

31 October 2023

ASX: MDI

RENOUNCEABLE RIGHTS ISSUE

- **Renounceable Rights Issue on the basis of one (1) new Share for every two (2) Shares held, at \$0.015 per share to raise a minimum of \$1,000,000, and up to \$1,054,937 (before expenses).**
- **For every one (1) new Share issued under the Offer, shareholders will be issued one (1) free Option (initially unlisted), exercisable at \$0.015 each on or before 18 months from their date of issue.**
- **Shareholders can trade their rights, commencing 2 November 2023 for five business days, and can apply for additional shares with free attaching options.**
- **Mahe Capital is the lead manager of the issue.**

Middle Island Resources Limited (**the Company** or **MDI**) seeks to raise a minimum of \$1,000,000, and up to \$1,054,937, before costs, from the issue of up to 70,329,111 fully paid ordinary shares (**New Shares**) and 70,329,111 free attaching options to subscribe for shares, via a pro rata renounceable rights offer (**Offer** or **RRI**).

Under the Offer, for every two (2) shares held, Eligible Shareholders (being shareholders with an Australian or New Zealand address on the register as at 2 November 2023 (**Record Date**)) will be entitled (**Entitlement**) to subscribe for one (1) New Share. With every New Share issued, shareholders will receive one (1) free attaching unlisted option (**Option**). Each Option will be exercisable at \$0.015 and have a term of 18 months from issue. The Company reserves the right to list the Options on the ASX.

In addition to subscribing for their Entitlements, Eligible Shareholders may apply for the shortfall. Subject to the overriding discretion of the Board to determine the allocation of the shortfall as it sees fit, the Company intends to give priority to applications received from Eligible Shareholders.

The Board reserves the right to accept over subscriptions of up to 33,333,333 New Shares and up to 33,333,333 free attaching Options.

Microcaps have been trashed. It is impossible to predict when market sentiment will change. To the extent history is a guide to the future and whilst market sentiment may further fall, the inflection point to sentiment turning from negative to positive is hopefully within the timeframe between the raise contemplated under the RRI and when the Company needs to secure further funding. If that proves correct, then Shareholders will be exposed to the benefit thereof by virtue of the Offer rather than the Company having to:

1. dilute shareholders via a placement; or
2. exposing itself to becoming come issue by virtue by progressing its exploration activity without raising further funds now; or
3. adopt a scorched earth minimalistic spend survival approach pending the storm passing.

The cost of standing still and going nowhere is high making that alternative unattractive. The Company has many very interesting drill targets which merit drilling. The upside of any significant discovery, even

in this market, is spectacular. Net zero, believe it or not, is perceived by your Board to be a positive for the Company in the context of its potential for world class copper/gold deposits.

The timing of this RRI is thought, and hoped to represent, a basement level value event for our shareholders, positioning them to take advantage of the pricing as we head into what we believe are exciting times next year for the prospects of a mine discovery.

Prospectus and Entitlement & Acceptance Form

A prospectus setting out details of the Offer will be despatched to Eligible Shareholders on or about 7 November 2023. It will be accompanied by a personalised Entitlement and Acceptance Form as well as a “top up” application form.

Work Program Intentions and Corporate Activities

The primary purpose of the RRI security raising is to provide MDI with funding to drill targets located on the Company’s Northern Territory exploration projects at Barkly; the Board reserves the right to utilise the funds raised to assess, and if applicable, acquire further projects and for working capital purposes.

Timetable

Date of prospectus	31 October 2023
“Ex” Date – Rights trading commences on a deferred settlement basis	2 November 2023
Record Date	3 November 2023
Trading in renounceable rights ends	9 November 2023
Renounceable rights quoted on a deferred settlement basis	10 November 2023
Closing date for acceptance of Allocations (5:00pm AWST)	16 November 2023
Issue date, dispatch of holding statements	23 November 2023
Expected quotation of New Shares	24 November 2023

The above dates are indicative only. Notwithstanding any provision of this announcement or any other announcement or offer document, and to the fullest extent permitted by law, the Company may, from time to time and without giving any notice, abridge or further abridge, extend or further extend any period or vary or further vary any date or time period referred to in this offer document to such earlier or later date or for such period as the Company thinks fit whether or not the date to be varied has passed or the time period has expired.

Authorised for release by the Board

RELEASE AUTHORISED BY THE MDI BOARD:

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