



Middle Island
RESOURCES LIMITED

Middle Island Resources Limited
ACN 142 361 608

Unit 2, 2 Richardson Street
West Perth WA 6005
PO Box 1017
West Perth WA 6872
Tel +61 (08) 9322 1430
Fax +61 (08) 9322 1474
info@middleisland.com.au
www.middleisland.com.au

QUARTERLY REPORT

For the period ended 30 September 2015

HIGHLIGHTS

- Cash position of \$771,000 and no debt as at 30 September 2015.
- On 24 July 2015, the Company closed a successful, oversubscribed rights issue, raising \$503,000, before costs.
- No exploration was undertaken during the September quarter in line with the previously detailed corporate strategy and the monsoon season in West Africa.
- The Company's focus during the period under review has been the on-going identification and review of new project opportunities, and advancing documentation on the preferred project acquisition towards anticipated completion.
- In the event that the preferred acquisition is not ultimately consummated, the review of a previously shortlisted alternative was recommenced during the quarter.

Middle Island Resources Ltd
ACN 142 361 608

ASX Code: MDI

Office:

Suite 2, 2 Richardson Street
WEST PERTH WA 6005
Western Australia

Postal Address:

PO Box 1017
West Perth WA 6872
Western Australia

T: +61 8 9322 1430

F: +61 8 9322 1474

E: info@middleisland.com.au

www.middleisland.com.au

Capital Structure:

251 million shares
800,000 options

Board Members:

Peter Thomas

Chairman

Rick Yeates

Managing Director

Beau Nicholls

Non-Executive Director

Linton Kirk

Non-Executive Director

Dennis Wilkins

Company Secretary

Operating Activities

Corporate

Finance

Middle Island held cash of approximately \$771,000 and no debt as at 30 September 2015.

Middle Island closed an oversubscribed rights issue in July 2015, raising an additional \$503,000 before costs. The equity capital raising comprised a non-renounceable 1 for 1 issue to all existing shareholders, fully underwritten by MDI's Directors and sub-underwritten by several major shareholders.

The share issue was structured to provide every possible opportunity for our loyal and patient shareholders to be well-positioned to take maximum advantage of the contemplated transaction (or any future opportunity the Company may elect to pursue). This was the first occasion since the IPO in 2010 that Middle Island has sought financial support from shareholders. The response was overwhelming, for which the Directors are sincerely appreciative.

The funds will be primarily applied to the planned acquisition and exploration of one or more new project opportunities. It is stressed, however, that legal documentation relating to the preferred transaction has still not been executed by counterparties and there is no assurance that they will do so. If the current priority transaction is not consummated as intended, then the funds will be applied to an alternative project opportunity on which technical due diligence has been completed.

Aside from expenditure related to due diligence activities and legal documentation on project acquisition opportunities, your Company has continued to implement and consolidate incremental cost savings during the September quarter in order to conserve the Company's cash. This program will continue into the December quarter on expiry of the West Perth office lease, with the Company's headquarters being relocated to less expensive premises nearby.

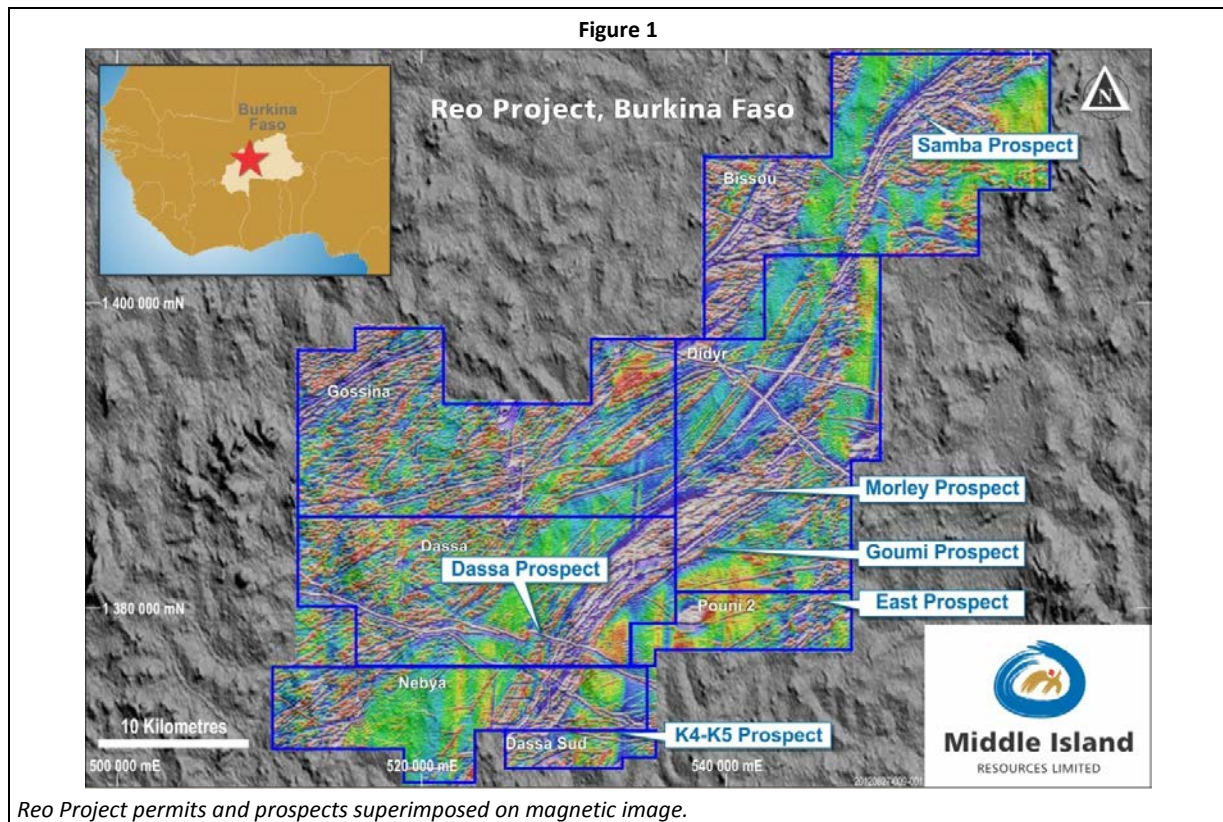
Strategy

Middle Island's strategic focus remains two-fold; to identify an appropriate partner to invest in resource definition drilling and feasibility studies at the Reo gold project in Burkina Faso, and to identify a new gold or copper-gold transaction that will generate significant additional shareholder and investor interest.

Since October 2014, Middle Island has identified and investigated more than 270 new project or corporate opportunities, primarily within Australia and Africa, and intends to transact at least one of these opportunities during the December quarter. Technical due diligence reviews have been completed on three of the better, short-listed opportunities.

No meaningful farm-in offers on the Reo Project have been forthcoming to date. However, five entities are still reviewing the data, including two companies that are revisiting the opportunity and a further company that completed a site visit to the project during the September quarter. As an alternative, Middle Island recommencing a more measured program toward a staged, lower cost, heap leach development scenario in its own right, is still an option under review. The extent and duration of this campaign would, however, variously be dependent on new project acquisitions, tenure status, the outcome of planned November 2015 elections in Burkina Faso and further improvements in equity markets.

Reo Gold Project – Burkina Faso



Exploration

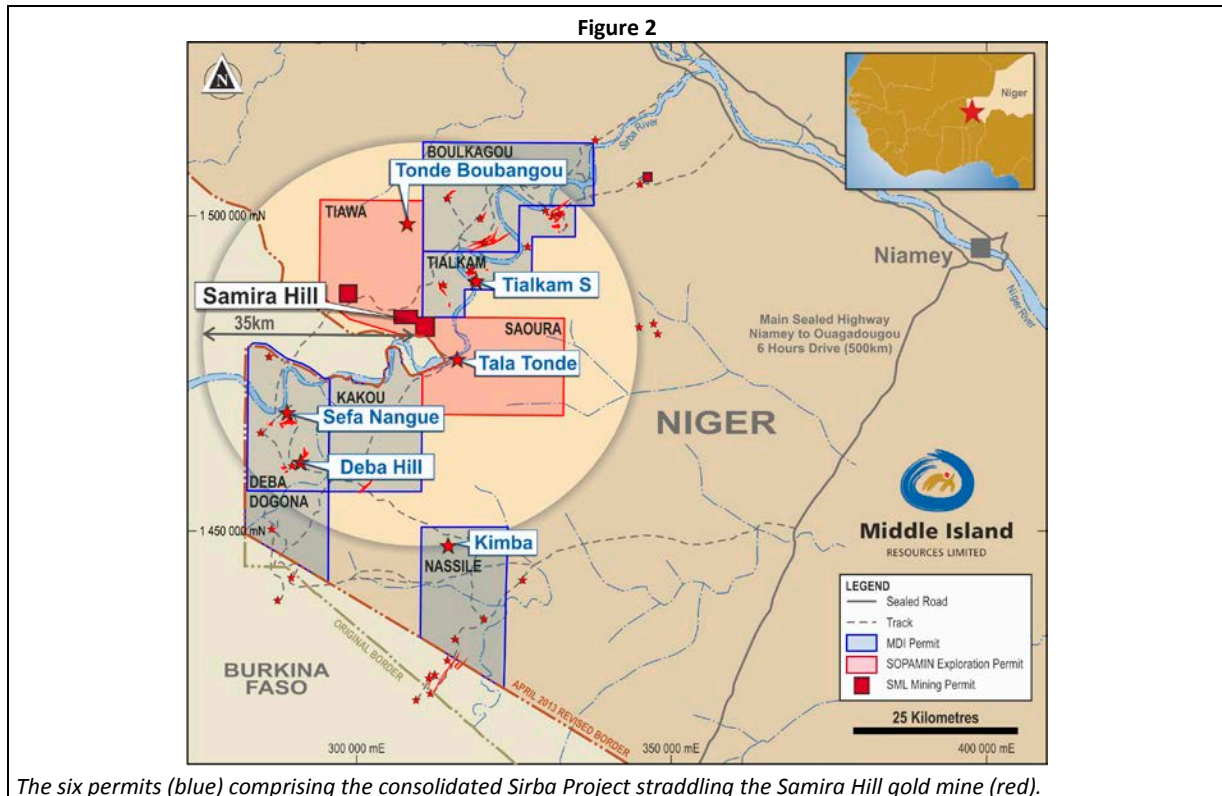
No exploration was undertaken within the Company's 100%-owned Reo gold project in Burkina Faso during the September quarter. During the monsoon season, the continuing focus has been on identifying an appropriate partner to help fund the project through to feasibility.

The Reo gold project remains highly prospective, with significant unfinished resource definition and exploration activities still to be completed.

Tenure

All Reo Project permits remain in good standing.

Sirba Gold Project – Niger



Exploration

No exploration was undertaken within the Sirba gold project permits during the September quarter.

Tenure

The status of the Deba and Tialkam permits remains unchanged. No advice was received during the quarter on the outcome of either the Company's request to have these permits reinstated or the permit re-applications.

Similarly, renewal applications for the Dogona and Boulkagou permits, lodged on behalf of joint venture partner, Cassidy Gold Limited in August 2014, are still pending.

Opportunities to dispose of the Company's Niger permit interests continue to be pursued, and one company reviewed the relevant data during the September quarter.

Safety, Environmental & Social

Health, Safety & Environment

No injuries, safety or environmental incidents were recorded at the Company's projects and premises during the September quarter.

Social

Given the hiatus in exploration activity, the Company's community development initiatives at the Reo Project have been curtailed. However, contact with our host communities at the Reo Project is being maintained to ensure they are informed of Middle Island's situation.

COMPANY CONTACTS:

Rick Yeates – Managing Director +61 (0)401 694 313

Kate Manning – Administration Manager +61 (0)418 883 959

MEDIA CONTACT:

Kevin Skinner Field Public Relations +61 (0)8 8234 9555 / +61 (0)414 822 631

WEBSITE:

www.middleisland.com.au

Competent Person's Statement

Information in this report relates to exploration results or mineral resources that are based on information compiled by Mr Rick Yeates (Member of the Australasian Institute of Mining and Metallurgy). Mr Yeates is a fulltime employee of Middle Island and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken 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.

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs and other operating results, growth prospects and the outlook of Middle Island's operations contain or comprise certain forward looking statements regarding Middle Island's exploration operations, economic performance and financial condition. Although Middle Island believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties in foreign countries, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Middle Island undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Middle Island Resources Limited (**Company**) advises the following information required under ASX Listing Rule 5.3.3:

Mining Tenements

Tenements	Mining tenements acquired during the quarter	Mining tenements disposed during the quarter	Mining tenements held at the end of the quarter	Tenements location
Pouni	-	-	100%	Burkina Faso
Dassa	-	-	100%	Burkina Faso
Didyr	-	-	100%	Burkina Faso
Dassa Sud	-	-	100%	Burkina Faso
Nebya	-	-	100%	Burkina Faso
Bissou	-	-	100%	Burkina Faso
Gossina	-	-	100%	Burkina Faso
Nassilé	-	-	100%	Niger
Kakou	-	-	100%	Niger
Tialkam	-	-	Nil (pending appeal)	Niger
Deba	-	-	Nil (pending appeal)	Niger

Farm-in or Farm-out Arrangements

Tenements	Interests in farm-in or farm-out acquired during the quarter	Interests in farm-in or farm-out disposed during the quarter	Interests in farm-in or farm-out held at the end of the quarter	Tenements location
Dogona	-	Renewal pending	Earning 90%	Niger
Boullagou	-	Renewal pending	Earning 90%	Niger

Visit www.middleisland.com.au for further information and announcements.