



Middle Island
RESOURCES LIMITED

Middle Island Resources Ltd
ACN 142 361 608
ASX code: MDI
www.middleisland.com.au

Capital Structure:
698 million ordinary shares
30,000,000 unlisted options

Cash
\$1.12m (as at 30 September 2018)

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

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ASX Release – 27 November 2018

WA Sandstone Gold Project planned H1 2019 Greenfields Exploration program

The Company is pleased to provide more details of Greenfields exploration planned on Middle Island's WA tenements in the next six months:

- Auger/RAB geochemical drilling priority for Greenfields targets.
- RC drilling of Davis gold-arsenic auger/aircore anomalies.
- RAB drilling to test gold in soil anomalies at Dandaraga.
- Initial greenfields exploration on recently acquired Jew Well property.
- RAB and/or RC drilling of other high priority targets on the Sandstone project.

SANDSTONE GOLD PROJECT (WA)

Middle Island Resources Limited (ASX: MDI, Middle Island, the Company) is pleased to provide an outline of new greenfields exploration activities proposed for the first half of 2019 at the Company's Sandstone gold project in Western Australia. This new program is in line with the September Quarterly planned activities and is included under the proposed use of funds as outlined in the entitlement offer document released on 21 November and due to close on 14 December 2018.

RC drilling gold-arsenic targets at the Davis prospect

A Weights of Evidence (WoE) targeting study of the Company's Sandstone gold project was carried out by structural geologist Dr Brett Davis of Orefind Pty Limited in the March quarter of 2017. This identified and ranked a number of prospective areas within the Sandstone project area and of these targets only the Davis prospect has so far been tested.

A geochemical auger and aircore drilling programme was completed at the Davis prospect, which lies in the south-western portion of the Sandstone project, within 1km from the processing plant, beneath transported sheetwash (Figure 1). The results of this programme, reported in the Company's ASX release dated 12 September 2017, defined four significant new blind gold anomalies, with peak values up to 688ppb Au (0.68g/t), and a strong coincident arsenic response, as shown in Figure 1. Each of the four defined anomalies has a strike length of ~200m, consistent with proximal previously mined deposits.

Two traverses of reconnaissance RC holes (5 holes for 386m) were drilled across the Davis East and Davis West anomalies to determine the nature and tenor of associated saprolitic mineralisation. The results were reported in ASX release dated 2 November 2017. The RC holes encountered broad zones of ferruginous quartz veining within saprolitic ultramafic rocks, similar in appearance and setting to gold mineralisation at the adjacent Wirraminna and Eureka deposits. Initial results included a best intercept of 1m @ 1.88g/t Au from 23m depth in MSRC259 at Davis West.

A programme of 8 RC holes is proposed to test the two blind gold anomalies that were not drilled during the previous drill programme, and to follow up on the results from the previous RC drilling at Davis East and Davis West.

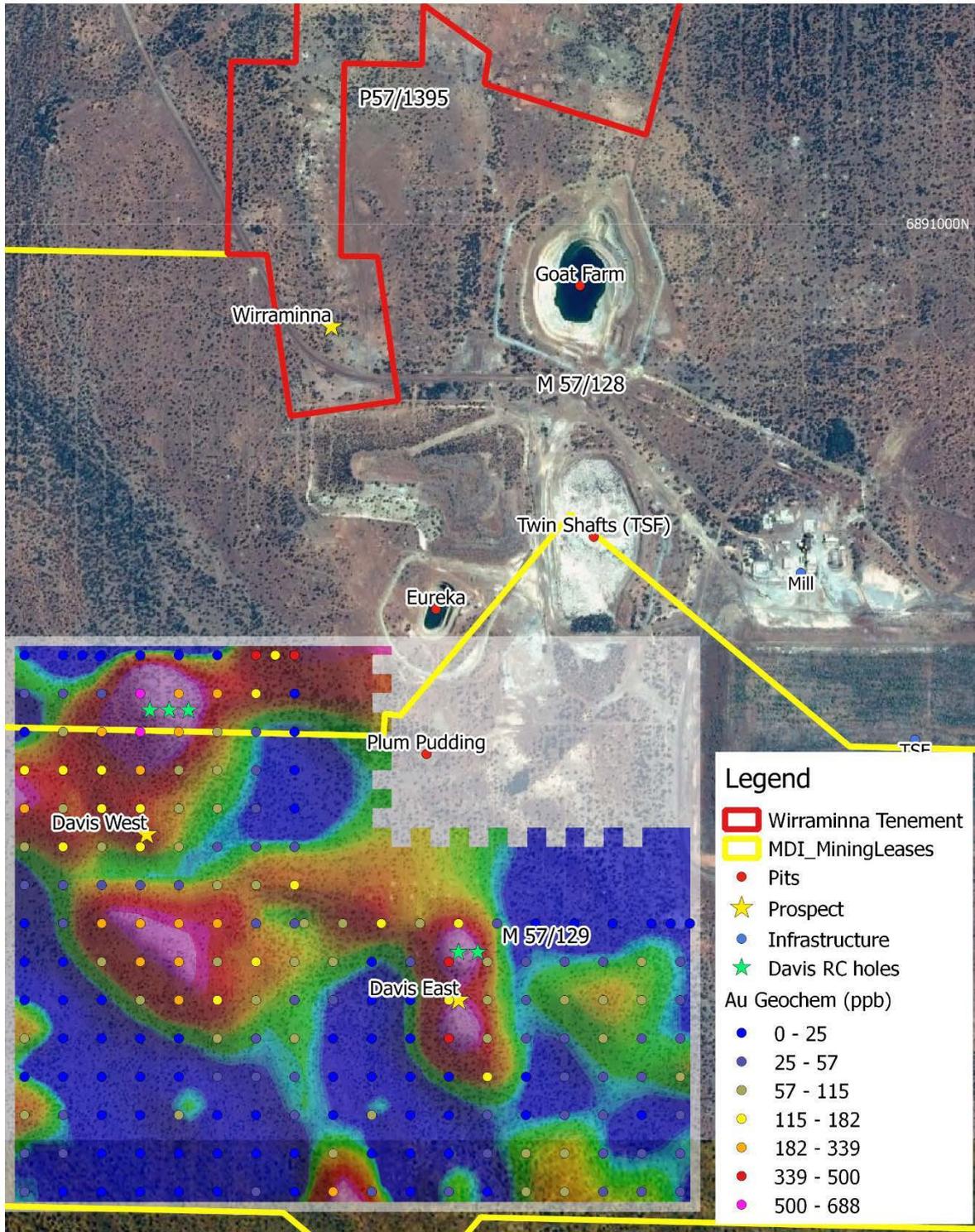
Auger/Aircore drill testing of Weights of Evidence targets

In addition to the Davis target, several other WoE targets were identified within the southern portion of the Sandstone project, also veneered by transported sheetwash cover (Figure 2). Historically exploration activities in this area have been restricted to broad spaced soil sampling and limited shallow vacuum and RAB drilling that failed to adequately test beneath the transported cover.

An initial programme of geochemical auger and aircore drilling, comprising approximately 200 holes on a 160m x 40m grid, will test eleven WoE targets across the southern portion of Mining Lease M57/129 (Figure 2). This includes a cluster of targets identified along strike from the southern end of the McIntyre prospect, which area only includes broad spaced soil sampling traverses within transported cover that has not previously been drill tested.



Figure 1
Results of 2017 Davis auger and aircore drill programme.



Middle Island Resources
Davis Auger/Aircore
Geochem

200 0 200 400 m



GDA94 MGA Zone 50



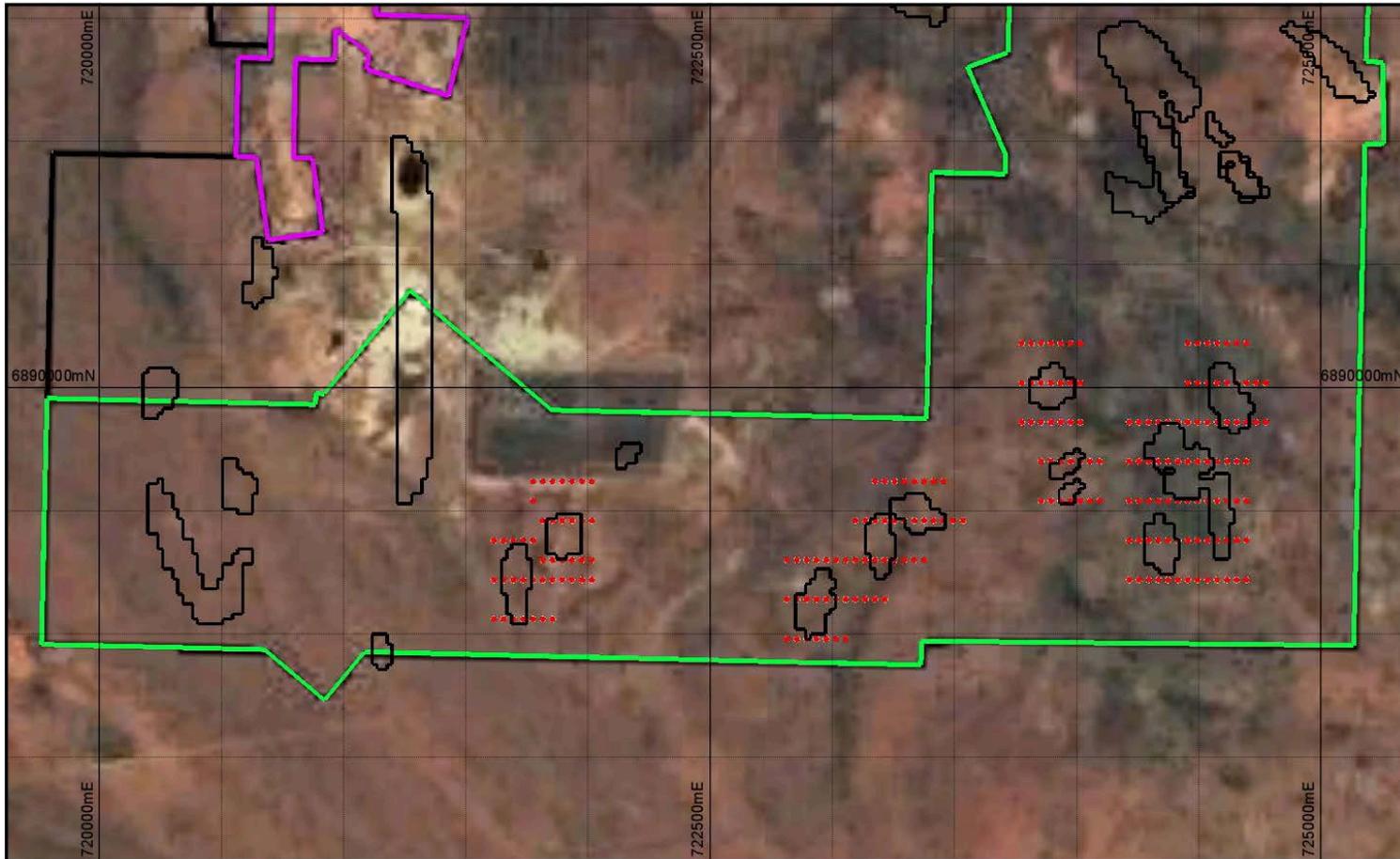
North



Middle Island
RESOURCES LIMITED



Figure 2
Proposed drill holes to test selected Weights of Evidence targets within the southern portion of M57/129 the Sandstone project



Middle Island Sandstone Project Proposed Drill hole collars	Scale 1 : 22400.5	Plot Date 23-Nov-2018	Sheet 1 of 1
	Plot File: Vizex		
	200 0 200m		





Dandaraga RC drill testing of soil anomalies

As reported in the September quarter of 2018, an exploration program of geological mapping, rock chip sampling, and soil sampling was carried out over the 605Ha Dandaraga tenement, held by the Company under an Option Agreement. Soil sampling was undertaken on a nominal 160m x 40m pattern in order to achieve high anomaly resolution. Areas of outcrop/subcrop were sampled manually, with areas of shallow alluvial cover sampled using a 4x4-mounted auger rig.

Three cohesive gold in soil anomalies were identified as the Agnes, Enigma and Central (Swede) gold anomalies (Figure 3). Agnes represents a cohesive, high tenor anomaly (maximum 108ppb Au), 600m x 600m in area, located in the axis of a north-northeast plunging anticline along eastern margin of the tenement. This anomaly is broadly consistent with, and includes, the Agnes gold workings, which appear to be associated with auriferous stockwork quartz veining within dolerite. The anomaly extends to include the brecciated, gossanous and quartz veined BIF (which is known to host visible gold) to the immediate west of the Agnes Prospect.

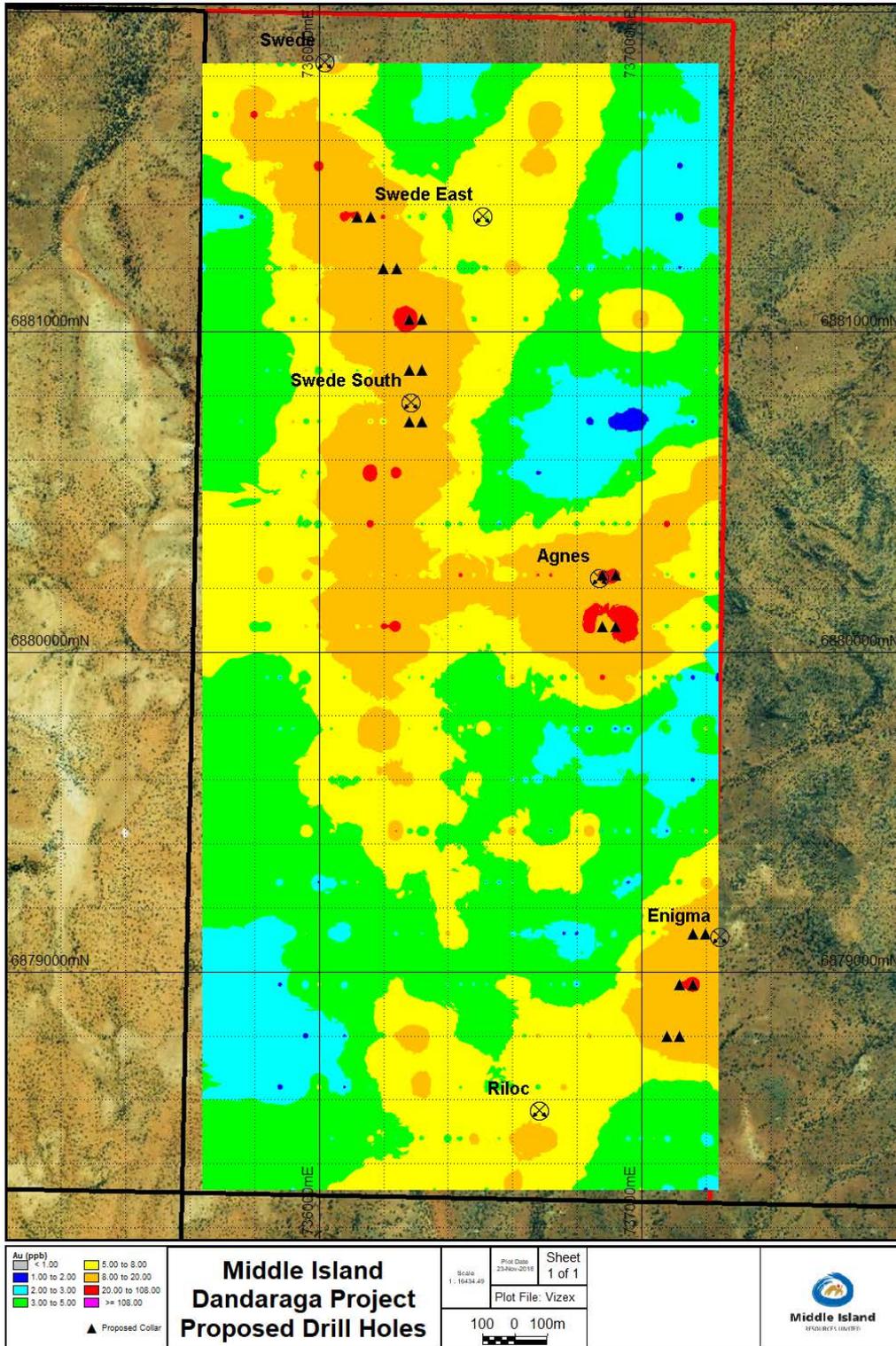
The Enigma gold anomaly comprises a similarly cohesive, broad, lower tenor (maximum 41ppb Au) anomaly that is some 500m long by at least 300m wide. The anomaly includes a series of NNE trending gold workings located close to the tenement boundary, to the west of which is located a zone of extensive gossan development. The anomaly appears to coincide with a broad alluvial area that has been the subject of limited metal detecting activity.

The Central (Swede) gold anomaly comprises an extensive (2.4km long), elongate, moderate tenor (maximum 64ppb Au) target that extends from the Doris gold workings near the north-western corner to the south-central portion of the tenement. The northern portion of the anomaly appears to coincide with a prominent BIF unit, the southern end of which appears to be truncated or offset by faulting. The southern continuation of the anomaly is associated with series of quartz veins and felsic porphyry dykes within an otherwise mafic-dominated stratigraphy.

An RC drill programme of 20 holes is proposed to test these gold soil anomalies for a mineralised bedrock source (Figure 3). Drilling will comprise several East-West orientated sections across the trend of the soil anomalies, these will also test the extension along strike of mineralisation associated with historic gold workings at Swede, Agnes, and Enigma.



Figure 3
Location of proposed RC drill holes over imaged gold soil results at Dandaraga





Initial Greenfields exploration of Jew Well tenement

The recently acquired (subject to finalising a heritage agreement) Jew Well Exploration Licence (E57/1102), comprising an area of 158.4 km², occupies the southern end of the western limb of the Sandstone anticlinorium (Figure 4). The tenement has received minimal exploration activity, principally comprising broad spaced soil sampling across the northern third of the tenement, airborne geophysical surveys, and several broad spaced lines of shallow RAB and vacuum drilling, also focussed on the northern third of the tenement. Several magnetic targets were identified by Troy Resources for drill testing, but the tenement was relinquished before these targets were drilled.

An initial, more systematic, low cost programme of geological mapping, rock chip sampling and soil sampling is proposed to determine the gold potential of the tenement, which includes the northern strike extensions of the Bellchambers Mining Centre, and the southern strike extensions of the Good Hope and Twin Reefs historic gold mines.

RC drilling at McIntyre prospect

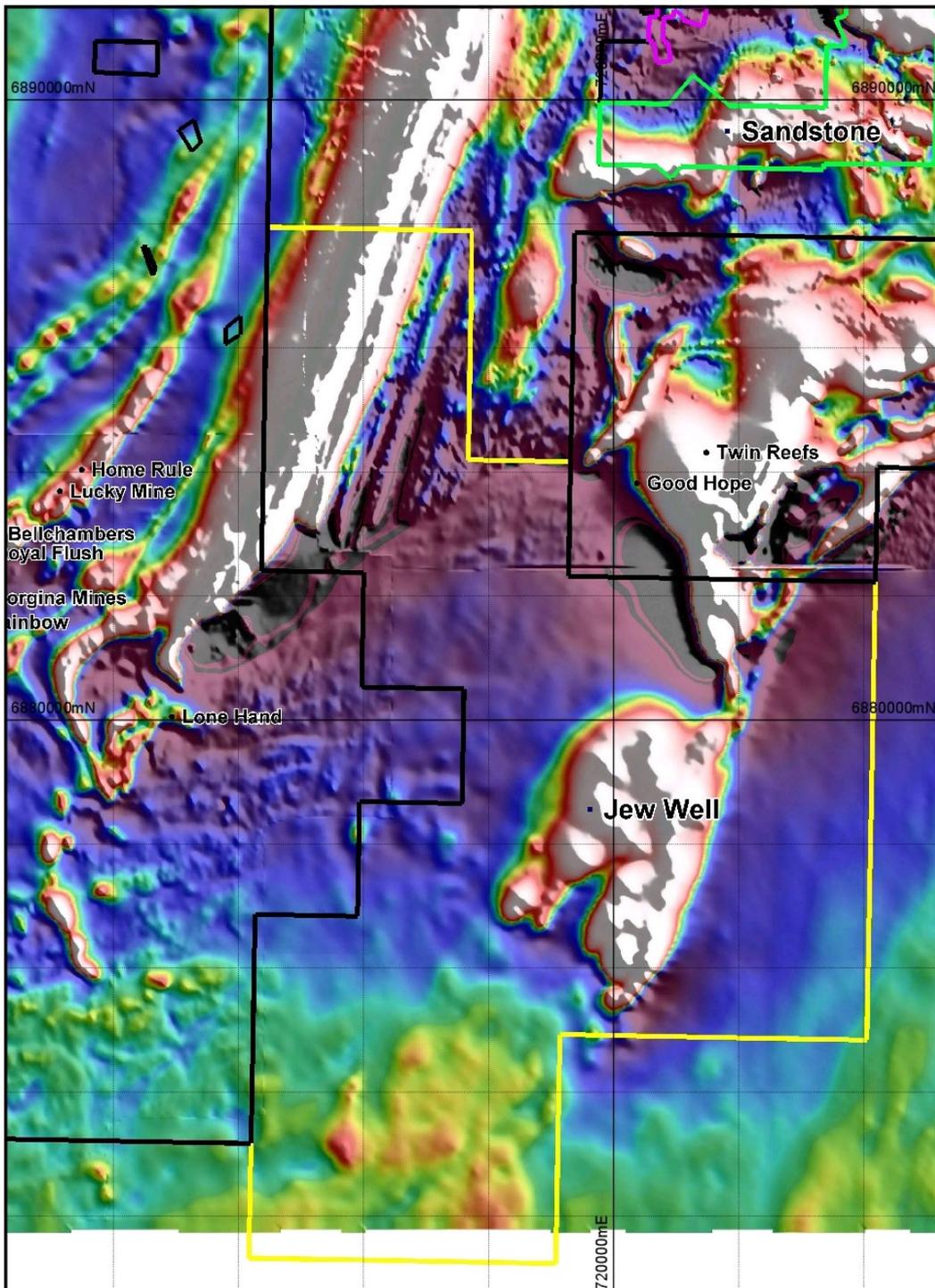
Historic soil sampling and rock chip sampling around the McIntyre prospect have identified a broad blanket of weakly anomalous gold in soils, which is related to mineralisation associated with extensions of the sub-horizontal to shallow NE dipping Shillington banded iron formation (BIF). The mineralisation potential of the BIF is confirmed by results of historic drilling completed by Herald Resources and Troy Resources, with better results including 24m at 1.80g/t Au from surface in hole TRC554, and 15m @ 3.36g/t Au from 24m in hole MKL017.

In the May quarter of 2017, Middle Island carried out an RC drill programme that tested two elements of the substantial McIntyre prospect (Figures 5 and 6), the programme was designed to confirm and extend broad, shallow gold intercepts encountered in previous RAB and limited RC drilling within the south-eastern extensions of the Shillington BIF, and was reported in ASX release of 8 June 2017.

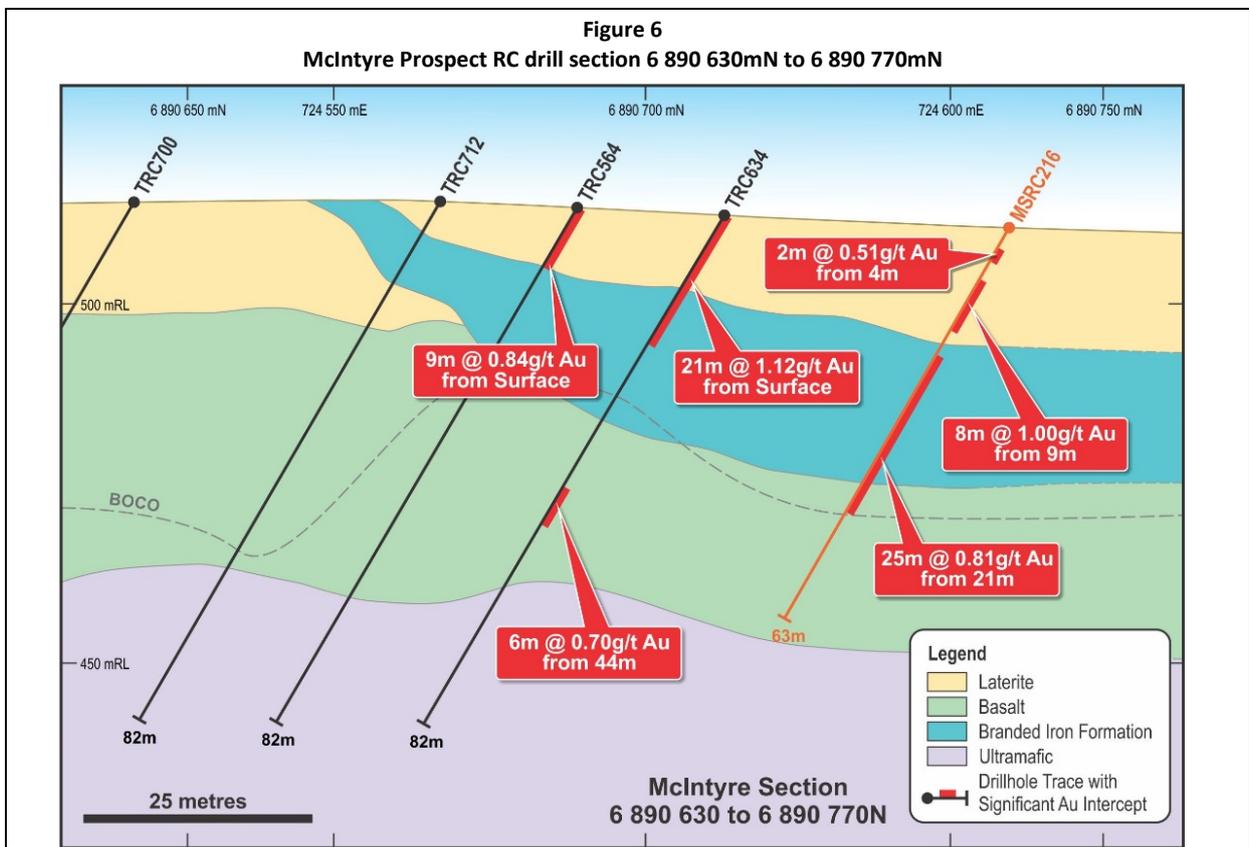
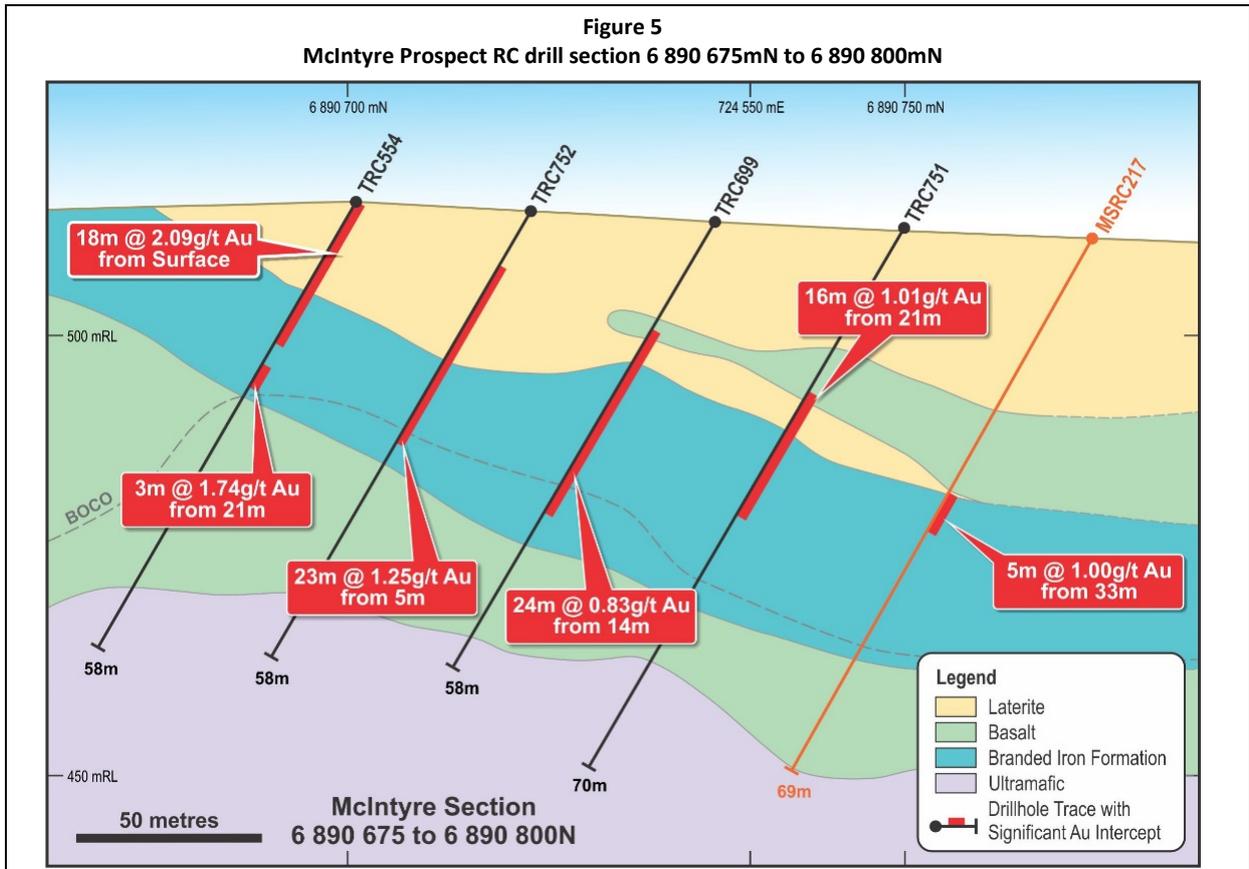
Results of the drill testing were encouraging, and warrant further drilling to test the extensions of the intersected mineralisation.



Figure 4
Airborne magnetic data over the Jew Well tenement area



Middle Island Total Magnetic Intensity (NE Shade) image of the Jew Well tenement area	Scale 1: 80 318.9	Plot Date 26-Nov-2018	Sheet 1 of 1
	Plot File: Vizex		
500 0 500m			





Comments:

“A recommissioning decision for the Sandstone gold operation is predicated on defining adequate gold resources, at an acceptable grade, to justify the modest recommissioning costs and ensure sustainable production. This is being progressively achieved via a dual approach; systematic exploration on Middle Island’s own tenure and engagement with neighbouring companies to consolidate adjacent deposits.

The Company’s exploration to date at the Sandstone project has been largely focussed on the successful assessment of Brownfields Targets, such as the Two Mile Hill deposit, with the majority of Greenfields Targets remaining untested or inadequately tested.

As such, in addition to advancing the Two Mile Hill deposit, exploration in H1CY19 is focussed on identifying and quantifying additional open pit deposits of sufficient grade to facilitate a recommissioning decision.

Middle Island looks forward to progressively reporting the results of these programmes as they come to hand.”

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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.

Competent Persons’ Statement

Information in this report relates to exploration results based on information compiled by Mr Rick Yeates. Mr Yeates is a Member of the Australasian Institute of Mining and Metallurgy and a fulltime employee of Middle Island Resources Limited. Mr Yeates has sufficient experience, which is relevant to the nature of work and style of mineralisation 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.