

ABN 70 142 361 608

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

29 November 2024

Time of Meeting

3:00pm AWST

Place of Meeting

The Celtic Club
48 Ord Street
WEST PERTH WA 6005

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

*The **2024 Annual Report** may be viewed on the Company's website at www.middleisland.com.au*

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MIDDLE ISLAND RESOURCES LIMITED
ABN 70 142 361 608
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2024 Annual General Meeting of Middle Island Resources Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday 29 November 2024 at 3:00 pm AWST (**Meeting**) for the purpose of transacting the following business, in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary. All Resolutions will be conducted by poll.

2024 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, together with the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2024.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2024 Annual Report be adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting prohibition: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (b) by a person who is a member of the Key Management Personnel at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 1:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF BRUCE STEWART AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of article 6.3 of the Constitution and for all other purposes, Bruce Stewart retires by rotation as a Director, and being eligible and having offered himself for re-election, is re-elected as a Director."

NOTICE OF ANNUAL GENERAL MEETING - 29 NOVEMBER 2024

RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES UNDER ASX LISTING RULE 7.1 – OCTOBER 2024 PLACEMENT

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 32,760,103 fully paid Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who participated in the issue. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES UNDER ASX LISTING RULE 7.1A – OCTOBER 2024 PLACEMENT

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 21,840,069 fully paid Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who participated in the issue. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Voting exclusion: For the purposes of Listing Rule 7.3A, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who may participate in the 10% Placement Facility, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – APPROVAL FOR PROPOSED ISSUE OF BROKER OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,920,034 Options to acquire FP Shares exercisable at an exercise price of \$0.03 each, expiring on a date which is two years after the date of issue of the options, which expiry date is expected to be on or about 30 November 2026, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure A)."

Voting Exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Cygnet Capital Pty Ltd and Sanlam Private Wealth Pty Ltd and or their nominees or any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

NOTICE OF ANNUAL GENERAL MEETING - 29 NOVEMBER 2024

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a proxy to vote on their behalf. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint one or two proxies and if appointing two may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying Proxy Form and return it in accordance with its instructions prior to 3:00pm AWST on Wednesday 27 November 2024 by:

1. post to GPO Box 5193, Sydney NSW 2001;
2. email at meetings@automicgroup.com.au; or
3. online at <https://investor.automic.com.au/#/loginsah>.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the Proxy Form or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 3:00pm AWST on Wednesday 27 November 2024 will be entitled to attend and vote at the Meeting.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

ELECTRONIC COMMUNICATION

All Shareholders may, and are encouraged to, elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

REVOCATION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chair on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

NOTICE OF ANNUAL GENERAL MEETING - 29 NOVEMBER 2024

VOTING OF PROXIES

The Proxy Form accompanying this Notice confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Notice, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the Proxy Form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

By Order of the Board.

Rudolf Tieleman

Company Secretary

Date: 30 October 2024

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the Shareholders of the Company in connection with the business to be conducted at the annual general meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005, on Friday 29 November 2024 commencing at 3:00pm AWST and any adjournment thereof.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

All Resolutions will be conducted by poll.

FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2024.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- (a) discuss the Annual Report which is available online from the Company's website www.middleisland.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor if the question is relevant to:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Annual Report to be considered at the Meeting,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's office (+61 8 9322 1430).

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel.

The Remuneration Report has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site www.middleisland.com.au.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in

EXPLANATORY STATEMENT

the Remuneration Report. However, Shareholders will have the opportunity to remove the whole Board (except the managing director) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGM's.

Where a resolution on the Remuneration Report receives a Strike at two consecutive AGM's, the Company will be required to put to Shareholders at the second AGM a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2023 AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2025 AGM, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

1.2 Voting on the Remuneration Report

Please refer to the voting prohibition set out in the Notice for the persons who are not entitled to vote on Resolution 1.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

1.3 Directors' recommendation

The Directors recommend that Shareholders vote in favour of adopting the Remuneration Report.

RESOLUTION 2 – RE-ELECTION OF BRUCE STEWART AS A DIRECTOR

2.1 General

Mr Stewart was appointed as a Director on 13 July 2021.

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Mr Stewart will retire by rotation, and being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's biography and experience

Mr Stewart has been involved with global capital markets for 30 years, with an emphasis on mining and hard assets. His experience includes co-heading a global hard asset desk in New York City for Jefferies & Co, directorships on London listed mining companies, company reorganisation and sale, and various consultancy assignments from funds, investment banks and public and private companies.

EXPLANATORY STATEMENT

2.3 Directors' recommendation

All the Directors consider that Resolution 2 is in the best interests of the Company, as Mr Stewart's skills, knowledge and experience is valuable to the Company. All the Directors, except Mr Stewart, who has an interest in this Resolution, recommend that Shareholders vote in favour of Resolution 2.

The Chair intends to exercise all undirected proxies in favour of Resolution 2.

RESOLUTIONS 3 and 4 – RATIFICATION OF ISSUE OF SHARES – OCTOBER 2024 PLACEMENT

3.1 General

On 27 September 2024 and 1 October 2024 the Company announced that it had placed a total of 54.6M fully paid ordinary shares (**New Shares**) at 1.5 cents (\$0.015) each to sophisticated and professional clients of Cygnet Capital and Sanlam Private Wealth Pty Ltd (**Placement**), with the Placement being conducted within the Company's existing ASX Listing Rule 7.1 and 7.1A placement capacities, resulting in a capital raise of \$819K (before costs). Of that Placement, 32,760,103 New Shares were issued on 10 October 2024 within the Company's ASX Listing Rule 7.1 placement capacity, and 21,840,069 New Shares were issued on 10 October 2024 within the Company's ASX Listing Rule 7.1A placement capacity.

Broadly speaking, and subject to a number of exceptions, Listing Rules 7.1 and 7.1A limit the number of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% and/or 10% of the fully paid ordinary securities it had on issue at the start of that period;

The issue of New Shares does not fit within any of these exceptions and, as it has not yet been approved by MDI's shareholders, it effectively uses up almost all of the 15% and/or 10% limits in Listing Rules 7.1 and 7.1A, reducing MDI's capacity to issue further equity securities without shareholder approval under those Listing Rules for the 12-month period following the Placement issue Date;

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rules 7.1 and 7.1A, and so does not reduce the company's capacity to issue further equity securities without shareholder approval under those rules;

MDI wishes to retain as much flexibility as possible to issue additional equity securities without having to obtain shareholder approval for such issues under Listing Rule 7.1;

To this end, Resolutions 3 and 4 seek shareholder approval of the Placement under and for the purposes of Listing Rule 7.4;

If Resolution 3 is passed, the issue of 32,760,103 New Shares will be excluded in calculating MDI's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Shares issue Date;

If Resolution 4 is passed, the issue of 21,840,069 New Shares will be excluded in calculating MDI's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Shares issue Date;

If Resolution 3 is not passed, the issue of 32,760,103 New Shares will be included in calculating MDI's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the New Shares issue date;

If Resolution 4 is not passed, the issue of 21,840,069 New Shares will be included in calculating MDI's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the New Shares issue date;

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Resolutions 3 and 4 are ordinary resolutions, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

3.2 Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) the New Shares were issued to sophisticated and professional investors introduced by Cygnet Capital Pty Ltd and Sanlam Private Wealth Pty Ltd;
- (b) 32,760,103 fully paid Shares were allotted and issued by the Company within the Company's Listing Rule 7.1 capacity on 10 October 2024;
- (c) 21,840,069 fully paid Shares were allotted and issued by the Company within the Company's Listing Rule 7.1A capacity on 10 October 2024;
- (d) the Shares were fully paid ordinary Shares which rank equally with all other fully paid ordinary Shares on issue, and currently quoted as ASX:MDI;
- (e) the Shares were issued on 10 October 2024 with none of the issuees being a related party of MDI, a substantial holder, an advisor or an associate of any of the foregoing at the date of issue;
- (f) the Shares were issued at \$0.015 each;
- (g) a total of \$819,002 was raised from the issue of Shares with the net funds raised providing capacity to realise ambitions in identifying and selecting a more advanced project to compliment the Company's major copper-gold project in the NT - the funds will also assist with further exploration on MDI's existing projects and provide general working capital; and
- (h) a voting exclusion statement is included in the Notice.

3.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

The Chair intends to exercise all undirected proxies in favour of Resolution 3.

RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY

4.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of the period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its AGM, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes as at the date of this Notice. If, on the date of the Meeting, the Company is not an eligible entity under the Listing Rules for the purposes of Listing Rule 7.1A, then Resolution 4 will be withdrawn.

Resolution 5 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval. The exact

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number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

4.2 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows.

- (a) Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:
- (i) the date that is 12-months after the date of the AGM at which the approval is obtained; or
 - (ii) the time and date of the Company's next AGM; or
 - (iii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

The Company will only issue and allot the Equity Securities pursuant to the 10% Placement Facility during the 10% Placement Period.

- (b) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the relevant class of the Company's Equity Securities over the 15 Trading Days in which trades in the class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The Company may seek to issue the Equity Securities to raise funds for making (or to securing the right to make) one or more acquisitions and/or to further its existing projects; and/or general working capital; so that the Company has the necessary working capital and flexibility to consider, and if thought fit, to put it in a stronger position to make (or to secure the right to make) one or more acquisitions and/or to further its existing projects.
- (d) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the relevant class of the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

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The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable “A” calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable “A” in Listing Rule 7.1A.2		Dilution		
		\$0.009 50% decrease in Issue Price	\$0.018 Issue Price	\$0.036 100% increase in Issue Price
Current Variable A 273,092,725 Shares	10% voting dilution	27,309,272 Shares		
	Funds raised	\$245,783	\$491,567	\$983,134
50% increase in current Variable A 409,639,088 Shares	10% voting dilution	40,950,128 Shares		
	Funds raised	\$368,675	\$737,350	\$1,474,701
100% increase in current Variable A 546,185,450 Shares	10% voting dilution	54,600,171 Shares		
	Funds raised	\$491,567	\$983,134	\$1,966,268

The table has been prepared on the following assumptions:

- (i) Shareholders approve Resolutions 3 and 4.
- (ii) The Company issues, in a single allotment, the maximum number of Equity Securities available under the 10% Placement Facility.
- (iii) No existing Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

EXPLANATORY STATEMENT

- (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of this Meeting.
- (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities under the 10% Placement Facility includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (viii) The issue price is \$0.018 being the closing price of Shares on the ASX on 29 October 2024.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are neither a related party nor an Associate of a related party of the Company.
- (g) The Company last obtained Shareholder approval under Listing Rule 7.1A at the 2023 AGM held on 30 November 2023.

In accordance with Listing Rule 7.3A.6, as at the date of this Notice, the Company advises that it issued 21,840,069 Equity Securities during the 12-months preceding the date of the Meeting under Listing Rule 7.1A. This represented 10% of equity securities on issue at the commencement of that 12-month period. The fully paid ordinary shares were issued to sophisticated and professional clients of Cygnet Capital Pty Ltd and Sanlam Private Wealth Pty Ltd at \$0.015 each, a discount of 6.25% to the closing market price on the date of issue. The issue resulted in the receipt of \$327,601, none of which has yet been expended. The net funds raised will provide capacity to realise ambitions in identifying and selecting a more advanced project to compliment the Company's major copper-gold project in the NT. The funds will also assist with further exploration on MDI's existing projects and provide general working capital.
- (h) A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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4.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 5 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 5. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities whilst potentially avoiding the expense and delay involved in calling a special purpose general meeting of shareholders to seek approval to permit an equity issuance whilst averting the further potential of damaging the market capitalisation of the Company by signalling emphatically the Company is come-raise. The passing of Resolution 5 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval. Any utilisation of this additional placement capacity by the Company will be very judicious and Shareholder dilution will, of course, be a factor bearing on any deliberation as to whether to do so.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all undirected proxies in favour of Resolution 5.

RESOLUTION 6 – APPROVAL OF PROPOSED ISSUE OF OPTIONS TO BROKERS

5.1 General

The Company entered into agreements with each of Cygnet Capital Pty Ltd and Sanlam Private Wealth Pty Ltd, appointing both firms to act as brokers to the conduct of a placement to sophisticated and professional investors announced to the ASX on 27 September 2024 and 1 October 2024 (**Placement**).

The terms and conditions agreed with both firms agreed a 6% capital raising fee payable in cash, together with an issue of up to 10,920,034 free options (**Options**) on the basis of one Option for every five New Shares subscribed in the Placement, with each Option being exercisable at \$0.03, and expiring on a date which is two years from the date of issue, which expiry date is expected to be on or about 30 November 2026, and conditional upon shareholder approval being obtained.

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 10,920,034 broker Options.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that number which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period (adjusted for certain events over that 12-month period).

The effect of Resolution 6 will be to authorise the Directors to issue the Options without using the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 6 is passed, and the Options are issued, that issue will be disregarded for the purpose of calculating MDI's 15% limit, thus not adversely impacting the number of equity securities MDI can issue without shareholder approval over the 12-month period following the issue date of the Options.

If Resolution 6 is not passed, the Options will not be issued.

5.2 Information required by ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the Company will issue up to 10,920,034 Options to acquire Shares;

EXPLANATORY STATEMENT

- (b) the Company will issue the Options (and the issue date will be) within 3 months of the date of the Meeting or such later date as may be approved by ASX, but the intention is to issue the Options as soon as possible after the Meeting;
- (c) the Options will be issued as part consideration to Cygnet Capital Pty Ltd and Sanlam Private Wealth Pty Ltd, and/or their nominees, for acting as brokers to the placement effected in October 2024 under agreements whereby a capital raising fee of 6% (plus applicable GST) of the amount raised was to be charged together with the issue of one free unlisted option for every five shares placed;
- (d) the Options will be issued on the terms and conditions set out in Annexure A;
- (e) the Options will be issued to Cygnet Capital Pty Ltd and Sanlam Private Wealth Pty Ltd, and/or their nominee/s, none of whom are related parties of the Company;
- (f) the Company may but does not undertake to apply for quotation of the Options on ASX; and
- (g) no funds will be raised from the issue.

5.3 Directors Recommendation

The Directors of the Company believe that this Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

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PRO FORMA CAPITAL STRUCTURE FOLLOWING MEETING

The Company's capital structure following this Meeting (assuming the maximum issue of Equity Securities pursuant to approvals given under Resolution 6 but EXCLUDING the issuance of any Shares approved by Resolution 5 (Additional 10% Placement Capacity), will be as follows:

Shares	Number
Fully paid Shares	
Current (includes the issues ratified in Resolution 3)	273,092,725
Total FP Shares following the Meeting	273,092,725
Options to acquire FP Shares – All unquoted	
Exercisable at \$0.015 each, expiring 24.5.2025	77,312,202
Exercisable at \$0.0225, expiring 31.5.2025	9,300,000
Exercisable at \$0.075, expiring 30.11.2026	5,000,000
To be issued pursuant to Resolutions 5	10,920,034
Total Options following the Meeting	102,532,236

OTHER BUSINESS

The Company is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice.

EXPLANATORY STATEMENT

GLOSSARY:

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

10% Placement Facility has the meaning given in Section 4.1 of the Explanatory Statement;

10% Placement Period has the meaning given in Section 4.2 of the Explanatory Statement;

AGM means an annual general meeting;

Annual Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2024;

Associate has the same meaning as defined in section 11 and section 13 to 17 of the Corporations Act;

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

Auditor's Report means the auditor's report on the Financial Report;

AWST means Australian Western Standard Time;

Board means the board of Directors;

Business Day has the meaning as defined in the Listing Rules;

Chair means the person appointed to chair the Meeting, or any part of the Meeting;

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2001 (Cth)*;

Convertible Security means a security of the Company which is convertible into Shares;

Company means Middle Island Resources Limited ABN 70 142 361 608;

Constitution means the Company's constitution, as amended from time to time;

Corporations Act means *Corporations Act 2001 (Cth)*;

Director means a director of the Company;

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

Equity Securities has the same meaning as in the Listing Rules;

Explanatory Statement means the explanatory statement accompanying the Notice;

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

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Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company;

Listing Rules means the listing rules of the ASX;

Meeting has the meaning in the introductory paragraph of the Notice;

Notice means this notice of annual general meeting;

Placement has the meaning as defined in Section 6.1 of the Explanatory Statement;

Proxy Form means the proxy form attached to this Notice;

Remuneration Report means the section of the Directors' Report contained in the Annual Report entitled 'remuneration report';

Resolution means a resolution contained in this Notice;

Section means a section of the Explanatory Statement;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means the holder of a Share;

Spill Resolution has the meaning set out in Section 1.1 of the Explanatory Statement;

Strike has the meaning set out in Section 1.1 of the Explanatory Statement;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

ANNEXURE A

TERMS AND CONDITIONS

BROKER OPTIONS

The Options are issued on the following terms ("**Terms**"):

1. Each Option may be exercised by giving notice in that regard together with payment of the amount of **\$0.03 (3 cents) (Exercise Price)**.
2. Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in Middle Island Resources Limited ACN 142 361 608 (**Company**) upon the payment of the Exercise Price per Share subscribed for.
3. The Options will lapse at 5:00 pm (Perth, Western Australia time) on a date which is the second-year anniversary from their date of issue, with this expiry date expected to be on or about 30 November 2026 (**Expiry Date**).
4. The Options are transferable at any time in accordance with the Corporations Act 2001 and any applicable rules of ASX.
5. There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled (as a consequence of holding Option) to participate in new issues of capital that may be offered to shareholders during the currency of the Options.
6. The Option holder has the right to exercise Options prior to the date for determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options and will be granted a period of at least 3 business days before the relevant record date to exercise the Options.
7. Subject to any requirements of the Corporations Act and ASX Listing Rules, the Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so), Options can only be exercised in parcels of not less than 500,000, except where the total Options held by the holder is less than 500,000 (in which case, all Options held by the holder must be exercised and the costs of filing with ASX in connection with the exercise to be borne up front by the Optionholder). Subject to ASX listing rules, the Company shall not be obliged to issue Shares in response to an exercise of Options more frequently than once per calendar quarter. The Company may, in its discretion, waive this clause or any part of it and such a waiver may be subject to conditions or further limitations.
10. Subject to clause 7, the Options shall be exercisable at any time during the period (**Exercise Period**) ending on the Expiry Date by: (a) the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by cleared funds for the subscription monies for the Shares; or (b) such other form and method as may be approved by the Company from time to time. The Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it PROVIDED THAT if the remaining number be less than 500,000 those Options shall ipso facto lapse.
11. If the Company has entered into an agreement to underwrite the exercise of the Options and any Options remain unexercised at the Expiry Date, then the holder of those unexercised Options immediately, unconditionally and irrevocably appoints the Company as the Optionholder's agent to transfer (for no consideration to that holder) the unexercised Options to the relevant underwriter and, despite clause 8, that underwriter is entitled to exercise the unexercised Options within 14 calendar days (or such fewer days as the Company may determine in its absolute discretion) of the Expiry Date.
12. Subject to clause 7, the Company shall endeavour to allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
13. The Company does not undertake to apply for quotation of the Options on ASX.
14. If and whilst the Company is admitted to the official list of ASX, the following provisions apply and override the above provisions:
 - a. Notwithstanding anything contained in these Terms, if the ASX listing rules (**Listing Rules**) prohibit an act being done, the act must not be done.
 - b. Nothing contained in these Terms prevents an act being done that the Listing Rules require to be done.
 - c. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
 - d. If the Listing Rules require these Terms to contain a provision and they does not contain such a provision, these Terms are deemed to contain that provision.
 - e. If the Listing Rules require these Terms not to contain a provision and it contains such a provision, these Terms are deemed not to contain that provision.
 - f. If any provision of these Terms are or become inconsistent with the Listing Rules, these Terms are deemed not to contain that provision to the extent of the inconsistency.