



## 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](mailto:info@middleisland.com.au)  
[www.middleisland.com.au](http://www.middleisland.com.au)

**Middle Island Resources Ltd**  
ACN 142 361 608  
**ASX code: MDI**  
[www.middleisland.com.au](http://www.middleisland.com.au)

**Capital Structure:**  
586 million ordinary shares  
38,300,000 unlisted options

**Cash**  
\$2.80m (as at 31 March 2017)

**Directors & Management:**  
**Peter Thomas**  
Non-Executive Chairman  
**Rick Yeates**  
Managing Director  
**Beau Nicholls**  
Non-Executive Director  
**Dennis Wilkins**  
Company Secretary

**Contact:**  
Rick Yeates  
Mob: +61(0)401 694 313  
[rick@middleisland.com.au](mailto:rick@middleisland.com.au)

## ASX Release – 6 June 2017

### Option signed to acquire gold resource immediately adjacent to Sandstone gold project in WA

- Middle Island has signed an Option Deed to acquire a 100% interest in the Wirraminna gold project at an exercise price of \$300,000 payable at any time within a four-year period.
- Wirraminna is situated immediately adjacent to the Sandstone gold project and, importantly, within 1km of the Company's processing plant.
- Wirraminna hosts an existing **~10,000oz gold resource** (JORC 2004), at least two further mineralised laterite deposits and substantial deeper gold exploration potential associated with three intersecting, high grade, mineralised structures.
- Better previous drilling intercepts include:-
  - 11m at 23.8g/t Au**
  - 16m at 14.6g/t Au**
  - 19m at 4.85g/t Au**
- The Wirraminna acquisition represents an immediate opportunity to access higher grade open pit mineralisation that may provide a catalyst for earlier recommissioning the Middle Island's Sandstone gold processing plant.
- The Option Deed was granted in consideration of Middle Island also entering a surface detecting rights agreement (Tribute Agreement) over agreed areas within Middle Island's existing two Sandstone tenements.
- Under the Tribute Agreement MDI will receive 15% of the gross proceeds of any surface gold detected and recovered from those agreed areas within M57/128 & M57/129.

## **SANDSTONE GOLD PROJECT (WA)**

### **Wirraminna Option Deed & Tribute Agreement**

Middle Island Resources Limited (Middle Island, MDI or the Company) is pleased to announce that its 100% subsidiary, Sandstone Operations Pty Ltd (**SOPL**), has executed a deed (Option Deed), whereby SOPL has the option to acquire a 100% interest in the Wirraminna gold project, comprising Prospecting Licence Application (PLA) 57/1395, from prospectors, Mr Kym McClaren and Mr Karl Mansen upon payment of \$300,000 at any time within the next four years.

During the option period, Middle Island will have access to explore for sub-surface gold, while the vendors will retain the surface gold rights to a depth of two metres.

The Option Deed was executed simultaneously with a four-year Tribute Agreement, conferring upon Mr McClaren the right to undertake surface gold detecting activities within the top two-metres of agreed areas within Middle Island's Sandstone tenements, M57/128 and M57/129 (which are held in SOPL's name). Under the Tribute Agreement, Mr McClaren will be responsible for all costs and associated environmental liabilities incurred in respect of, or as a consequence of, his activities as permitted under the Tribute Agreement, with Middle Island to receive 15% of the gross value of any gold recovered in exercising the tribute rights. Defined resources and key exploration targets within M57/128 and M57/129 are excluded from the tribute rights.

The Option Deed and Tribute Agreement are subject to the successful grant of Wirraminna PLA57/1395 and the satisfaction or waiver of several other conditions usual in these types of transactions.

### **Wirraminna Gold Project**

The Wirraminna gold project (PLA57/1395) covers an area of 40.64ha and is contiguous with the western boundary of the Company's existing Sandstone gold project, as shown in Figure 1. Importantly, the Wirraminna project lies only 1km west of the Company's 600,000tpa Sandstone gold processing plant.

The Wirraminna project hosts an Inferred Resource (JORC 2004) of **106,300t at 2.07g/t Au (10,674oz)**, estimated by Snowden Mining Industry Consultants for Troy Resources NL in June 2006. Mineralisation is associated with a steeply dipping, northwest-trending, high grade quartz lode (Wirraminna line) that remains open at depth and, to a lesser extent, along strike to the northwest and southeast.

*There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources.*

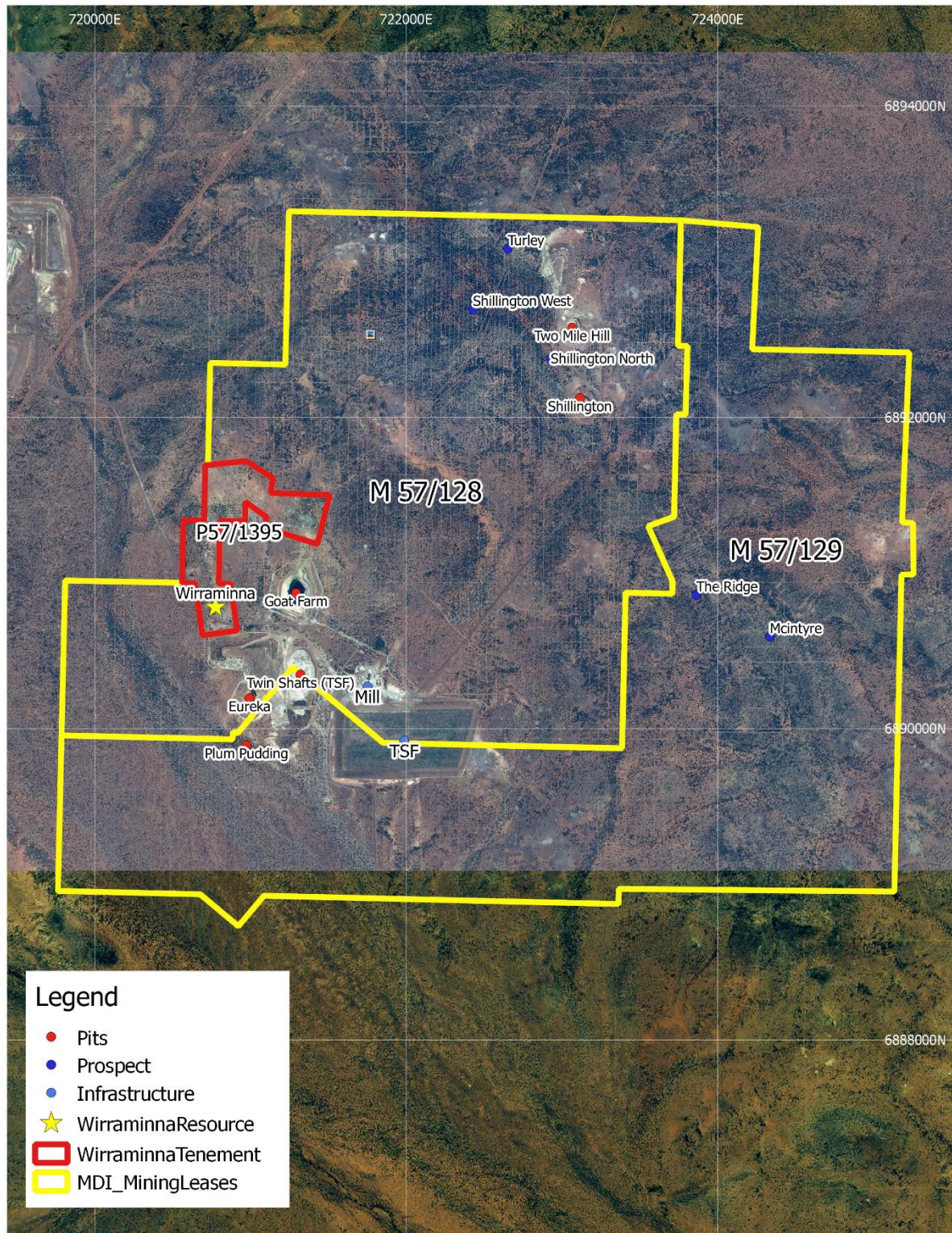
The Company intends to upgrade the resource to a standard consistent with the 2012 JORC Code guidelines in 2017/18, via verification and infill RC and diamond core drilling.

Better previous reverse circulation percussion (RC) drill intercepts include:-

- RC007            **11m at 23.8g/t Au** (from 35m down-hole).
- NGRC72        **16m at 14.6g/t Au** (from 42m down-hole).
- RC002            **19m at 4.85g/t Au** (from 40m down-hole).



**Figure 1**  
**Sandstone gold project (yellow) showing the adjacent Wirraminna project (red) and proximal key infrastructure**



Middle Island Resources  
Wirraminna Prospect

GDA94 MGA Zone 50

500 0 500 1000 m

North



The Wirraminna project also hosts two identified, but as yet unquantified, mineralised laterite occurrences at surface, associated with the intersection of three distinct mineralised trends (Wirraminna, Goat Farm & Twin Shafts lines). Little meaningful exploration has been undertaken beneath or between these laterite occurrences, particularly along the Goat Farm line.

The Wirraminna transaction is all the more significant given the findings of MDI's recently completed targeting study on its adjacent Sandstone project, which identified Wirraminna to incorporate the western margin of a substantially larger, intrusive-related target at depth, inferred from gravity data.

**Wirraminna Exploration Priorities**

Subject to available funding, exploration planned for the Wirraminna Project in 2017/18 includes:-

- Verification, infill and extension RC and diamond core drilling on the Wirraminna deposit.
- Re-estimation of the Wirraminna resource to a standard consistent with the 2012 JORC Code guidelines.
- Undertake pit optimisation studies on the Wirraminna deposit to evaluate its contribution to the proposed Sandstone production schedule.
- Undertake deeper, pre-collared diamond drilling on the Wirraminna deposit to assess the potential for subsequent underground mining.
- Undertake aircore drilling of the two identified mineralised laterite occurrences in order to quantify the potential for supplementary, shallow, open pit mineralisation.
- Undertake initial RC drilling below the mineralised laterite occurrences in order to assess the saprolite, open pit potential beneath an anticipated zone of gold depletion.
- Undertake initial RC drilling along the Goat Farm line.
- Complete a detailed ground gravity survey to supplement that already completed over the adjacent sandstone project.

**Middle Island Managing Director, Mr Rick Yeates:**

"Wirraminna is the exciting first step in what we plan will be a series of like consolidations, each designed to extend and enhance the proposed production profile for the Sandstone gold processing operation."

"More immediately, the existing Wirraminna resource provides a potential catalyst towards an earlier recommissioning of the Sandstone gold processing operation."

"Significant gold exploration potential is considered to exist within the highly mineralised Wirraminna project, on which the original Nunngarra town site (predecessor to Sandstone village) was centred."

"Middle Island will work closely with the Wirraminna vendors, in relation to both the Option Deed and Tribute Agreement, to deliver a mutually rewarding outcome."



COMPANY CONTACTS:

Rick Yeates – Managing Director +61 (0)401 694 313

MEDIA CONTACT:

Kevin Skinner Field Public Relations +61 (0)8 8234 9555 / +61 (0)414 822 631

WEBSITE: [www.middleisland.com.au](http://www.middleisland.com.au)

**Forward Looking Statements**

Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of Middle Island, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.

**Competent Persons' Statement**

Information in this report relates to exploration results that are based on information compiled by Mr Rick Yeates (a Member of the Australasian Institute of Mining and Metallurgy). Mr Yeates is a fulltime employee of Middle Island and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration 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 Yeates consents to the inclusion in the release of the statements based on his information in the form and context in which they appear.

The reported resource estimates are consistent with the 2004 JORC Code guidelines and are not reported in accordance with the JORC 2012 Code, and a Competent Person has not completed sufficient work to accurately classify the 2004 estimates as Mineral Resources under the JORC 2012 Code. Indeed it is uncertain if, following further exploration, the 2004 estimates will be able to be reported as Mineral Resources in accordance with the 2012 JORC Code.