



**Middle Island**  
RESOURCES LIMITED

Middle Island Resources Limited  
ACN 142 361 608

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## QUARTERLY REPORT

For the period ended 31 December 2015

### HIGHLIGHTS

- Cash position of \$529,000 and no debt as at 31 December 2015.
- No exploration was undertaken during the December quarter in line with the previously detailed corporate strategy.
- The Company's focus during the period under review has been the on-going identification and review of new project opportunities, completing site visits and advancing documentation on potential project acquisitions.
- In the event that the preferred acquisition is not consummated, two further opportunities of considerable merit are being advanced as potential alternatives.

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**ASX Code: MDI**

**Office:**

Suite 1, 2 Richardson Street  
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Western Australia

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**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 \$529,000 and no debt as at 31 December 2015.

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 December quarter in order to conserve the Company's cash.

On expiry of the West Perth office lease during the December quarter, the Company's headquarters were relocated from Suite 2 to Suite 1 at the same West Perth address via a sublease arrangement, thereby halving office rental costs and providing the opportunity to further share administrative functions.

#### **Strategy**

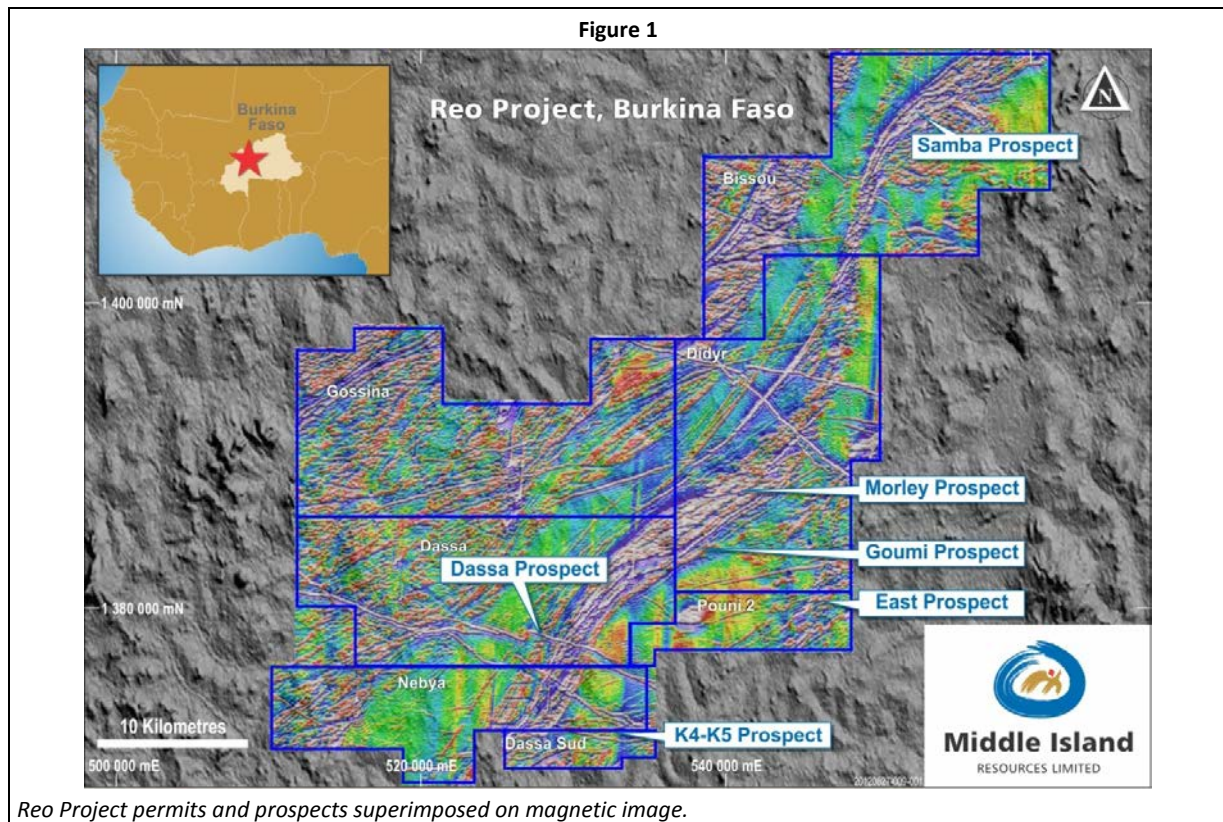
Middle Island's strategic focus remains two-fold; to identify an appropriate partner to invest in resource definition drilling and feasibility studies at the Reo gold project in Burkina Faso, and to identify a new gold or copper-gold transaction that will generate significant additional shareholder and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

An indicative farm-in offer has been tabled for the Reo Project in Burkina Faso, and negotiations are proceeding with the interested party.

Since October 2014, Middle Island has identified and investigated more than 300 new project or corporate opportunities, primarily within Australia and Africa, and is actively pursuing a transaction on at least one of three priority projects.

Although unable to successfully conclude a transaction during the December quarter, technical due diligence reviews have been completed on all three projects, and legal documentation is well advanced on two of these. It is hoped that one or more transactions can be successfully concluded during the March quarter.

## **Reo Gold Project – Burkina Faso**



### **Exploration**

No exploration was undertaken within the Company's 100%-owned Reo gold project in Burkina Faso during the December quarter.

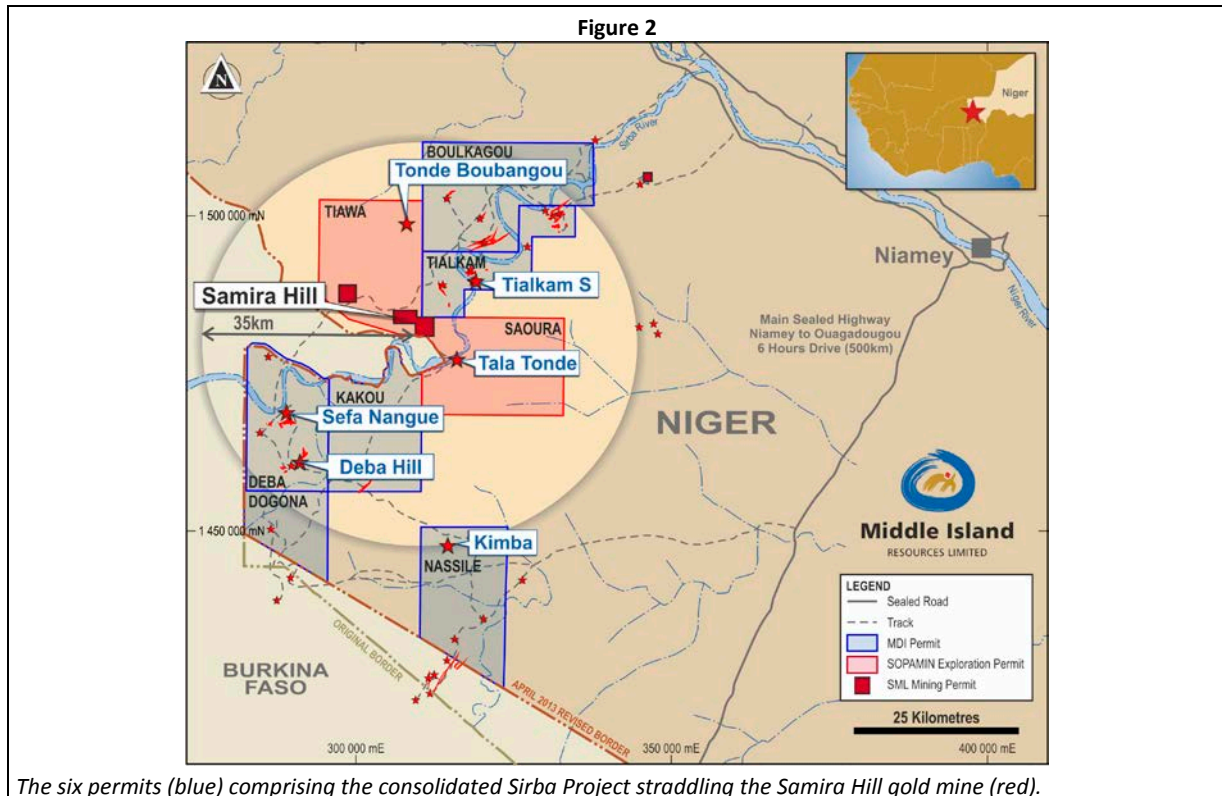
The continuing focus has been on identifying an appropriate partner to help fund the project through to feasibility. An indicative offer was received during the December quarter and negotiations with the interested party are progressing.

The Reo gold project remains highly prospective, with significant unfinished resource definition and exploration activities 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 December 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. It is now considered highly unlikely that the permits will be reinstated and, as such, releases have been sought from our previous project partners.

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 (or realise some value from) the Company's Niger permit interests continue to be pursued.

## **Safety, Environmental & Social**

### **Health, Safety & Environment**

No injuries, safety or environmental incidents were recorded at the Company's projects and premises during the December 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](http://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
Boulkagou	-	Renewal pending	Earning 90%	Niger

Visit [www.middleisland.com.au](http://www.middleisland.com.au) for further information and announcements.