

ASX Announcement

30 April 2024

ASX: MDI

Quarterly Activities Report Ended 31 March 2024

HIGHLIGHTS:

- Copper hits highest price in two years.

BARKLY COPPER-GOLD PROJECT, NORTHERN TERRITORY

- Prospect scale geophysics modeling delivered compelling new drill targets;
- Multiple modelled large dense 'shoots' spread across six prospects - (an indicator of potential sulphide or iron oxide minerals concentrations expected with MDI's IOCG or Sediment Hosted Cu-Zn-Pb-Ag targets);
- Eight drill-ready targets generated and another three priority targets to undergo further surveys ahead of drilling.

CORPORATE

- New Copper-Gold project opportunities generated in Queensland;
- MDI maintains ~10.5% shareholding in Aurumin Limited.

OPERATING ACTIVITIES CORPORATE

Finances

Middle Island Resources Limited (**ASX: MDI, Middle Island, or the Company**) held aggregated cash and share investments of A\$4.01M as of 31 March 2024, comprising:

- Cash reserves - A\$2.07M
- Shares held in Aurumin Limited (ASX:AUN) – A\$1.94M

During the March 2024 quarter, which corresponds to the Northern Australia wet season, MDI ceased field activities and, in a considered and measured manner, progressed exploration planning activities for the 2024 field season whilst taking every opportunity to preserve cash without jeopardising timely outcomes. The Company is positioned to have adequate funding for a drill program to test the first round of priority targets at Barkly at the end of the wet season in the NT (usually March).

The Company retains a significant interest (10.5%) in AUN, an aspiring gold producer from its flagship 946koz Sandstone Gold Operations. During the March quarter, AUN cleared the remaining balance of the convertible note under which it had been labouring since acquiring the Sandstone project, and (via a placement) raised \$2.5 million to advance the project. The transformed balance sheet and recent buoyant gold prices have seen the start of a turnaround in the market value of the Company's AUN shareholding.

ASX Additional Information

ASX Listing Rule 5.3.1: Exploration and evaluation expenditure during the March 2024 quarter was \$116k.

ASX Listing Rule 5.3.2: No substantive mining production or development activities were undertaken during the March 2024 quarter.

ASX Listing Rule 5.3.5: During the March 2024 quarter, the Company made cash payments of \$33k to related parties and their associates, being the aggregate amount paid to Directors as salary, directors fees, consulting fees and superannuation.

Tenure

MDI holds 100% in 14 granted exploration licences and 2 pending applications covering 6,918km² within the Barkly region of the Northern Territory (Figure 1).

During the March quarter, MDI submitted eight Exploration Permit for Minerals (EPM) applications within Queensland (refer to Project Acquisitions for background). The various EPM applications have been accepted by the Department of Resources (DoR) and are being progressed through the various application stages.

Strategy

The Company's strategy regarding its Barkly Copper-Gold Super Project is to generate shareholder value via exploration success, complimentary assets acquisition or transactional activity. MDI continues to assess asset acquisition opportunities globally. The Company looks at, and screens corporate opportunities as they are presented.

Project Acquisitions

New projects on open ground in Queensland were identified and applied for by the Company's project generation team in the March quarter. New project generation has a Copper-Gold focus. The new applications in eastern Queensland cover porphyry copper-gold and epithermal gold targets in rocks of the New England Orogen. Details on the new projects will be released upon grant of the EPMs.

At Barkly no new projects were acquired from third parties. Several new project opportunities outside the Barkly region were assessed. None were thought to match the existing Greenfields potential to deliver 'world class' discoveries like MDI's established Barkly Project. Assessment of, and discussions around, assets in the Barkly region that complement our current portfolio are ongoing.

BARKLY COPPER-GOLD SUPER PROJECT (100%) – NORTHERN TERRITORY

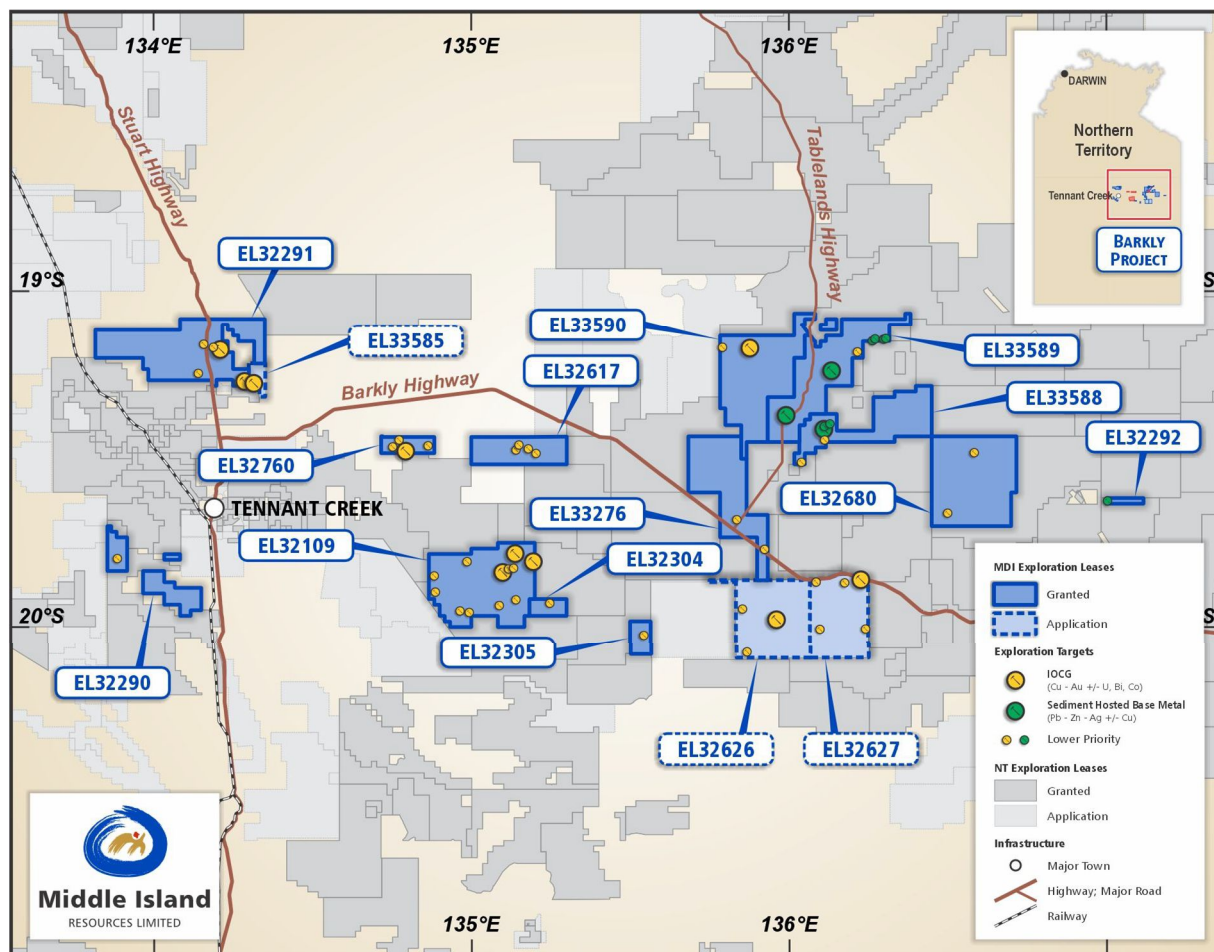


Figure 1 Barkly Project and exploration targets.

Exploration Overview

The Barkly tenements extend from outcropping areas near Tennant Creek and the interpreted eastward extensions of prospective Proterozoic stratigraphy that includes the East Tennant Ridge and Burnette Downs Rift corridor beneath shallow to moderate depth Georgina Basin cover in the Northern Territory. The project's Exploration Licences (14 granted & 2 applications) cover a total of approximately 6,918km².

The East Tennant corridor has gained recognition as a priority, largely unexplored, IOCG mineral province. The corridor is also considered to be prospective for other styles of mineralisation including “world- class” sediment hosted Cu -Zn-Pb-Ag deposits, like those found in the Mt Inlier to the east.

IOCG deposits, which are MDI's primary target to date, include large lower grade deposits to smaller high-grade variants. Australian deposit examples include Olympic Dam, Prominent Hill, and Carrapateena in South Australia; Ernest Henry in Queensland, and Warrego and Juno located to the west of the Barkly Project at Tennant Creek.

IOCG deposits and alteration surrounding them have elevated levels of iron oxide minerals magnetite and hematite, which give rise to elevated magnetic and gravity (density) signatures that can be mapped readily with geophysical surveys (magnetics and gravity). The copper-gold mineralisation that makes up the deposits occurs as sulphide minerals with a more restricted aerial extent that can commonly be mapped by other geophysical

techniques (IP, EM, MT). The often-strong geophysical signatures of the alteration and mineralisation lends itself to effective explorations under cover, as exists at Barkly. Significant examples of 'blind' IOCG deposits discovered beneath substantial sedimentary cover include BHP's Olympic Dam and Oak Dam deposits in South Australia, which are respectively overlain by approximately 400m and 900m of post-mineralisation cover.

The corridor is also considered to be prospective for other styles of mineralization including large sediment hosted Cu-Zn-Pb-Ag deposits like those found in the Mt Isa Inlier to the east and southern McArthur Basin to the north. Deposit examples include Cannington, Mount Isa, Hilton, George Fisher, Lady Loretta, Century, Walford Creek and McArthur (HYC). The East Tennant Ridge is fault bound and marks the southern margin to the Burnette Downs rift corridor. Palaeoproterozoic sedimentary strata within the rift grabens and onlapping onto the basement highs include rocks interpreted to be extensions of the super basins that host many of the listed deposits.

The Crosswinds prospect was identified early and stood out by the presence of copper mineralisation at surface and was advanced ahead of the broader project targeting. Ground gravity surveys, IP geophysical surveys and maiden drilling was completed in 2022. It is postulated that the drilling did not test the geophysical anomaly.

MDI's exploration strategy has been to complete systematic detailed assessment of its data from surveys (including aeromagnetic, induced polarization (IP)/resistivity and detailed ground gravity -completed in 2022) over its granted Exploration Licences to enable development of structurally focused solid geological interpretations to generate a prioritised target list for the next stage of screening (further geophysics or select drilling). The outcome of MDI's work in work in 2023 was the identification of 55 exploration targets (including Crosswinds where work is ongoing) and further detailed geophysics surveys (ground gravity) were completed over eight select targets to provide sufficient resolution to resolve drillholes to test those targets.

Geophysics & Targeting

During the March quarter, MDI completed modelling of detailed gravity survey data collected or collated across priority targets identified in 2023. The modelling has established well-defined density anomalies ('shoots') that are consistent with the densities, size, and geometries of known examples of the target deposit types.

Six areas have advanced to Prospect status, with well-defined drill targets (Figure 2). Eight new high priority drill targets have been identified in the project drill schedule. A total of 14 conceptual exploration drillholes have been planned.

The new drill targets are 'blind' beneath post-mineralisation cover and, as such, each and every one presents an opportunity for a significant new discovery. Target depths range from 230m - 550m.

A summary of the targets was provided in MDI's ASX release dated 8 April 2024.

Priority focused drilling plans are being finalised for the 2024 field season. Initial drilling will focus on shallower targets that include the Wilma, Dino, Pebble and Bedrock prospects (Figure 2); they being least expensive to drill.

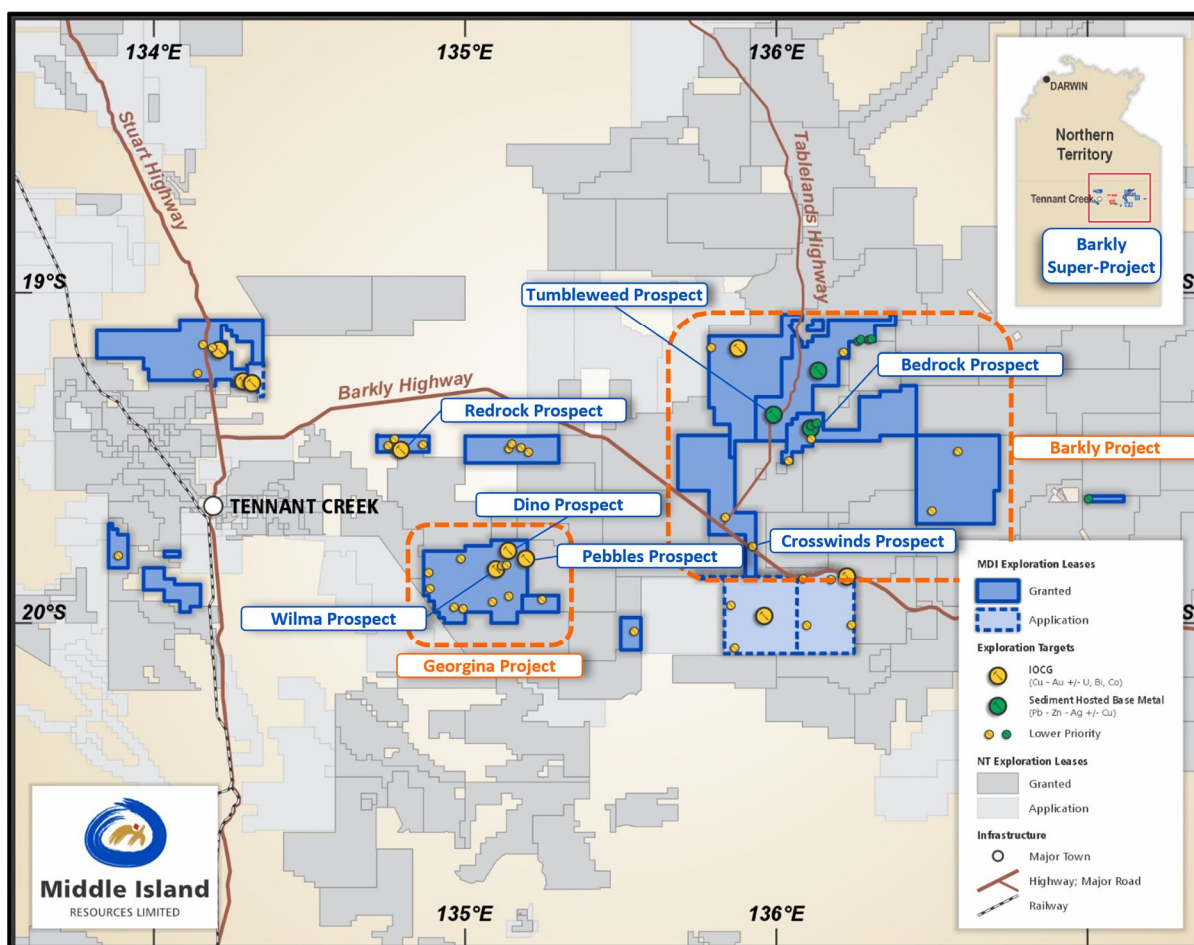


Figure 2. Barkly Super-Project, project areas, tenements and exploration prospect locations.

Field Activities

No field activities were conducted due to the Northern Australian wet season.

Compilation and reporting of the 2023 field program and results was completed.

Planned June 2024 Quarter Activities

The Barkly Project exploration and targeting programme is ongoing and has advanced to prospect scale work on the assembled portfolio of priority targets (Figure 2). Planning is being conducted toward drill testing a spread of prioritised drill targets in 2024.

Work that commenced in the March quarter includes:

- finalisation of drill programme planning, drilling targeted for the end of the current wet season;
- 2024 field programmes (soil and gravity surveys) to advance the next round of priority targets to the drill stage; and
- review of recent near neighbour exploration successes to add to the regional context knowledge base.

SAFETY, ENVIRONMENTAL AND SOCIAL

Health & Safety

No injuries or incidents were recorded at the Company's projects and premises during the March 2024 quarter.

Environment

No environmental incidents were recorded at the Company's projects and premises during the March 2024 quarter.

Social

MDI is committed to working with the local communities in terms of procurement and employment. MDI has committed expenditure in Tenant Creek, providing the services to our Barkly operations base located there.

MINING TENEMENTS

Middle Island Resources Limited advises the following information required under ASX Listing 5.3.3 as of 31 March 2024.

| Tenements | Status | % Held | Tenement location |
|-----------|-------------|--------|--------------------|
| EL32109 | Granted | 100% | Northern Territory |
| EL32290 | Granted | 100% | Northern Territory |
| EL32291 | Granted | 100% | Northern Territory |
| EL32292 | Granted | 100% | Northern Territory |
| EL32304 | Granted | 100% | Northern Territory |
| EL 32305 | Granted | 100% | Northern Territory |
| EL32617 | Granted | 100% | Northern Territory |
| EL32626 | Application | 100% | Northern Territory |
| EL32627 | Application | 100% | Northern Territory |
| EL32680 | Granted | 100% | Northern Territory |
| EL32760 | Granted | 100% | Northern Territory |
| EL33276 | Granted | 100% | Northern Territory |
| EL33585 | Granted | 100% | Northern Territory |
| EL33588 | Granted | 100% | Northern Territory |
| EL33589 | Granted | 100% | Northern Territory |
| EL33590 | Granted | 100% | Northern Territory |
| EPM29008 | Application | 100% | Queensland |
| EPM29009 | Application | 100% | Queensland |
| EPM29010 | Application | 100% | Queensland |
| EPM29011 | Application | 100% | Queensland |
| EPM29012 | Application | 100% | Queensland |
| EPM29013 | Application | 100% | Queensland |
| EPM29014 | Application | 100% | Queensland |
| EPM29015 | Application | 100% | Queensland |

RELEASE AUTHORISED BY ROLAND BARTSCH (CEO):

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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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Middle Island Resources Limited

ABN:

70 142 361 608

Quarter ended ("Current Quarter")

31 March 2024

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (116) | (765) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (142) | (460) |
| | (e) administration and corporate costs | (108) | (325) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 17 | 38 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | - |
| 1.9 | Net cash from / (used in) operating activities | (349) | (1,512) |

| | | | |
|-----------|---|---|-------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | - | - |
| | (e) investments | - | (137) |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | (137) |

| | | | |
|-------------|---|------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 1,155 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (8) | (92) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | (8) | 1,063 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 2,430 | 2,659 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (349) | (1,512) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (137) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (8) | 1,063 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 2,073 | 2,073 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 101 | 124 |
| 5.2 Call deposits at interest | 71 | 5 |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) Term Deposits at interest | 1,901 | 2,301 |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 2,073 | 2,430 |

| 6. Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 33 |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | |

| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| 8. | Estimated cash available for future operating activities | \$A'000 |
|---|--|---------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (349) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (349) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 2,073 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 2,073 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 5.94 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Answer: N/A | |
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| | Answer: N/A | |
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| | Answer: N/A | |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **30 April 2024**

Authorised by: **Rudolf Tieleman, Company Secretary**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. By the Company lodging this Appendix 5B, the Executive Director and CFO declare that the Appendix 5B for the relevant quarter:
 - presents a true and fair view, in all material respects, of the cashflows of the Company for the relevant quarter and is in accordance with relevant accounting standards;
 - the statement given above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - the Company's financial records have been properly maintained and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.