



Middle Island

RESOURCES LIMITED

Middle Island Resources Limited
ACN 142 361 608

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QUARTERLY REPORT

For the period ended 31 December 2022

	HIGHLIGHTS
<p>Middle Island Resources Ltd ACN 142 361 608</p> <p>ASX Code: MDI</p> <p>Office: Suite 1, 2 Richardson Street WEST PERTH WA 6005 Western Australia</p> <p>Postal Address: PO Box 1017 West Perth WA 6872 Western Australia</p> <p>T: +61 8 9322 1430 E: info@middleisland.com.au www.middleisland.com.au</p> <p>Capital Structure : 122,418,222 ordinary shares</p> <p>Board Members:</p> <p>Peter Thomas Non-Executive Chairman</p> <p>Brad Marwood Executive Director</p> <p>Bruce Stewart Non-Executive Director</p> <p>Rudolf Tieleman Company Secretary</p>	<p><u>BARKLY</u></p> <ul style="list-style-type: none">• Drill results interpreted, and extra logging undertaken• Database developed for over 400 drill holes capturing regional drill data in the Barkly Tablelands• Airbourne geophysics stalled awaiting the Georgina Basin basement Digital Terrain Model (DTM) interpretation for clipping the gravity and magnetic highs• All drilled holes relogged to capture sediment data as well as basement granitic information• Analysis of the DTM to identify near surface targets• Consolidation of EL's to reduce administration• Preservation of cash during the non-drilling season <p><u>CORPORATE</u></p> <ul style="list-style-type: none">• The Company's AGM was held on 30 November 2022 - all resolutions were carried by a 95%+ majority vote - Mr Brad Marwood was re-elected as a Director• MDI maintains ~19.7% shareholding in Aurumin Limited

Operating Activities Corporate

Finances

Middle Island Resources Limited (**ASX: MDI, Middle Island or the Company**), held aggregated cash and share investments of A\$5.343M as of 31 December 2022, comprising:

- Cash reserves - A\$3.33M
- Shares held in Aurumin Limited (ASX:AUN) – A\$1.89M
- Shares held in Tajiri Resources Corporation (TSXV:TAJ) - A\$153k During the December quarter, MDI diligently, in a considered and measured manner, progressed the works away-from-field activities whilst taking every opportunity to preserve cash without jeopardising timely outcomes.

ASX Additional Information

ASX Listing Rule 5.3.1: Exploration and evaluation expenditure during the December quarter was \$162K.

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

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

Tenure

MDI holds 100% in 11 granted exploration licences covering 4,375.87km² and 2 pending applications covering 1,157.72km² within the Barkly region of the Northern Territory.

AGM

The Company's Annual General Meeting was held on 30 November 2022.

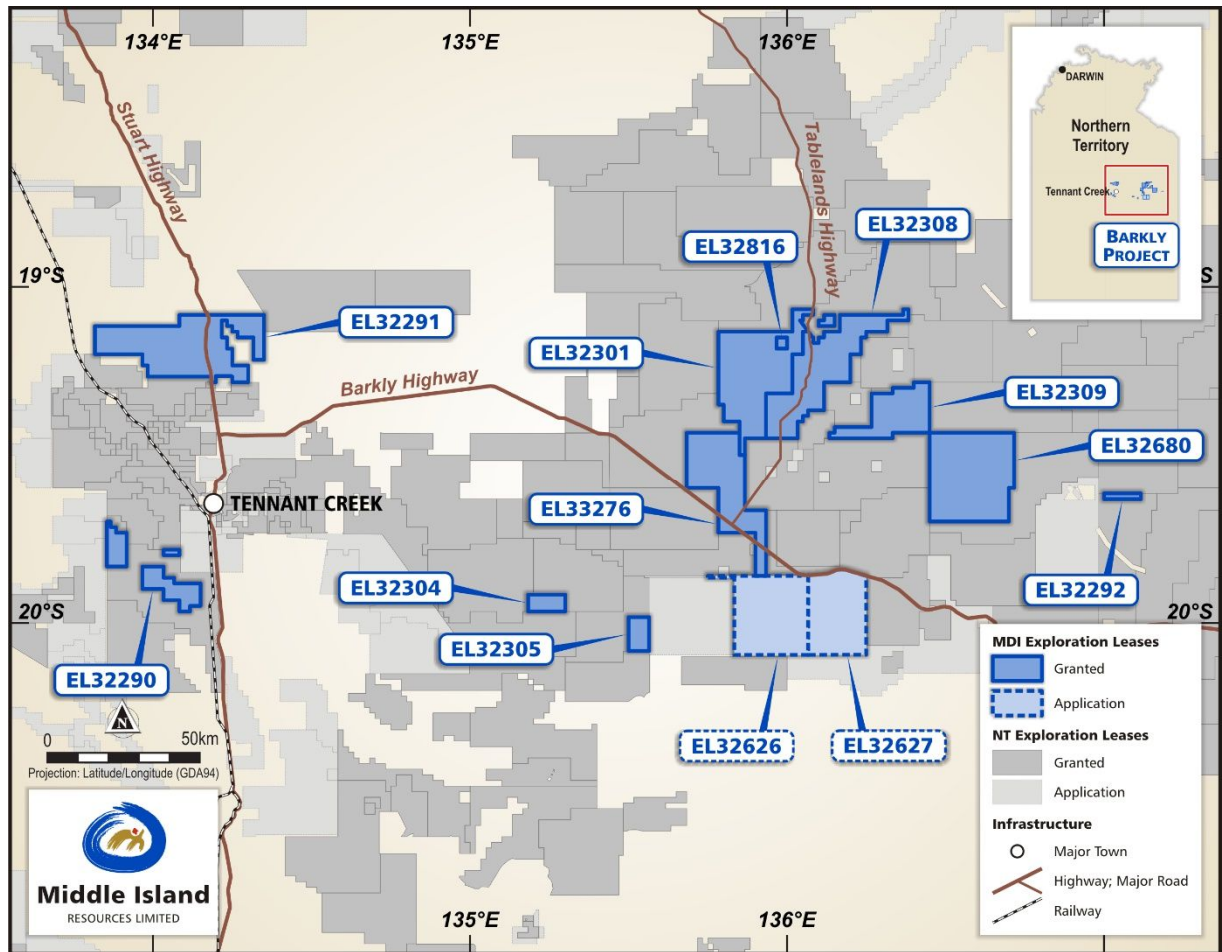
In excess of 95% affirmative votes were cast in respect of all resolutions.

Mr Brad Marwood was re-elected as a director.

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.

Figure 1



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

MDI commenced drilling targets in the June quarter (ASX Announcement: 27 June 2022.)

The drilling was completed with 3,025m drilled before the 10 August 2022 ASX announcement.

Figure 2



Some issues with sample collection, numbering and logging of the core were identified during the December quarter. Relogging of the core was initiated with one hole remaining to be logged following which MDI will announce the assay results and findings of the drilling.

Once all core has been relogged and samples taken in the sediments as well as the granites MDI will receive the assays and complete the interpretation of this information to assist with definition of the next drill hole location plan.

There are over 400 drill holes in MDI database including BHP, CRA, water bores and RIO drilling. The logging of these holes is ongoing and will provide insights to the locations of remobilised copper mineralisation and indicator minerals providing greater understanding of the growth fault feeder systems for the Iron Oxide Copper Gold department. (IOCG) Of particular interest is the findings of RIO which completed the drilling to define the SEABASE of the Georgina Basin when exploring for Phosphates. There is a significant cluster of drilling associated with the southern Exploration Licences (EL's) that will be followed up and may provide insight to the deposition of the phosphates in the Barkly Tablelands.

To effectively manage the plus 400 drill holes, MDI has established a drill hole and geological database system that allows for industry software to assess and present the drill hole and other geological data in an optimal manner. The data-entry will be completed during the March quarter to facilitate effective interpretation and presentation of the information in three dimensions from regional to local scale.

During the quarter MDI obtained a digital terrain model of the Georgina Basin detailing the SEABASE at commencement of deposition of the Georgina Basin sediments approximately 500million years ago. The SEABASE was compared with the MIRA model for the base of the Georgina Basin and found to be a better interpretation of the bottom of the Georgina Basin sediments.

Knowledge of the depth of the Georgina basin is of significant value to MDI as it will allow the geophysicists to truncate the targets that project through the basalt layer into the Georgina Basin. The Georgina Basin sediments are circa 500 million years old. The basalts 700 million years old and the basement sediments and granites 1.8 billion years old. Intrusives of 1.8 billion years old will not project into sediments of less than 700m years old.

Our geophysicists have completed the analysis of the SEABASE, basalt layers and now are rerunning the magnetics and gravity models using the SEABASE as a hard boundary. The results should be available during the March quarter 2023.

Planned March 2023 Quarter Activities

Armed with these 400 plus drill hole results, the SEABASE DTM of the Georgina Basin, 40,000km of airborne geophysics with gravity and magnetic data clipped at the basalt layer, the 4 drill holes assays results and a better understanding of the types of IOCG targets MDI is seeking, MDI will prepare the exploration programme for 2023.

Options for the 2023 exploration programme include:

- Soil geochemistry seeking trace indicators of targets below;
- Ground gravity and other geophysics;
- Collaboration with MINEX CDC and near neighbours working to make discoveries in the Barkly Tablelands;
- Drilling of highest priority targets; and
- Further analysis of new data as it becomes available to add to the weight of evidence leading to a discovery.

Mining Tenements

Middle Island Resources Limited advises the following information required under ASX Listing Rule 5.3.3 as of 31 December 2022.

Table 3 Middle Island Resources' Tenements				
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 33276	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

Safety, Environmental & Social

Health & Safety

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

Environment

No environmental incidents were recorded at the Company's projects and premises during the December 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

ABN:

70 142 361 608

Quarter ended ("Current Quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(162)	(1,270)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(107)	(248)
	(e) administration and corporate costs	(91)	(171)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	13
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
1.9	Net cash from / (used in) operating activities	(352)	(1,561)

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	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	3,686	4,895
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(352)	(1,561)
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)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,334	3,334

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	57	117
5.2 Call deposits at interest	3,236	3,528
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Term Deposits	41	41
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,334	3,686

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	-
<i>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.</i>	

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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(352)
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)	(352)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,334
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,334
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.47
<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

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

Date: **31 January 2023**

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

Notes

1. 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.
2. 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.
3. 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.