



Exploring Golden Frontiers

Middle Island Resources Towards a Sandstone Recommissioning

RIU Sydney Resources Roundup - May 2019



Middle Island
RESOURCES LIMITED



Disclaimer Notice and Competent Person's Statement



Disclaimer Notice

The material in this presentation ("material") is not and does not constitute an offer, invitation or recommendation to subscribe for, or purchase any security in Middle Island Resources Limited ("MDI") nor does it form the basis of any contract or commitment. MDI makes no representation or warranty, express or implied, as to the accuracy, reliability or completeness of this material. MDI, its directors, employees, agents and consultants shall have no liability, including liability to any person by reason of negligence or negligent misstatement, for any statements, opinions, information or matters, express or implied, arising out of, contained in or derived from, or for any omissions from this material except liability under statute that cannot be excluded.

Forward Looking Statements

Statements contained in this material, particularly those regarding possible or assumed future performance, timeframes, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of MDI, 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.

Previously Reported Information

This presentation includes information that relates to Mineral Resources, Exploration Targets and exploration results which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous ASX announcements as follows:-

- Mineral Resources: ASX Releases 14 December 2016 & 8 December 2017.
- Exploration Targets: ASX Release 29 November 2017.
- Exploration Results: ASX Releases of 18 January 2017, 12 September 2017, 14 November 2017 & 19 December 2018.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcements.

Capital Structure

ASX Code: MDI

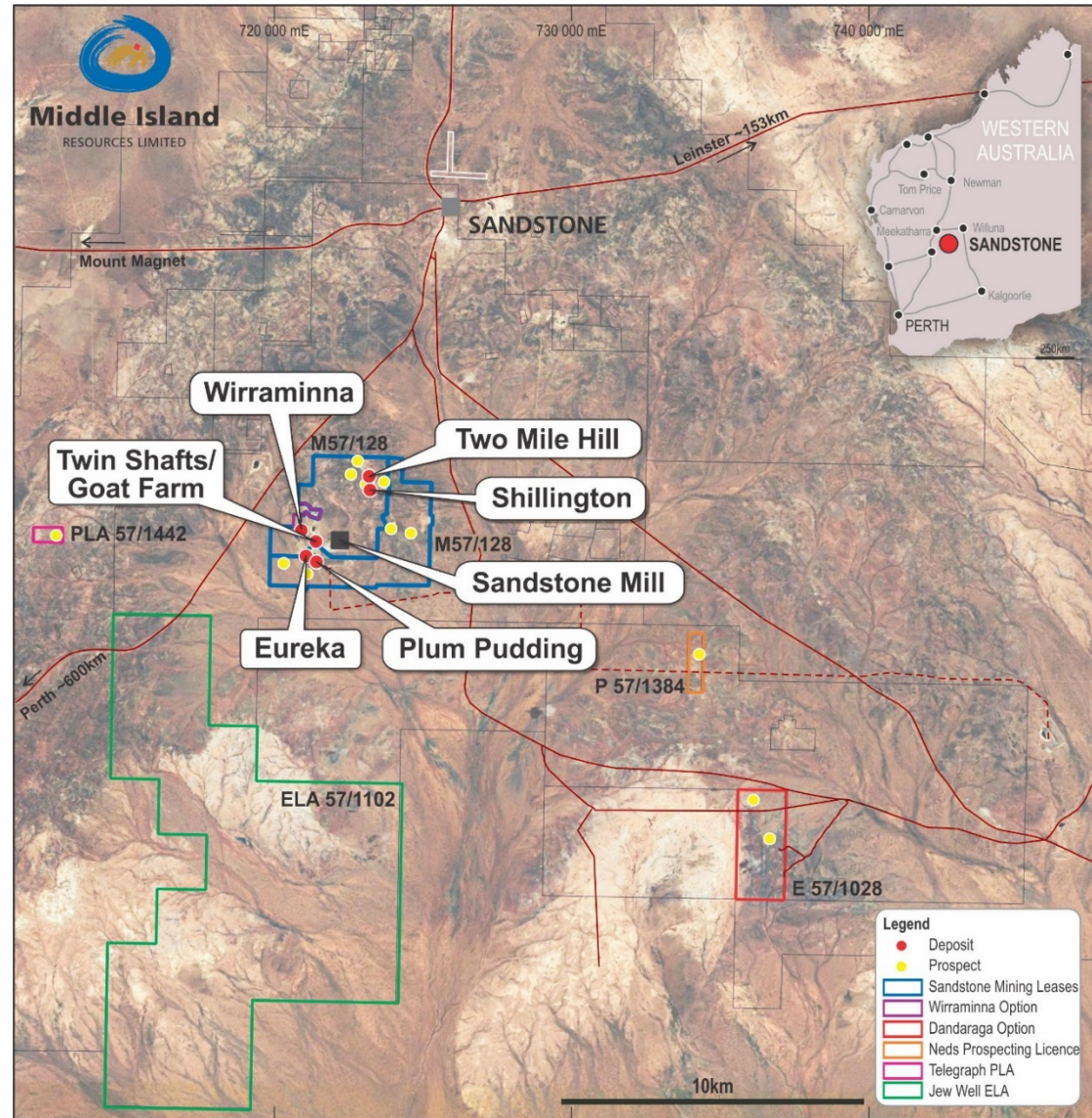


Shares on Issue	1,047M
Unlisted Options	379M
Number of Shareholders	676
Top 20 Shareholders	66%
Institutions	20%
Directors	11%
Cash & Liquid Investments (as at 31 March 2019)	A\$1.4M
Market Cap (A\$0.008/share at date of Bidder's Statement)	A\$8.3M

Sandstone Gold Project - Location & Tenure



- 11km south of Sandstone, 400km NW of Kalgoorlie.
- Sealed highway between Mt Magnet & Leinster.
- 100% interest (or rights to 100%) in 191km².
- Includes two fully permitted Mining Leases that pre-date Native Title.
- Existing gold processing plant on site.
- Operating licence, permitted tailings storage & bore field.



Processing Plant & Infrastructure



- 600,000tpa CIP plant on care & maintenance.
- Includes conventional grinding, milling & leach circuits.
- Estimated refurbishment cost of \$10.3M, including owner's costs.
- Will include purpose-designed crushing circuit to treat all ore types.
- Fully permitted, with operating licence.
- Only processing plant for 150km.



Processing Plant & Infrastructure



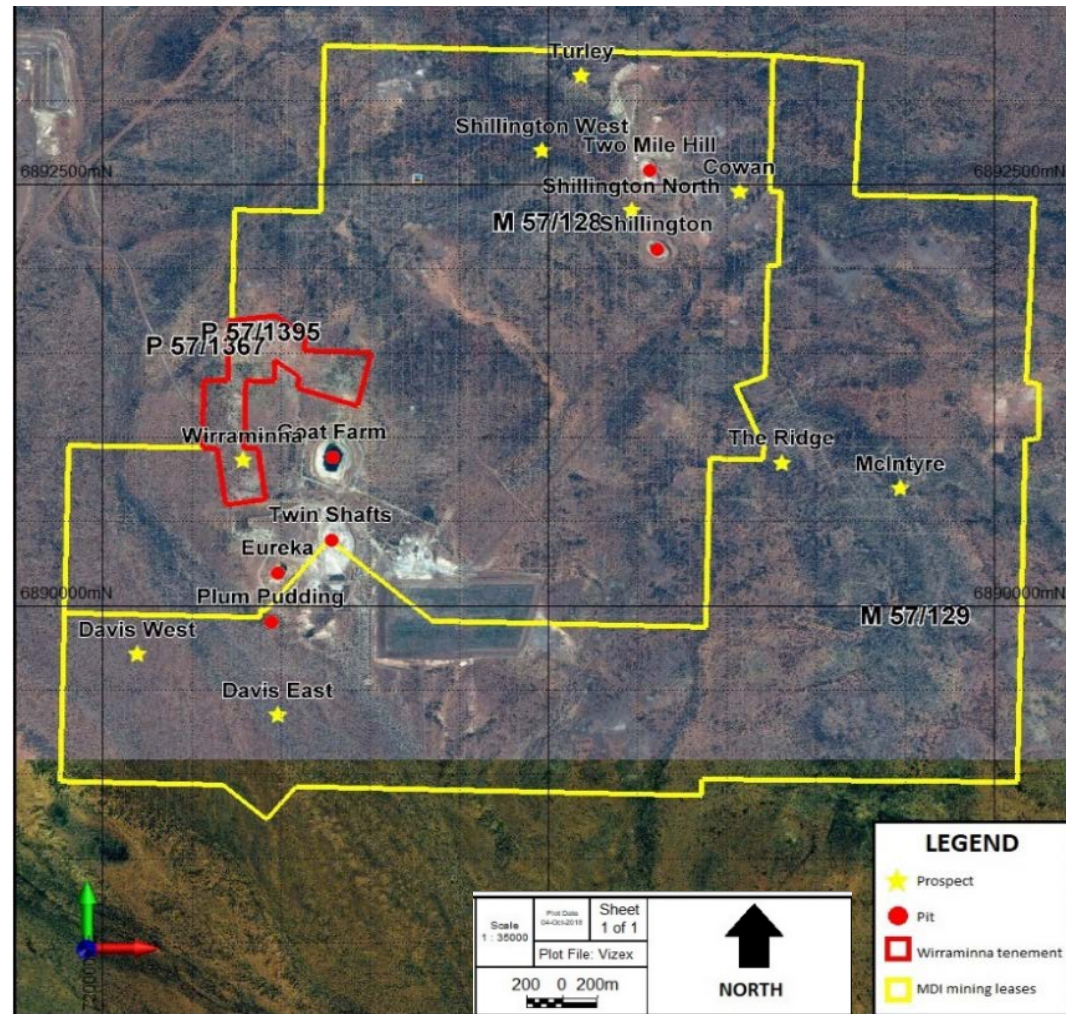
- **Contract diesel-generated power plant.**
- **Fuel tanks, workshops, laboratory & mine offices.**
- **Substantial inventory of equipment & spares.**
- **Permitted tailings facility & bore field.**
- **Fully equipped camp (accommodating 100) on freehold title in nearby Sandstone township.**
- **Well-maintained airport to service FIFO operations.**
- **4-6 months to refurbish mill & infrastructure.**



Sandstone Gold Project – Mineral Resources



- JORC 2012 Mineral Resources of **125,300oz gold**
- *Exploration Target of 24-34Mt at 1.1-1.4g/t for **900,000oz to 1.5Moz gold**.
- Six existing open pits.
- **Four defined open pit deposits** aggregating 125,300oz; Two Mile Hill, Shillington, Shillington North & Wirraminna.
- Seven priority exploration prospects.
- 19 untested 'weights of evidence' targets.



**The potential quantity and grade of an Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Sandstone Gold Project – Strategy & Vision



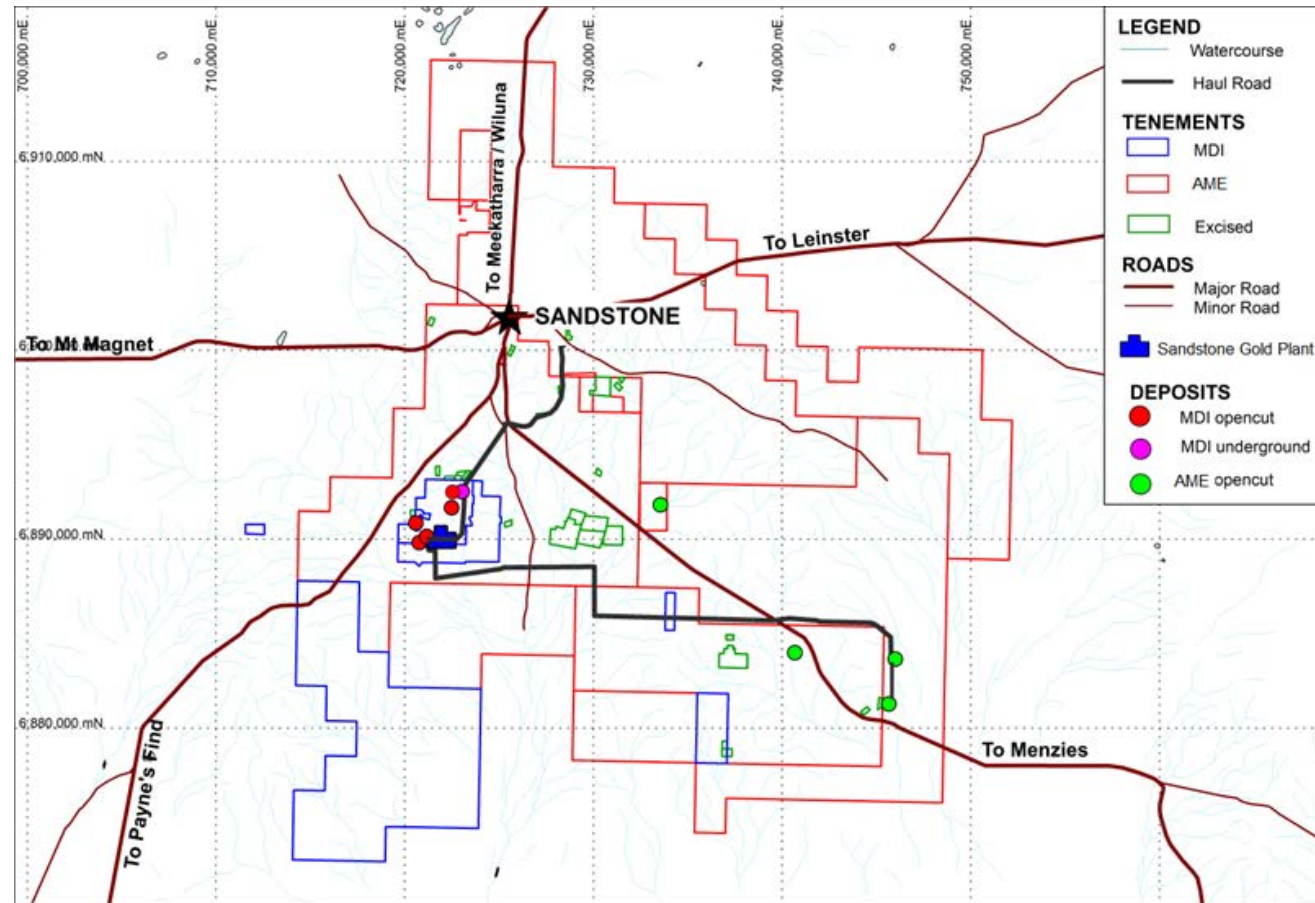
Strategy & Vision comprises three sequential elements:-

1. Make a decision to recommission the Sandstone Gold Plant at the earliest opportunity via exploration &/or consolidation of proximal third party deposits.
 2. Consolidate additional deposits & exploration tenure within the broader Sandstone district around a central processing hub.
 3. Demonstrate sufficient production, resource & exploration potential to attract corporate investment.
- **Considerable success in extending the proposed production schedule via Two Mile Hill tonalite deeps and Two Mile Hill BIF deposits.**
 - **2019 focus to enhance the front-end of the proposed production schedule via:-**
 - Takeover offer for Alto Metals Limited, or potential alternative transaction, to consolidate proximal deposits.
 - RC & aircore drilling of advanced & greenfields MDI exploration targets.

Sandstone Gold Project – AME Takeover Offer



- Alto owns four gold deposits within 30km of MDI plant.
- Access to MDI plant via former haul roads.
- Aggregated with MDI's deposits, will likely justify a plant recommissioning.
- Highly complementary assets & tenure.
- Consolidates Sandstone greenstone belt under single ownership.





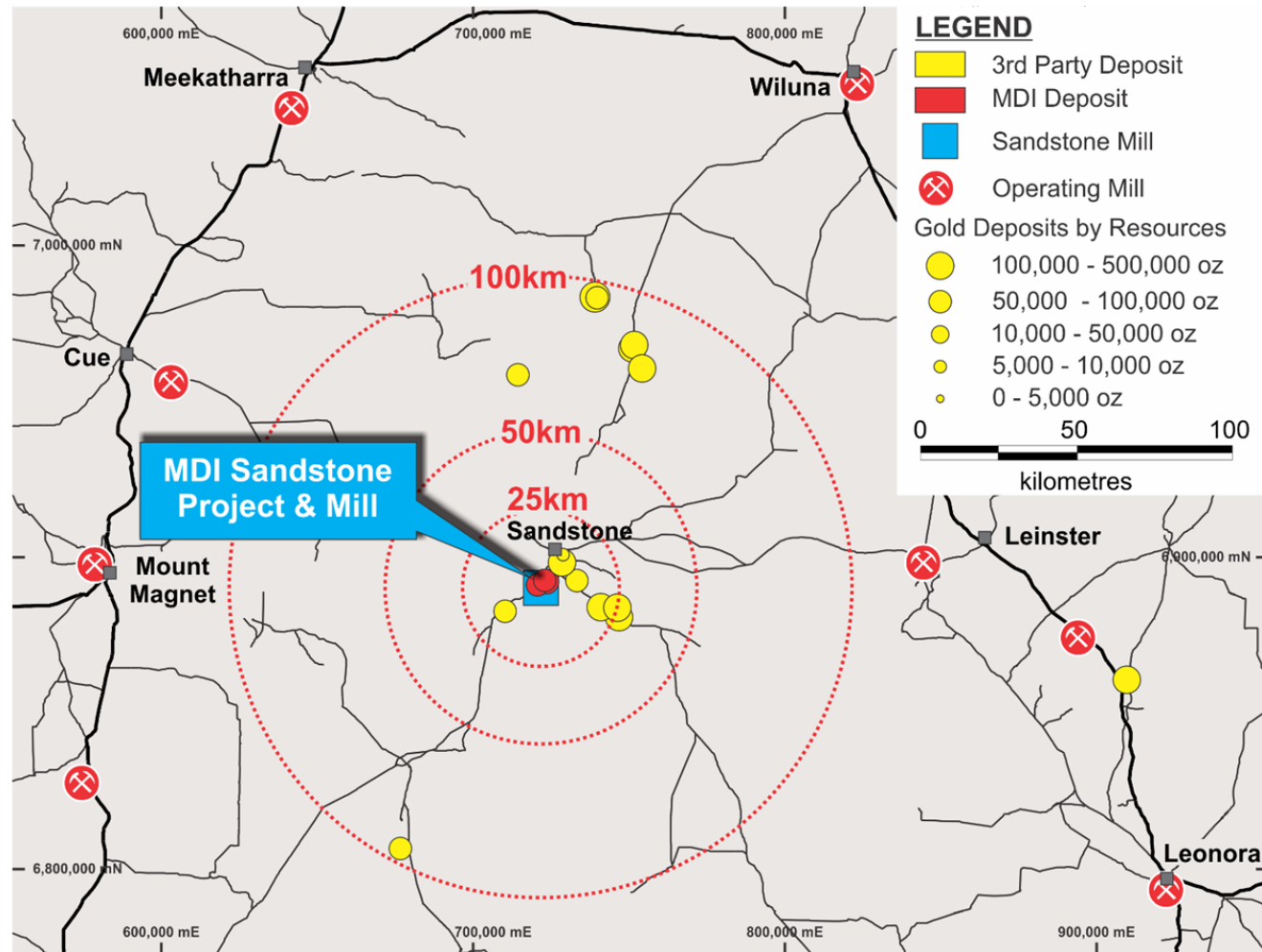
What does the offer represent for Alto shareholders:-

- A **premium of 61%** on bid announcement & **35%** on lodgement of **Bidder's Statement** (based on Alto closing price prior to Bid announcement - refer Appendix 2).
- Provides a realistic **short-term, proximal & cost-effective processing solution.**
- Potential **near-term production at a modest capital cost** & genuine prospects of funding future exploration from cash flow.
- **Management stability, and focused development strategy & vision.**
- **Substantial reduction in combined corporate & administration costs.**
- **Expected increase in market profile, market capitalisation, liquidity & improved access to capital markets** to fund growth opportunities.
- **Avoids uncertainty of AME's ongoing viability.**
- **No Superior Proposal or alternative offer has emerged & unlikely one will.**
- **Considerable respect for shareholders & strong broker support.**

Sandstone Gold Project – Broader Vision



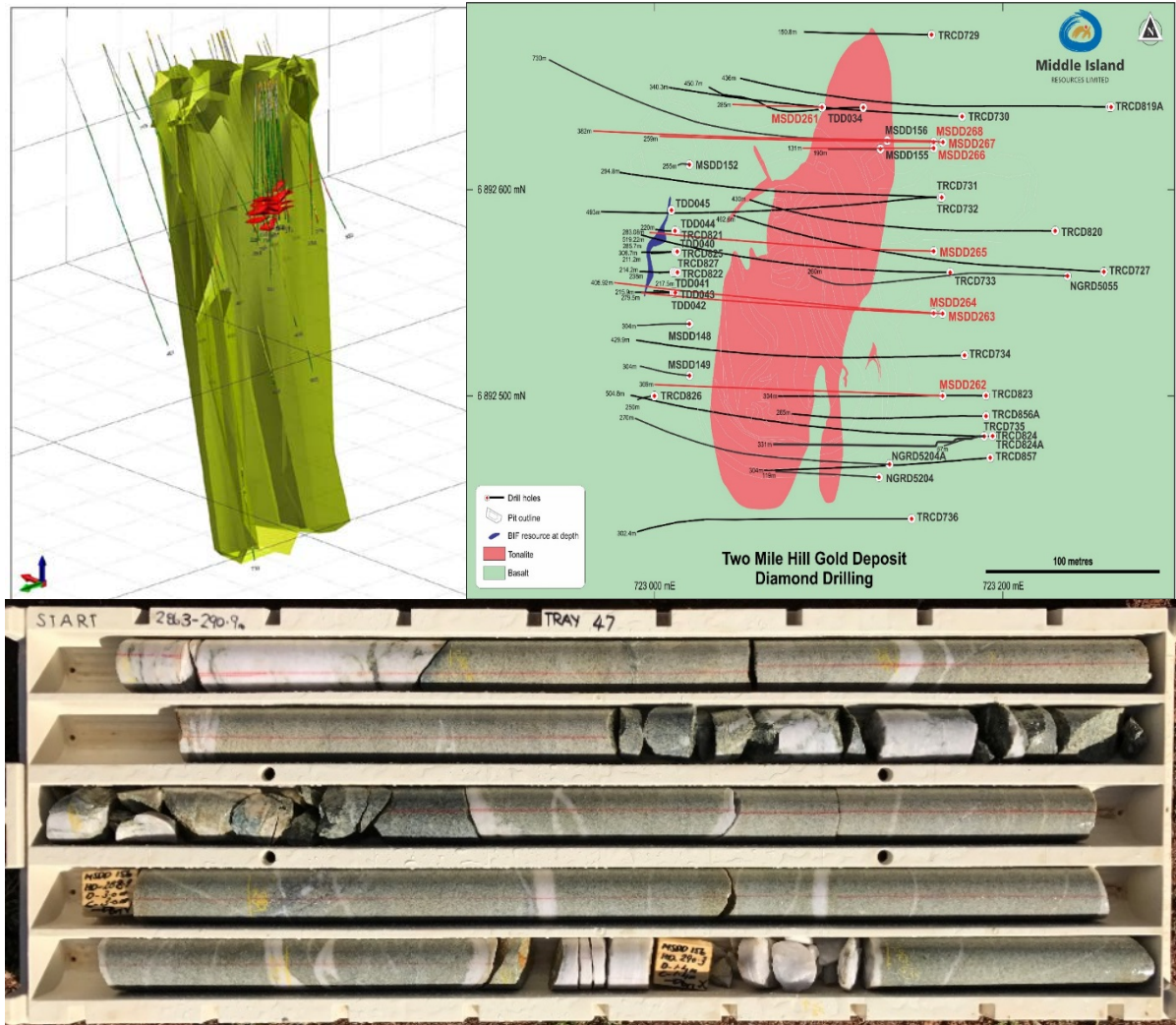
- **Sandstone only plant within 150km; central processing hub.**
- **At least 11 further stranded gold deposits within 100km.**
- **Majority are published Mineral Resources with remainder being quantified.**
- **Due diligence on-going; actively pursuing further consolidation opportunities.**
- **Flexible on milling options.**
- **Potential to consolidate two entire greenstone belts.**



Two Mile Hill Tonalite



- Tonalite (granite) plug or stock.
- 250m long, 90m wide & extends to at least 700m depth.
- *Exploration Target of **24-34Mt at 1.1-1.4g/t (900K-1.5Moz) gold.**
- Consistent diamond core intersections:-
508.3m at 1.38g/t
372.7m at 1.52g/t
230.4m at 1.62g/t
- Gold associated with sub-horizontal sheeted quartz veining.

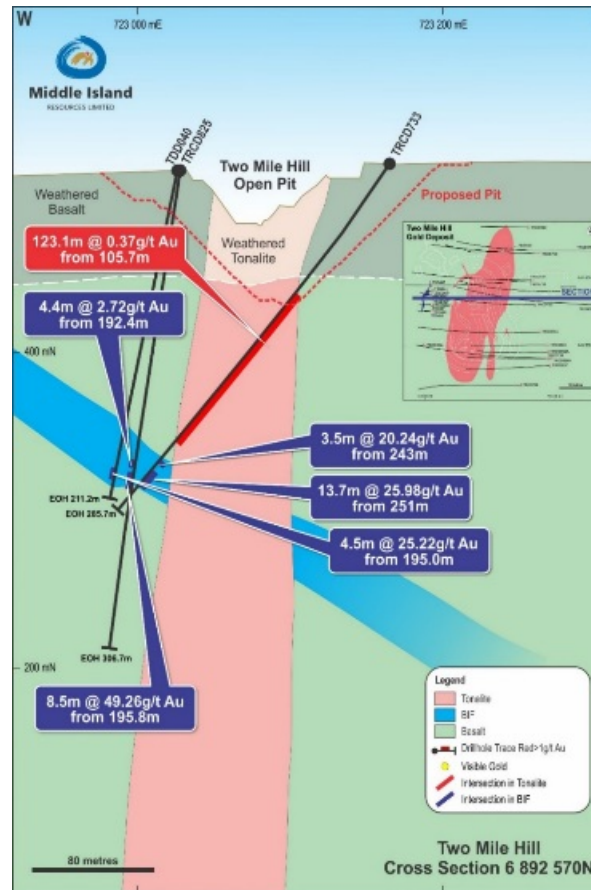


**The potential quantity and grade of an Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Two Mile Hill BIF



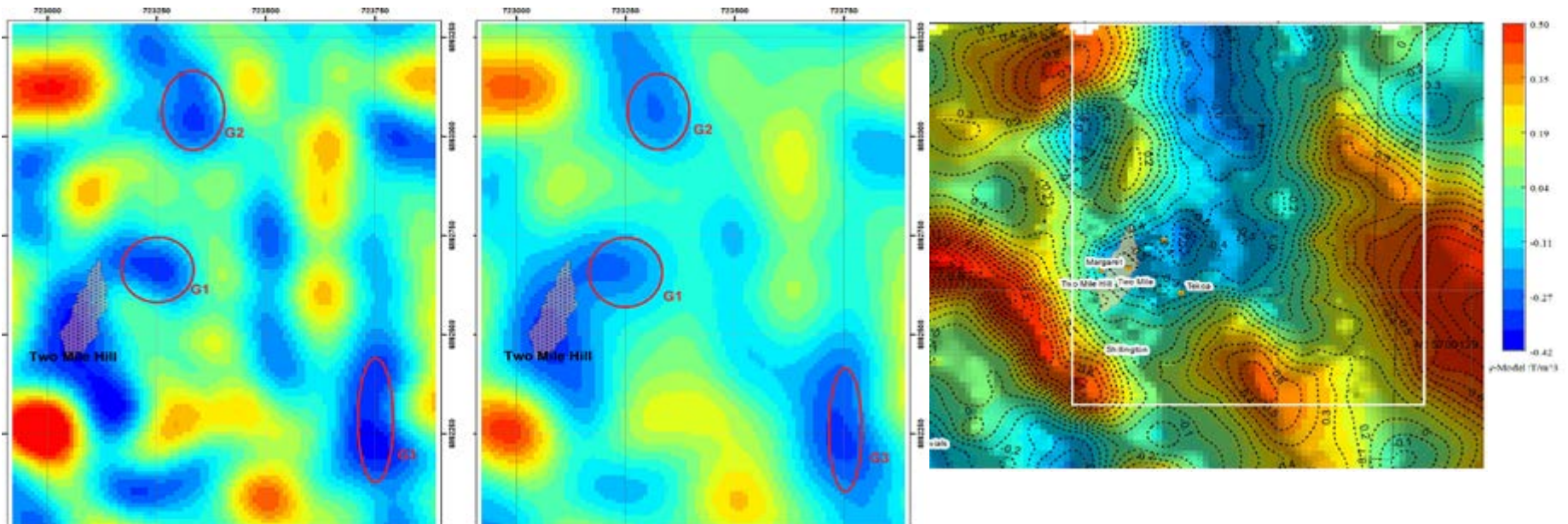
- High grade gold hosted in BIF units immediately adjacent to tonalite.
- Gold associated with pyrite replacement of magnetite horizons.
- True width intercepts include:-
 - 22m at 24g/t
 - 8m at 56g/t
 - 5m at 27g/t
 - 5m at 22g/t
- Multiple ore positions intersected marginal to tonalite.
- Two further BIF units identified at depth.



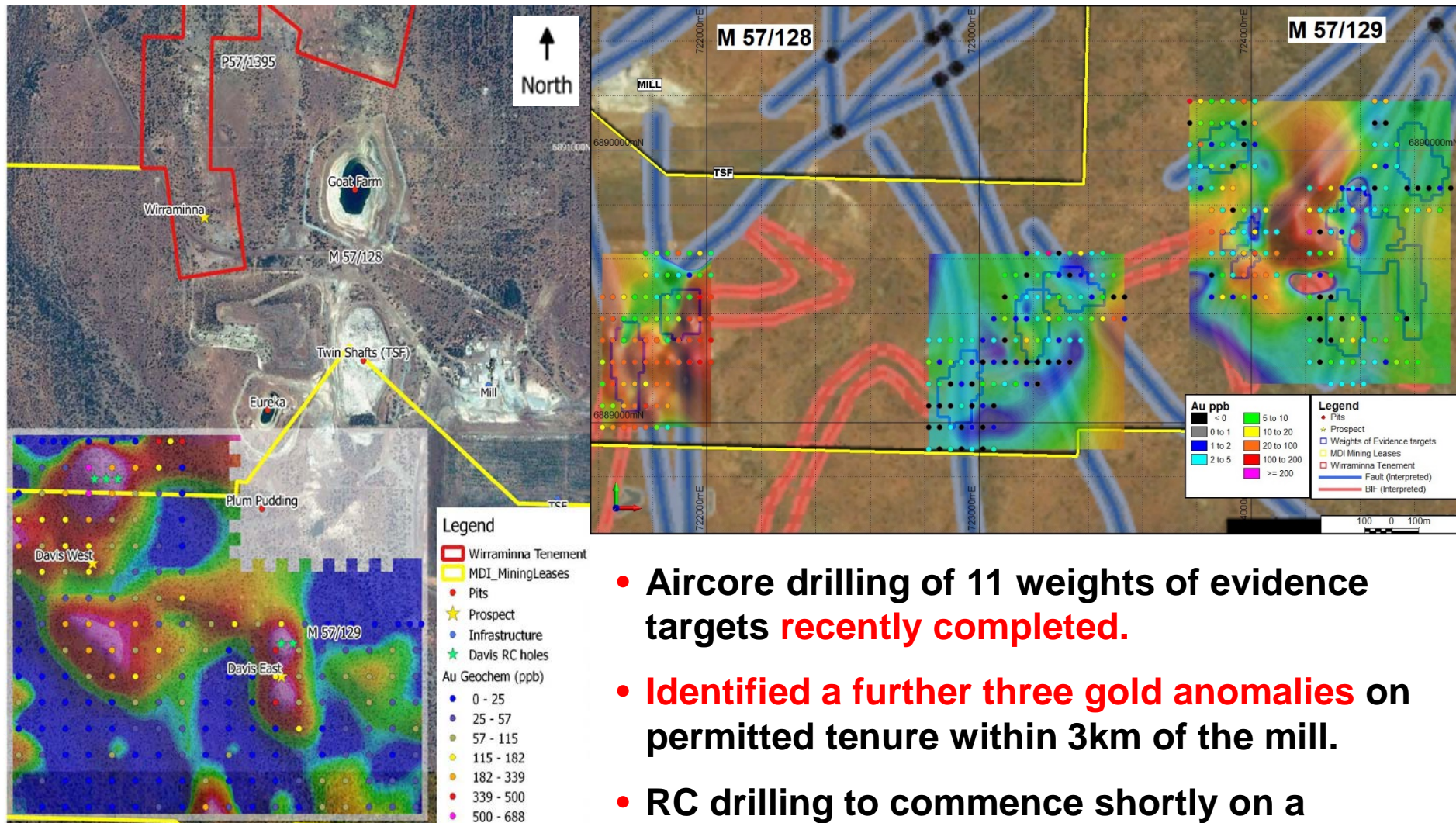
Sandstone Gold Project – 2019 Exploration



- Three priority gravity targets identified from 3D inversion modelling.
- Interpreted to represent potential mineralised intrusives, proximal to Two Mile Hill tonalite.
- \$150,000 WA Government drilling grant provides endorsement as high value targets.
- Diamond drilling of these targets planned to commence Q3 2019.



Sandstone Gold Project – 2019 Exploration



- **Aircore drilling of 11 weights of evidence targets recently completed.**
- **Identified a further three gold anomalies on permitted tenure within 3km of the mill.**
- **RC drilling to commence shortly on a further three advanced targets, including Davis & Agnes.**

Why invest in Middle Island?



- Sandstone **100% owned & fully permitted.**
- JORC 2012 Mineral Resources of **125,300oz oz gold & Exploration Target of 24-34Mt at 1.1-1.4g/t for 900,000oz to 1.5Moz gold.**
- Considerable additional exploration upside.
- Potential **near-term gold production** requiring modest capital.
- **Genuine prospect of recommissioning decision**, pending outcome of Alto offer or potential alternative transaction.
- **Only plant for 150km**; 15 deposits within 100km.
- Actively pursuing broader **regional consolidation.**
- Emerging developer in buoyant Australian gold market.
- Stable register, strong broker support & respect for shareholders.
- Experienced exploration & project development team.



Thank you

Unit 1, 2 Richardson Street West Perth
Western Australia, 6005
Tel +61 (08) 9322 1430
Fax +61 (08) 9322 1474
www.middleisland.com.au



Middle Island
RESOURCES LIMITED

Appendix 1 – JORC 2012 Mineral Resource Statement



MDI Sandstone Gold Project
JORC 2012 Mineral Resource Statement

Deposit	COG (g/t Au)	Tonnes	Grade (g/t Au)	Contained Gold (oz.)	JORC Classification	JORC Classification
Two Mile Hill – Open Pit	0.7	1,012,000	1.36	44,000	Indicated	2012
Two Mile Hill – Open Pit	0.7	114,000	1.10	4,000	Inferred	2012
Shillington – Open Pit	0.7	1,015,000	1.33	43,000	Indicated	2012
Shillington – Open Pit	0.7	272,000	1.17	10,000	Inferred	2012
Wirraminna – Open Pit	0.5	307,000	1.50	14,600	Indicated	2012
Wirraminna – Open Pit	0.5	243,000	1.10	8,400	Inferred	2012
Total Indicated		2,334,000	1.37	102,500	Indicated	2012
Total Inferred		629,000	1.13	22,900	Inferred	2012
Total Resource		2,963,000	1.32	125,300	Indicated & Inferred	2012
Exploration Target*		24-34Mt	1.1-1.4	0.9-1.5Moz	Exploration Target	2012

* The potential quantity and grade of the Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

- Although declared JORC Code 2004 Mineral Resources for below 140m depth at Two Mile Hill, and for the Plum Pudding and Two Mile Hill BIF deposits still remain relevant, they will not form part of any recommissioning decision and have therefore been excluded from the above table.
- Exploration on the Two Mile Hill tonalite deeps Exploration target since November 2017 has included additional drilling and ore-sorting testwork, and the results of this work have increased support for the Exploration Target.

Appendix 2 – Bid Premium Calculations



The Offer comprises 5 MDI Shares for every 1 of AME Share, which values AME Shares at:

- **\$0.045 per AME Share, based on the last trading price of \$0.009 per MDI Share on 28 February 2019, which represents a premium of 61% to the AME closing price on 28 February 2019 (the day prior to the day the intention to bid was announced);**
- **\$0.0377 each, based on the 30 day VWAP of \$0.007531 for MDI Shares up to and including 9 April 2019, which represents a premium of 35% to the AME closing price on 28 February 2019; and**
- **\$0.040 each, based on the last trading price of \$0.008 per MDI Share on 9 April 2019, which represents a premium of 17.64% to the AME closing price of \$0.034 on 9 April 2019.**