

ASX Release – 25 May 2016

Confirmation of dispatch of Offer Memorandum – Entitlements Issue

Middle Island Resources Limited (ASX: MDI) (**MDI** or **Company**) is pleased to confirm that the Offer Memorandum and Entitlement Forms were dispatched to Shareholders today, 25 May 2016.

As announced on 17 May 2016, the Company is undertaking a non-renounceable rights issue to shareholders on the basis of 1 new share for every 6 shares held at 20 May 2016 at an issue price of \$0.03 per new share to raise approximately \$1,450,000 (before costs) (**Rights Issue**). The Company has completed a conditional placement of 120,000,000 shares at \$0.03 per share to raise \$3,600,000 (before costs) (**Conditional Placement**). Settlement of the Conditional Placement is subject to shareholder approval at a general meeting to be held on 24 June 2016.

The Conditional Placement and the Rights Issue will enable the Company to meet its obligations at completion of the Sandstone Project acquisition, implement an expedited exploration and drilling program at the Sandstone Project with the objective of materially upgrading the existing mineral resources already estimated on the tenements being acquired, continue to assess opportunities for a joint venture partner for the Reo gold project in Burkina Faso, undertake a drilling and exploration program at the Reo gold project, and for working capital purposes. The Conditional Placement and the Rights Issue are partially directed at enabling the Company to bring forward the \$500,000 deferred payment (otherwise due 18 months after completion) associated with the acquisition of the Sandstone Project, resulting in a cost saving of \$100,000 (being the agreed discount for early payment).

Bell Potter Securities Limited has been appointed as Lead Manager to the Conditional Placement and Rights Issue.

For further information:
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