities but confirms the presence of copper mineralisation in the system.



Table 2 Core images from Hole CWDD007	
	Crackle veining with minor hematite alteration, ~822m
	Quartz breccia veining within Dolerite, ~839m
	Strong Hematite altered Dolerite, ~848m
	Observed Chalcopyrite/pyrite in core, ~848.6m

Planned December 2022 Quarter Activities

During the December quarter, MDI geological services will work on the interpretation of the airborne magnetics along with the other exploration activities to build a better understanding of the nature of potential deportment of mineralisation within our Barkly exploration permits. The aim is to be drill ready with drill targets defined for the commencement of the drilling season in April 2023.



Mining Tenements

Middle Island Resources Limited advises the following information required under ASX Listing Rule 5.3.3 as of 30 Sep 2022.

Tenements	Mining tenements acquired during the quarter	Mining tenements disposed during the quarter	Mining tenements held at the end of the quarter	Tenement location
EL 32290	Granted		100%	Northern Territory
EL 32291	Granted		100%	Northern Territory
EL 32292	Granted		100%	Northern Territory
EL 32297	Granted		100%	Northern Territory
EL 32298	Granted		100%	Northern Territory
EL 32301	Granted		100%	Northern Territory
EL 32304	Granted		100%	Northern Territory
EL 32305	Granted		100%	Northern Territory
EL 32308	Granted		100%	Northern Territory
EL 32309	Granted		100%	Northern Territory
EL 32680	Granted		100%	Northern Territory
EL 32814	Granted		100%	Northern Territory
EL 32815	Granted		100%	Northern Territory
EL 32816	Granted		100%	Northern Territory
EL 32626	Application		Pending Grant – 100%	Northern Territory
EL 32627	Application		Pending Grant – 100%	Northern Territory
EL 32680	Granted		100%	Northern Territory



Safety, Environmental & Social

Health & Safety

No injuries or incidents were recorded at the Company's projects and premises during the September quarter.

Environment

No environmental incidents were recorded at the Company's projects and premises during the June quarter.

Social

MDI is committed to working with the local communities in terms of procurement and employment. MDI has committed expenditure in Tenant Creek providing the services to our Barkly operations base there.

RELEASE AUTHORISED BY:

Board of Middle Island Resources Limited

COMPANY CONTACTS:

Brad Marwood – Executive Director +61 (0) 8 9322 1430

Website: www.middleisland.com.au

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs and other operating results, growth prospects and the outlook of Middle Island's operations contain or comprise certain forward-looking statements regarding Middle Island's exploration operations, economic performance, and financial condition. Although Middle Island believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties in foreign countries, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Middle Island undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Competent Person Statement

The reported Exploration Results were compiled by Brad Marwood, a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Marwood 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. Marwood is a part-time CEO of MDI, and the Competent Person for the Company. He is paid fees for his CEO services and has a relevant interest in shares in MDI.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Middle Island Resources Limited
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ABN:

70 142 361 608

Quarter ended ("Current Quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,108)	(1,108)
(b) development	-	-
(c) production	-	-
(d) staff costs	(141)	(141)
(e) administration and corporate costs	(80)	(80)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) – gold sale proceeds	115	115
1.9 Net cash from / (used in) operating activities	(1,209)	(1,209)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings – <i>Insurance Premium Funding – adjust to expense</i>	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,895	4,895
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,209)	(1,209)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,686	4,895

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	117	181
5.2 Call deposits at interest	3,528	4,693
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Term Deposits	41	21
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,686	4,895

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	70
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,209)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,209)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,686
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,686
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.05
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: **31 October 2022**

Authorised by: **Rudolf Tieleman, Company Secretary**
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. By the Company lodging this Appendix 5B, the Executive Director and CFO declare that the Appendix 5B for the relevant quarter:
 - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
 - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.