

ASX Release – 14 December 2017

Middle Island completes \$1.9m Placement to progress the Sandstone Gold Project in Western Australia

Placement

Middle Island Resources Ltd (**Middle Island** or the **Company**) is pleased to announce that the Company has received binding commitments from new and existing institutional and sophisticated shareholders for a private placement of 111,617,647 fully paid ordinary shares at A\$0.017 (1.7 cents) per share to raise \$1,897,500 (before costs) (**Placement**).

The proceeds from the Placement, combined with the Company's existing cash balance, will be used to fund exploration and development work at the Sandstone Gold Project, primarily focussed on the Two Mile Hill tonalite deeps deposit. Exploration and development activities will include resource definition diamond drilling, ore sorting trials, independent resource updates and underground mining studies. In addition, the funds will be applied to exploration drilling at other targets within the Sandstone tenure, the deferred acquisition payment and general working capital.

The Placement was made via the Company's existing placement capacity, with 87,942,568 shares issued under ASX Listing Rule 7.1 and 23,675,079 shares in accordance with Listing Rule 7.1A.

Bell Potter Securities Limited and Patersons Securities Limited acted as Joint Lead Managers.

The Directors of Middle Island gratefully acknowledge the continued support of key, long-term shareholders, and warmly welcome several new shareholders to the register, each of whom now share in the opportunity to participate in the exploration and development of the exciting, and potentially game-changing Two Mile Hill tonalite deeps gold discovery at Sandstone.

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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.