

24 June 2015

Dear Shareholder

Middle Island Resources Limited Non-Renounceable Rights Offer

The Board seeks your support in a capital raising. The intended use for this capital raising is as detailed in Section 2 of the Offer Memorandum, dated 24 June 2015.

On 24 June 2015, Middle Island Resources Limited (**Company**) announced that the Company will be conducting a fully underwritten non-renounceable rights offer to Eligible Shareholders on the basis of one (1) New Share for every one (1) Share held on the Record Date at an issue price of A\$0.004 per New Share to raise approximately A\$0.5 million (before costs) (**Offer**).

In addition to being able to apply for New Shares as detailed in the Offer, Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for, and be allocated, additional New Shares that are not subscribed for under the Offer (Shortfall Shares), subject to the limitations set out in the Offer.

The Offer is fully underwritten by the Directors. Shareholders who hold Shares at 5pm (WST) on 30 June 2015, and have a registered address in Australia or New Zealand, will be eligible to participate in the Offer (Eligible Shareholders). The Offer is being carried out pursuant to an offer document dated 24 June 2015 (Offer Document) in accordance with section 708AA of the Corporations Act 2001 (Cth) as modified by Australian Securities and Investments Commission Class Order 08/35. Eligible Shareholders will be sent a copy of the Offer Document and personalised Application Form by 3 July 2015.

Indicative Timetable

Event	Date
Announcement of Issue	24 June 2015
Lodgement Date (Offer Document and Appendix 3B and Section 708AA(2)(f) Notice with ASX)	24 June 2015
Notice of Issue sent to Shareholders and Optionholders	24 June 2015
"Ex" Date	26 June 2015
Record Date	30 June 2015
Opening Date (Dispatch of Offer Document to Shareholders)	3 July 2015
Closing Date	24 July 2015
Shortfall Notice Deadline Date (notice of the Shortfall Shares)	27 July 2015
Notify ASX of under subscriptions	27 July 2015
Shortfall Notification to ASX	28 July 2015
Issue Date	28 July 2015

The dates in the table above are indicative only and the Company reserves the right to vary them in consultation with the Underwriter and in accordance with the requirements of the ASX Listing Rules.

Use of Funds from Entitlement Offer

Proceeds from the Offer will be applied to the costs of the Offer and the Company's ongoing working capital requirements, consistent with the strategy disclosed to date of reviewing and assessing opportunities to acquire interests in mineral projects within the purview of Middle Island's stated exploration and evaluation strategy. The Directors reserve their discretion in respect of this.

Presently the Company is reviewing multiple opportunities. One of those identified merits serious due diligence (which is under way) as are negotiations for participation in that opportunity. It is stressed that those negotiations are incomplete and there is absolutely no assurance they will materialise in contractual rights giving the Company a beneficial interest therein. Naturally, the market will be kept informed via continuous disclosure. Your directors expect the outcome of the subject negotiations to be known before the Offer Close Date.

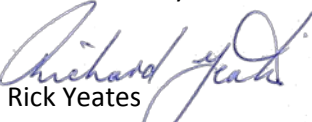
Eligible Shareholders

The Company has decided that it is unreasonable to make the Offer to shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of shareholders in such places, the number and value of the New Shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions. Accordingly, the New Shares to which Excluded Shareholders would otherwise be entitled will form part of the Shortfall.

Eligible Shareholders holding Shares on behalf of persons who are resident outside of Australia or New Zealand are responsible for ensuring that subscribing for the New Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will constitute a representation that there has been no breach of such regulations. Where the Offer Memorandum is received by persons domiciled in a country outside Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Offer, the Offer Memorandum and accompanying Application Form are provided for information purposes only.

For further information relating to the Offer Document, please contact the Company Secretary on (08) 9389 2111.

Yours faithfully



Rick Yeates
Managing Director