



Middle Island

RESOURCES LIMITED

Middle Island Resources Ltd

ACN 142 361 608

ASX code: MDI

www.middleisland.com.au

Capital Structure:

2,332 million ordinary shares

919 million unlisted options

(as at 30 June 2020)

Cash & Investments

\$5.19 million (as of 30 June 2020)

No debt

Directors & Management:

Peter Thomas

Non-Executive Chairman

Rick Yeates

Managing Director

Beau Nicholls

Non-Executive Director

Brad Marwood

Non-Executive Director

Dennis Wilkins

Company Secretary

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ASX Release – 27 August 2020

Multiple high grade gold results returned from Plum Pudding deposit, Sandstone project, WA

- Multiple high grade gold intercepts have been returned from infill and extension drilling of 62 new RC holes at Middle Island's Plum Pudding deposit within its Sandstone gold project in WA's central Goldfields.
- New Phase 2 reverse circulation (RC) intercepts at Plum Pudding include:-
 - 7m @ 24.1g/t Au
 - 7m @ 19.0g/t Au
 - 12m @ 7.22g/t Au
 - 3m @ 24.7g/t Au
 - 27m @ 1.42g/t Au
 - 3m @ 10.0g/t Au
 - 12m @ 2.46g/t Au
- New results complement more significant, previously announced, intercepts derived from Phase 1 and historic RC drilling at Plum Pudding, including:-
 - 11m @ 22.5g/t Au
 - 17m @ 8.16g/t Au
 - 8m @ 6.98g/t Au
 - 12m @ 3.52g/t Au
 - 10m @ 3.08g/t Au
- New results comprise broad, consistent, shallow (less than 40m down-hole depth) drill intercepts over a 300m strike length and up to 90m width.
- Plum Pudding is situated only 850m south of the Company's 100%-owned 600,000tpa gold processing plant within granted Mining Lease M57/129.
- Pending receipt of 10,000 RC samples awaiting assaying, the resource definition component of the Phase 2 drilling campaign is now complete. On-site exploration will continue, but the Feasibility Study will now be completed as a priority.
- Middle Island has elected to launch a Phase 3 exploration drilling campaign at Sandstone, in the wake of the success to date of the 2020 Phase 1 and Phase 2 programs.

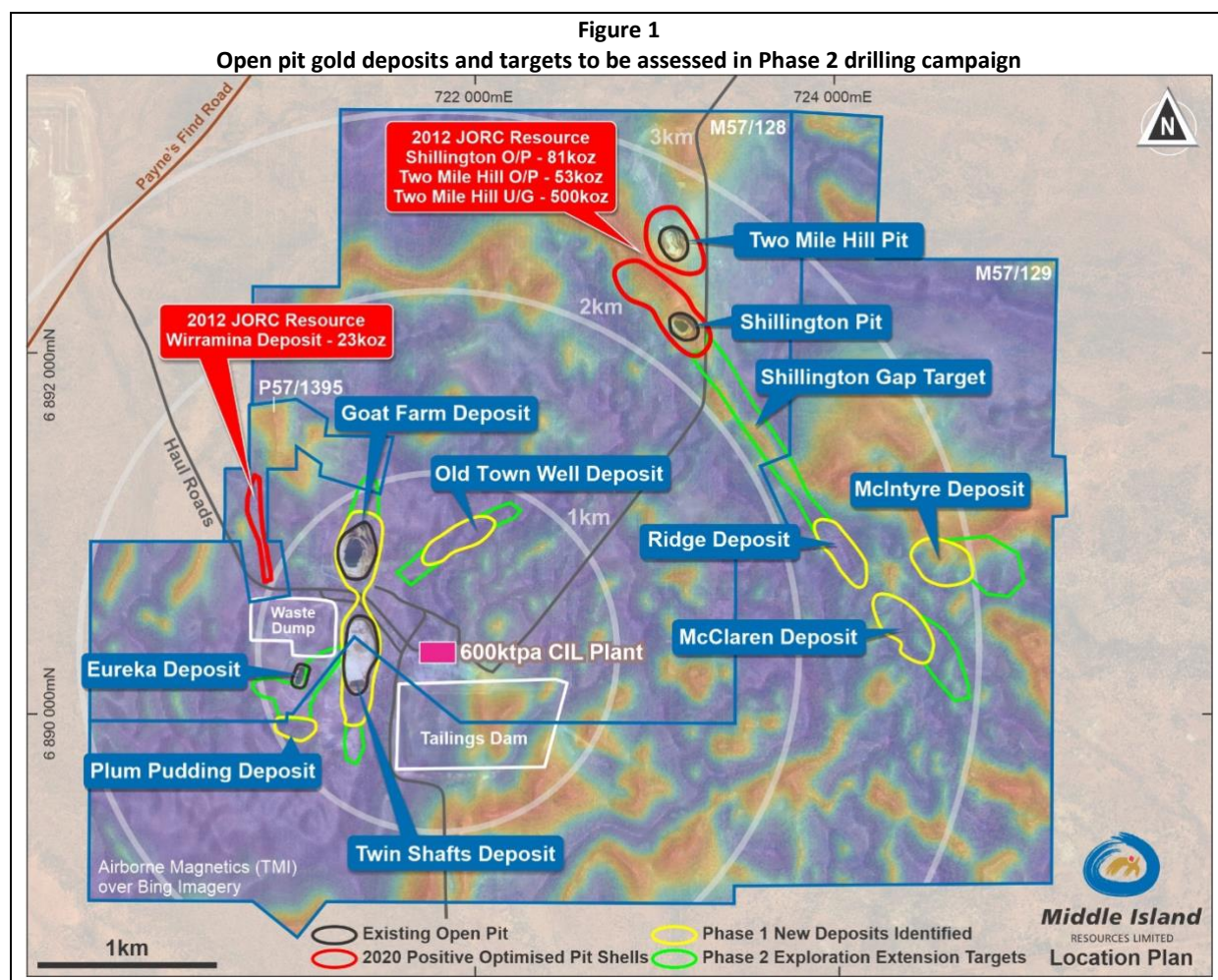


SANDSTONE GOLD PROJECT (WA)

Explorer and aspiring gold developer, Middle Island Resources Limited (**Middle Island, MDI or the Company**) is pleased to announce further significant gold results emerging from the Company's Phase 2 reverse circulation (RC) drilling campaign at the Company's 100%-owned Sandstone gold project in the central goldfields of Western Australia.

Middle Island has completed more than 45,000m of drilling in Phase 1 and Phase 2 to date in 2020, extending several existing Sandstone deposits and identifying five new satellite open pit deposits.

The on-going Phase 2 RC and diamond drilling programs are almost exclusively focussed on infilling and extending the five new satellite open pit deposits, McClaren, McIntyre, Ridge, Old Town Well and Plum Pudding, identified by the Phase 1 RC drilling campaign in the first half of CY2020. All new satellite deposits are located on existing Mining Leases within 2.5km of the Company's 100%-owned gold processing plant, as shown in Figure 1 below.



The Phase 2 drilling campaign is designed to infill and extend the five new satellite open pit deposits to an **Indicated Mineral Resource** classification. Reconnaissance RC drill traverses has recently commenced across the 1.1km-long Shillington Gap target, interpreted from high resolution airborne magnetic data to lie beneath shallow transported cover between the Shillington and Ridge gold deposits.



Plum Pudding Deposit

The new results reported in this ASX Release are derived from a further 62 RC holes (3,676m) completed at the **Plum Pudding deposit** as part of the on-going Phase 2 RC drilling campaign. A further two HQ3 diamond core holes (110m) have also been completed, for which assay results are pending.

All RC results are based on 50g fire assay analyses completed by Nagrom Laboratories in Perth.

Details of prior drilling results at the Plum Pudding (PP) deposit can be found in ASX release dated 8 May 2020. All material drill intercepts (based on 1m samples and a notional open pit cut-off grade of 0.6g/t Au and other parameters) are provided in Table 1 below. The exploration results have been prepared and reported in accordance with the JORC Code 2012.

Table 1
Plum Pudding Deposit – Significant Phase 2 RC drilling Intercepts

Prospect	Hole ID	East (m)	North (m)	RL (m)	Dip (degrees)	Azimuth (degrees)	Hole Depth (m)	Depth From (m)	Depth To (m)	Thickness (m)	Grade (g/t Au)
PP	MSRC527	720957.21	6889820.85	491.63	-60.00	270.00	60	1	3	2	1.07
PP	MSRC527	720957.21	6889820.85	491.63	-60.00	270.00	60	31	36	5	2.65
PP	MSRC527	720957.21	6889820.85	491.63	-60.00	270.00	60	39	41	2	0.97
PP	MSRC528	720997.77	6889820.07	491.52	-60.00	270.00	66	29	34	5	2.31
PP	MSRC528	720997.77	6889820.07	491.52	-60.00	270.00	66	41	45	4	0.72
PP	MSRC580	720946.37	6889799.92	491.63	-60.00	270.00	54	0	3	3	1.07
PP	MSRC581	720968.30	6889800.10	491.62	-60.00	270.00	60	1	4	3	0.78
PP	MSRC581	720968.30	6889800.10	491.62	-60.00	270.00	60	37	39	2	0.66
PP	MSRC581	720968.30	6889800.10	491.62	-60.00	270.00	60	47	52	5	0.69
PP	MSRC582	720986.84	6889798.83	491.56	-60.00	270.00	60	2	4	2	1.50
PP	MSRC582	720986.84	6889798.83	491.56	-60.00	270.00	60	28	45	17	0.95
PP	MSRC583	721006.15	6889798.38	491.52	-60.00	270.00	66	36	46	10	0.83
PP	MSRC584	721027.14	6889797.80	491.34	-60.00	270.00	78	36	43	7	19.0
PP	MSRC586	720949.01	6889781.00	491.78	-60.00	270.00	48	1	3	2	0.73
PP	MSRC587	720987.35	6889779.67	491.67	-60.00	270.00	60	40	52	12	7.22
PP	MSRC591	720950.28	6889764.31	491.68	-60.00	270.00	60	26	29	3	1.06
PP	MSRC592	720969.04	6889765.84	491.62	-60.00	270.00	60	40	42	2	1.06
PP	MSRC592	720969.04	6889765.84	491.62	-60.00	270.00	60	48	50	2	1.75
PP	MSRC593	720991.43	6889765.29	491.40	-60.00	270.00	66	42	47	5	1.98
PP	MSRC593	720991.43	6889765.29	491.40	-60.00	270.00	66	55	58	3	0.79
PP	MSRC595	721031.62	6889763.90	491.46	-60.00	270.00	78	42	44	2	2.03
PP	MSRC598	720973.91	6889748.33	491.61	-60.00	270.00	66	36	43	7	24.1
PP	MSRC599	721015.53	6889747.63	491.35	-60.00	270.00	78	42	45	3	0.64
PP	MSRC602	720950.26	6889725.18	491.52	-60.00	270.00	66	2	5	3	1.42
PP	MSRC602	720950.26	6889725.18	491.52	-60.00	270.00	66	19	23	4	1.20
PP	MSRC605	720959.33	6889702.64	491.34	-60.00	270.00	72	2	6	4	0.79
PP	MSRC606	720996.86	6889701.64	491.29	-60.00	270.00	102	30	33	3	10.0
PP	MSRC611	720978.53	6889679.70	491.28	-60.00	270.00	72	55	57	2	0.66
PP	MSRC613	720927.23	6889850.91	486.79	-60.00	270.00	42	0	3	3	24.7



PP	MSRC614	720943.21	6889850.51	486.79	-60.00	270.00	60	1	5	4	1.19
PP	MSRC614	720943.21	6889850.51	486.79	-60.00	270.00	60	8	11	3	2.29
PP	MSRC614	720943.21	6889850.51	486.79	-60.00	270.00	60	14	26	12	2.46
PP	MSRC615	720942.80	6889867.63	486.45	-60.00	270.00	48	13	15	2	1.59
PP	MSRC616	720927.39	6889869.25	486.03	-60.00	270.00	24	0	3	3	0.76
	MSRC617	720968.09	6889847.76	491.07	-60.00	270.00	66	0	2	2	1.10
	MSRC617	720968.09	6889847.76	491.07	-60.00	270.00	66	38	47	9	0.70
	MSRC618	720892.19	6889850.65	492.55	-90.00	0.00	8	1	4	3	1.28
	MSRC623	720948.14	6889892.60	492.14	-60.00	270.00	48	0	2	2	1.53
	MSRC624	720967.54	6889871.46	491.44	-60.00	270.00	66	22	24	2	2.92
	MSRC624	720967.54	6889871.46	491.44	-60.00	270.00	66	30	57	27	1.42
	MSRC625	720967.51	6889887.51	491.61	-60.00	270.00	66	0	2	2	1.06
	MSRC625	720967.51	6889887.51	491.61	-60.00	270.00	66	50	56	6	2.71
	MSRC626	720988.34	6889886.95	492.11	-60.00	270.00	78	0	2	2	0.70
	MSRC626	720988.34	6889886.95	492.11	-60.00	270.00	78	17	21	4	1.62
	MSRC628	720924.61	6889901.44	492.42	-60.00	270.00	78	11	15	4	0.66
	MSRC629	720946.04	6889899.88	492.52	-60.00	270.00	78	30	33	3	1.50
	MSRC630	720964.25	6889899.84	492.66	-60.00	270.00	78	56	58	2	1.01
	MSRC630	720964.25	6889899.84	492.66	-60.00	270.00	78	72	74	2	0.66
	MSRC631	720985.75	6889898.98	492.44	-60.00	270.00	78	14	21	7	1.73
	MSRC631	720985.75	6889898.98	492.44	-60.00	270.00	78	54	59	5	0.66
	MSRC634	720967.16	6889921.11	492.81	-60.00	270.00	54	0	2	2	1.44
	MSRC634	720967.16	6889921.11	492.81	-60.00	270.00	54	7	11	4	0.98
	MSRC634	720967.16	6889921.11	492.81	-60.00	270.00	54	34	36	2	0.81
	MSRC634	720967.16	6889921.11	492.81	-60.00	270.00	54	47	54	7	2.73

Note: Calculated at a 0.6g/t Au lower cut-off grade, a minimum intercept length of 2m and a maximum of 2m of included waste. Grid MGA94_50.

Better Phase 2 infill and extension RC drill intercepts from the **Plum Pudding** deposit include the following:-

- **7m @ 19.0g/t Au** (from 36m in MSRC584)
- **12m @ 7.22g/t Au** (from 40m in MSRC587)
- **7m @ 24.1g/t Au** (from 36m in MSRC598)
- **3m @ 10.0g/t Au** (from 30m in MSRC606)
- **3m @ 24.7g/t Au** (from surface in MSRC613)
- **12m @ 2.46g/t Au** (from 14m in MSRC614)
- **27m @ 1.42g/t Au** (from 30m in MSRC624)

These complement better previous Phase 1 and historic RC drill intercepts including:-

- **17m @ 8.16g/t Au** (from 33m in PP003R)
- **11m @ 22.5g/t Au** (from 17m in PP030R)
- **12m @ 3.52g/t Au** (from 34m in PP030R)
- **8m @ 6.98g/t Au** (from 22m in PP094D)
- **10m @ 3.08g/t Au** (from 41m in MSRC420)



Phase 2 drilling at Plum Pudding has identified that saprolite **gold mineralisation is associated with a broad, sub-vertical, north-trending zone of brecciated and quartz-veined ultramafic rocks, with internal mineralised lenses interpreted to be dipping moderately east**. The mineralised saprolite envelope has a strike length of some 300m and a width of 60m to 90m, all of which is veneered by an extensive, gold-mineralised, laterite blanket at surface.

The Phase 2 RC infill drilling (nominal 20m x 20m pattern) verifies and extends the broader, high grade gold intercepts recorded in the Phase 1 and historic drilling, collectively representing a more extensive, higher grade, shallow, oxide deposit, including significant remnant laterite mineralisation from surface.

The RC drilling results are presented in plan-view (Figure 2) and as representative cross-sections (Figure 3 to Figure 5) below. For details of previous Plum Pudding drilling results, refer to ASX release dated 8 May 2020.

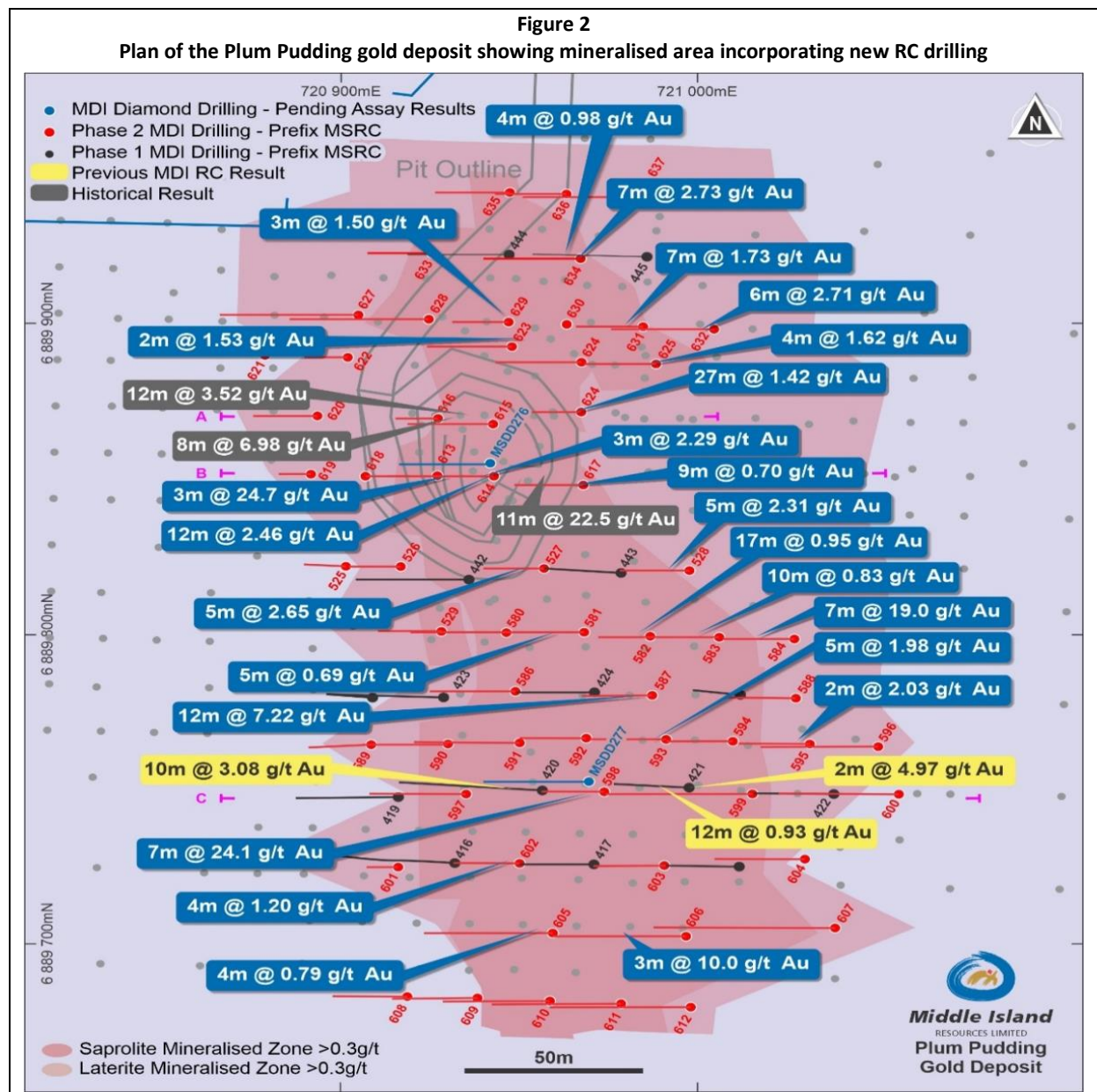




Figure 3
Cross-Section A – Plum Pudding gold deposit showing new RC drilling results

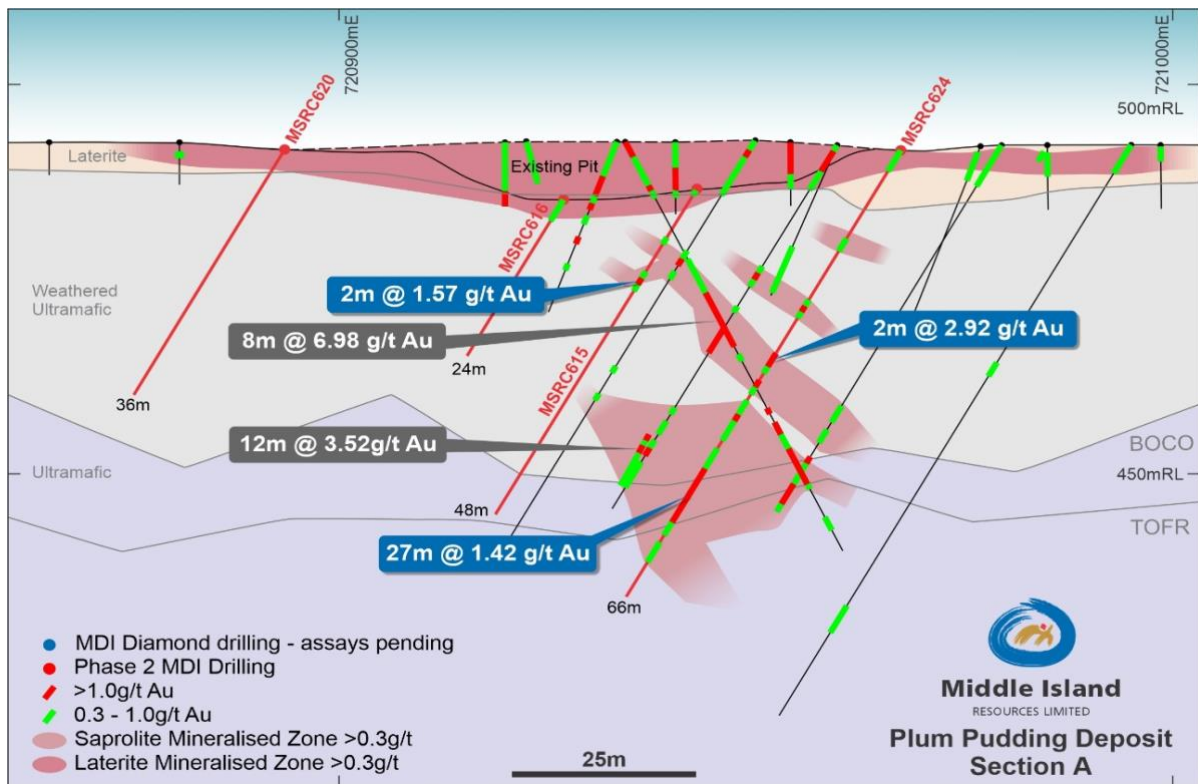
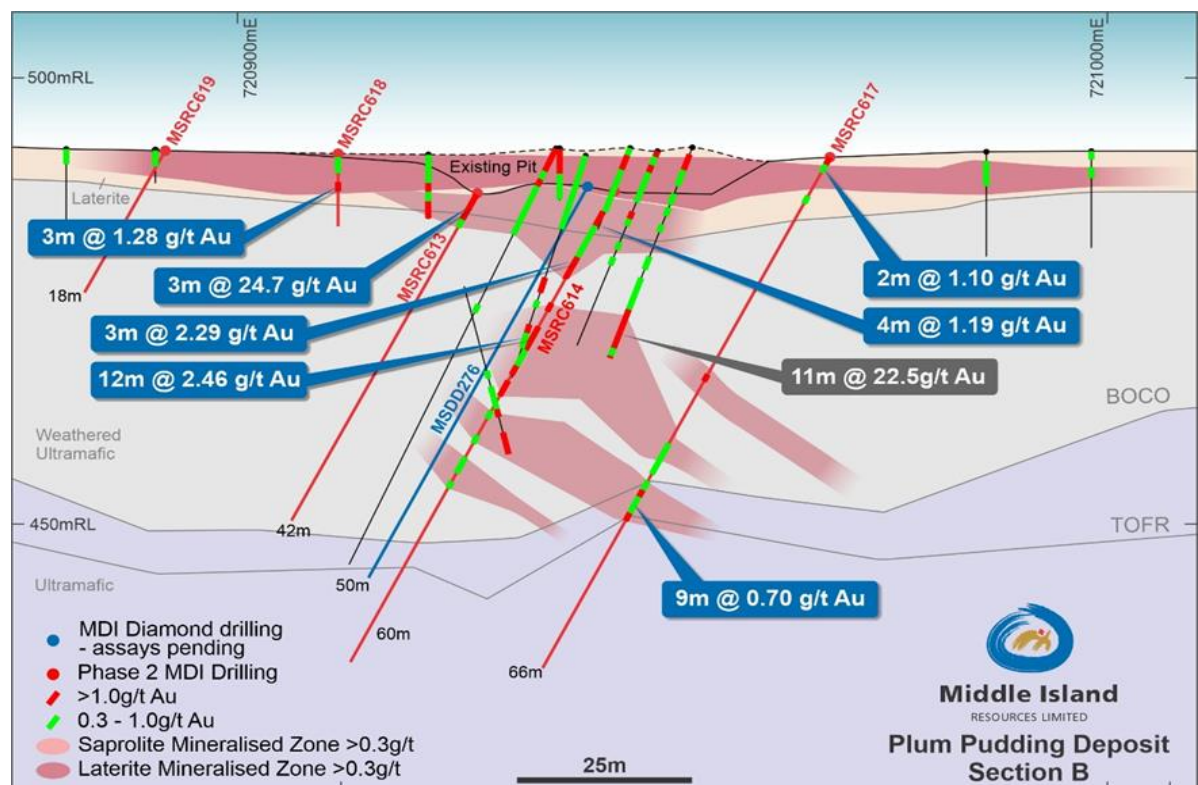
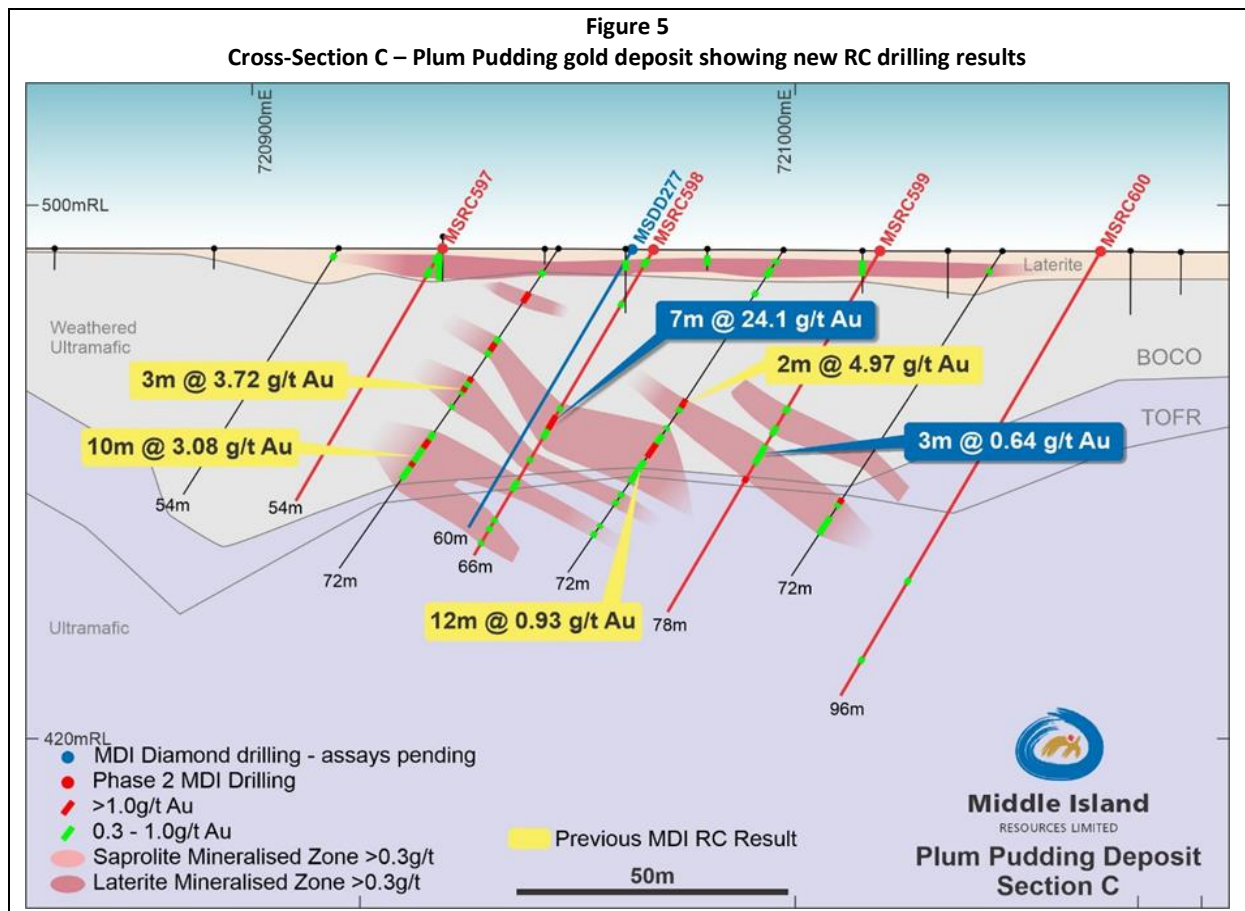


Figure 4
Cross-Section B – Plum Pudding gold deposit showing new RC drilling results





The Plum Pudding deposit is located only 850m south of the Company's 100%-owned gold processing plant, within granted Mining Lease M57/129. The satellite deposit represents a larger, higher grade, low stripping ratio, oxide open pit gold deposit that is likely to make a significant contribution to a positive feasibility study outcome.

Drilling Campaign Status

Large diameter (HQ3) oxide diamond drilling of Sandstone's five new satellite deposits is nearing completion, with a single hole remaining to be drilled. Bulk density determinations are well advanced and geotechnical testwork is in progress. The core will then be assayed in advance of metallurgical testwork.

Some 10,000 RC samples from the substantial Phase 2 resource definition drilling campaign remain in Perth laboratories awaiting assay. These results will be included in the Feasibility Study. Importantly, however, the resource definition component of the Phase 2 drilling campaign at Sandstone is now complete.

This marks the formal cut-off point for drill data contributions to inform the Sandstone recommissioning Feasibility Study, which will now be completed as a priority.



The remaining RC rig has now moved to Sandstone's exciting Shillington Gap target, situated between the Shillington and Ridge gold deposits.

Given the significant success of drilling to date in 2020, a further (Phase 3) exploration drilling campaign is in development, directed at testing additional open pit targets either not assessed in the Phase 1 campaign or identified by the Phase 1 and 2 campaigns. All targets are on permitted Mining Leases proximal to the Company's on-site gold mill at Sandstone. This exploratory drilling will be undertaken in conjunction with sterilisation drilling in October 2020, once suitable waste dump locations and footprints are determined.

RELEASE AUTHORISED BY:

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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 release that relates to new Exploration Results at the Plum Pudding deposit is based on, and fairly reflects, information and supporting documentation prepared 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 Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Yeates has given his prior written consent to the inclusion in the release of the statements, based on his information, in the form and context in which they appear. Mr Yeates is a shareholder in the Company and entities associated with Mr Yeates hold unlisted options in the capital of the Company as disclosed in Appendix 3Y notices released to ASX.

Previously reported information

This report includes information that relates to previously reported Exploration Results for the Plum Pudding deposit, which was prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous announcement dated 8 May 2020, which is available to view on the Company's website.

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 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.

Appendix 1

The following Table is provided in compliance with the JORC Code

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The results are derived from a RC drill program completed by Middle Island Resources. The sampling was carried out by collecting 2-3kg of RC chips off the drill rig's cone splitter; the sampling was undertaken at one metre intervals taken over the whole length of each drillhole. Recovery was excellent for the vast majority of samples, with minor exceptions due to broken ground. The sample was a consistent size of 2-3kg, derived from the drill rig's cone splitter. The primary sample was taken from the same splitter chute the entire program. Samples of drill cuttings weighing 2-3kg were sent to the laboratory to be crushed (-10mm) and pulverised to produce a 300g pulp, then split to a 50g charge for fire assay analysis. RC drilling was used to obtain 1m samples of RC chips (see first point above) from which 2-3kg was sent to the laboratory to be crushed (-10mm) and pulverised to produce a 300g pulp, then split to a 50g charge for fire assay analysis.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> The RC rig used a face sampling hammer with a 5.5 inch bit to return sample every metre.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> RC chip recovery data for this drilling was estimated for each drill metre and captured in a digital logging software package. The recorded average RC chip recovery for the prospect covered in this release was 97.29%. The water table is encountered typically at a 60m down-hole with appropriate measures taken by the drilling contractor to maintain recovery and dry samples, including additional air pressure and foam injection. For the drillholes where no water was encountered no extra measures were needed to maximise the sample recovery at time of drilling.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> No relationship between sample recovery and grade has been established.
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> 	<ul style="list-style-type: none"> The RC chips were logged for lithology, weathering, mineralogy, mineralisation, colour and other features. Logging was carried out according to Middle Island Resources internal protocols at the time of drilling. Sampling was carried out according to Middle Island Resources internal protocols, which comply with industry standards. All drill holes were quantitatively logged from start to finish of the hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Not applicable RC chips were rotary split with a cone splitter on the drill rig. Samples were collected and bagged in 1m intervals. All samples were dry. The samples were dried and crushed to -10mm before being split and then a 300g subsample pulverised to 95% passing 75 microns. This fraction was then split again down to a 50g sample charge for fire assay. For the RC chips the routine sample procedure was to consistently take the primary split from the same chute. A field duplicate (via a second split) off the drill rig's sample splitter was collected and assayed at a rate of 1:50 samples. Field duplicates were taken either by second split from the cyclone. Results have been compared to the original sample taken. Sample size and assay charge size are considered entirely appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of</i> 	<ul style="list-style-type: none"> Middle Island adopted a 50g fire assay method with an ICP-OES finish. This technique is considered appropriate for gold mineralisation of this style. No other measurement tools/instruments were used to derive assays. Field duplicates, lab duplicates, field and laboratory standards were routinely

Criteria	JORC Code explanation	Commentary
	<i>accuracy (ie lack of bias) and precision have been established.</i>	included in the assay train at a 1:9 frequency when taking all QC samples into account, and a quartz wash was applied between each sample pulverised. Sample results are consistent with those reported by previous drilling programs.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Sampling was undertaken by field assistants supervised by experienced geologists from Middle Island Resources. Significant intercepts were checked by senior personnel who confirmed them as prospective for gold mineralisation. • Considerable effort was made to verify significant intercepts in several historic holes via twinning. However, due to their proximity to the small laterite pit, the holes could not be directly twinned. However, new drilling in the vicinity derived mineralised intervals consistent with the historic intercepts in terms of both length and grade, providing confidence that these holes are likely valid. • Data was collected digitally utilising designated templates following industry best practice. Sampling data was also captured manually to ensure a paper trail was maintained by the field staff and checked by the supervising geologists. Logging and sampling data were imported and validated using the OCRIS database software system by an experienced external database manager. After database import, drillhole data was plotted and validated in plan and section view by Middle island geologists, any errors encountered were rectified. • Assay data has not been adjusted.
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Surface collar coordinates are surveyed via RTK GNSS with 1cm accuracy by a professional surveying contractor. A high-quality downhole north-seeking multi-shot or continuous survey gyro-camera was used to determine the dip and azimuth of the hole at 25m intervals down the hole. • MGA94 Zone 50 • The topographic surface was calculated from the onsite mine survey pickups and subsequently verified by RTK GNSS collar surveys.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> 	<ul style="list-style-type: none"> • Results being reported comprise individual 1m sample intervals. • The data spacing is sufficient to demonstrate the continuity of grade.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Composite samples were not utilised. • Drilling orientations were appropriate to intersect the anticipated mineralisation orientations to provide a representative sample approximating true width. • The Competent Person does not believe that any sample bias has been introduced.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • The samples were collected by a field assistant and two experienced company geologists and transferred directly to the laboratory via a reputable commercial freight courier contractor. • Sample receipt by Nagrom was carried out in line with its internal procedures to maintain chain of custody control.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Reported results are consistent with historic results.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The drilled holes and sampled RC chips are derived from Mining Lease M57/129, which is 100%-owned by Sandstone Operations Pty Ltd (SOP), a wholly-owned subsidiary of Middle Island Resources Limited. As of 15/02/2016 Sandstone Operations Pty Ltd was the sole owner of the project, including M57/129.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> No acknowledgement or appraisal by other parties.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Shear-zones hosted within ultramafic and mafic rocks with meso-thermal quartz veining and brecciation within the Archaean Sandstone greenstone belt.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> See Table 1 within the release. No material information has been excluded.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should 	<ul style="list-style-type: none"> Drill intercepts reported with weighted averages to create the grade intercepts. Individual internal values of <0.6g/t Au were included over a minimum internal interval of two metres, with a maximum of 2m of internal waste. Aggregated intercepts do not include reported lengths of higher grade internal intercepts. Metal equivalent values are not reported.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<p><i>be clearly stated.</i></p> <ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Holes have been drilled orthogonally to the general dip and strike of the mineralised zones, where known. True widths are estimated to approximate 100% of down-hole intercepts. • The primary control on mineralisation appears to comprise a broad, north-trending, sub-vertical zone of brecciated and quartz-veined ultramafic rocks, within which mineralised lenses are interpreted to dip moderately to the east.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • See table and figures within the release. A plan and representative cross-sections for the Plum Pudding deposit are included within the release.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Results are derived from a targeted drill program on a nominal 20m x 20m pattern to infill and extend known mineralised zones defined from previous programmes completed by Middle Island and previous owners of the project.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Other than that included in the release, there is no other relevant, meaningful or material exploration data that is currently known.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The Company intends to estimate a Mineral Resource (to notional Indicated status), prior to completing pit optimisations to establish the deposits' potential to contribute to Ore Reserves in the Feasibility Study. • Included - see table, plan and representative cross-sections within the release.