



Middle Island

RESOURCES LIMITED



Middle Island Resources Limited
ACN 142 361 608

Suite 1, 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 June 2022

<i>Middle Island Resources Ltd</i> ACN 142 361 608	HIGHLIGHTS
<p>ASX Code: MDI</p> <p>Office: Suite 1, 2 Richardson Street WEST PERTH WA 6005</p> <p>Postal Address: PO Box 1017 WEST PERTH WA 6872</p> <p>T: +61 8 9322 1430 E: info@middleisland.com.au</p> <p>www.middleisland.com.au</p> <p>Capital Structure : 122,418,222 ordinary shares</p> <p>Board Members:</p> <p>Peter Thomas Non-Executive Chairman</p> <p>Brad Marwood Executive Director</p> <p>Bruce Stewart Non-Executive Director</p> <p>Rudolf Tieleman Company Secretary</p>	<p><u>BARKLY</u></p> <ul style="list-style-type: none">• Five (5) Induced Polarisation (IP) lines were completed over the Crosswinds Copper Prospect in the Barkly Copper-Gold Super Project, Northern Territory. These IP lines highlight two drill ready targets at Crosswinds.• The Ground Gravity survey over Crosswinds area was completed during the June Quarter.• The aeromagnetic survey was completed during the June Quarter providing a regional assessment of potential targets across MDI's 5,533km² holding at Barkly. A total of 39,500km was flown.• MDI received its co-funding from the Northern Territory Government for its Round 14 Geophysics and Drilling programme Grant.• Drilling commenced at the Barkly Copper-Gold Super Project during the quarter.• MDI was successful in its application for Round 15 of the Northern Territory Government's Geophysics and Drilling programme Grant. <p><u>CORPORATE</u></p> <ul style="list-style-type: none">• During the June Quarter MDI hired a Manager Natural Resources who then proceeded to build his drilling team for the first round of drilling at Barkly Copper-Gold Super Project.• MDI is fully funded for the planned business activities for the next two years. Should drilling at Barkly hit a bonanza hole then drilling will be accelerated and current funds will not cover the expanded scope.• MDI as 25% shareholder of AUN continues to support AUN efforts to bring the Sandstone Project into production.



Operating Activities

Corporate

Finances

Middle Island Resources Limited (**ASX: MDI, Middle Island or the Company**), held aggregated cash and share investments of A\$9.01M as of 30 June 2022, comprising A\$4.89M in cash and A\$4.12M in ordinary shares held in Aurumin Limited (ASX:AUN) (A\$4.02M) and Tajiri Resources Corporation (TSXV:TAJ) (A\$97k).

ASX Additional Information

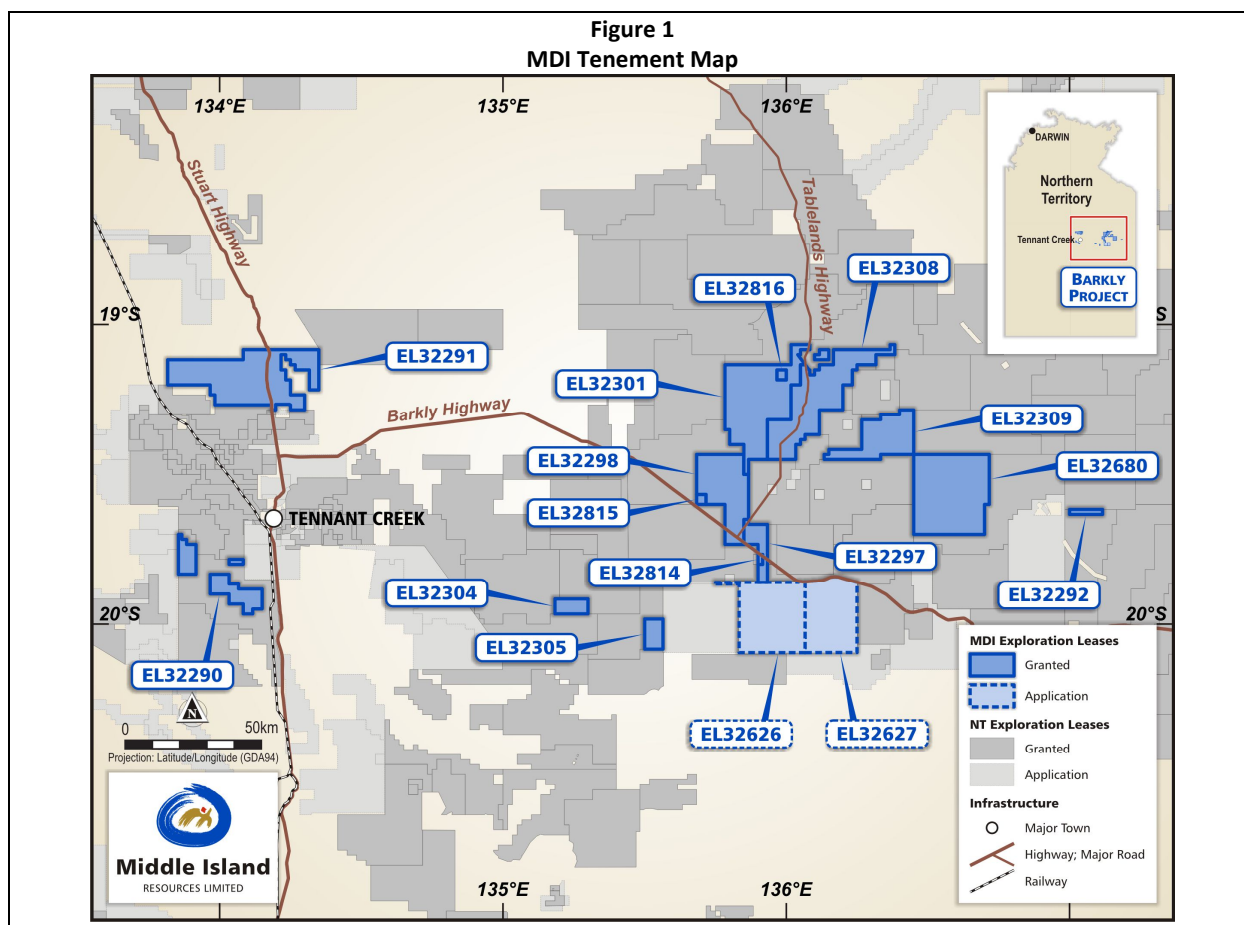
ASX Listing Rule 5.3.1: Exploration and evaluation expenditure during the June 2022 quarter was \$437k.

ASX Listing Rule 5.3.2: No substantive mining production or development activities were undertaken during the June 2022 quarter.

ASX Listing Rule 5.3.5: During the June 2022 quarter, the Company made cash payments of \$325k to related parties and their associates, being the aggregate amount paid to Directors, including salary, directors' consulting fees, special services fees, and related statutory superannuation.

Tenure

MDI was granted three applications during the June quarter. MDI now holds 100% in 14 granted exploration licences covering 4,375.87km² and 2 pending applications covering 1,157.72km² within the Barkly region of the Northern Territory.



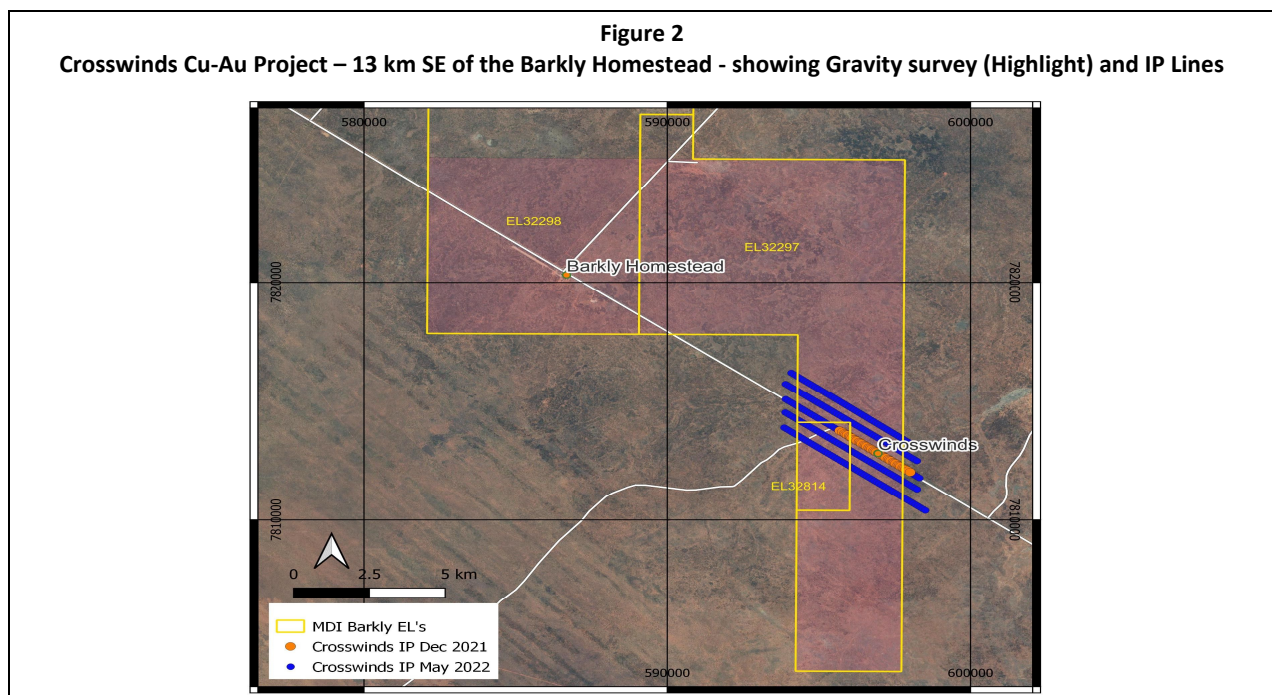
Strategy

MDI's strategy is to increase the value of the Barkly Copper-Gold Super Project via exploration and assessing complimentary assets to expand MDI foundation of land holding.

Barkly Copper-Gold Super Project (100%) – Northern Territory

Induced Polarity Survey

Planetary Geophysics Pty Ltd. (www.planetarygeophysics.com), completed one single 2.65km long 2D Induced Polarization (IP) /Resistivity line in December 2021. Rx Dipole Spacing was 200m apart with Tx Injection Spacing 100m apart. The location as shown in Figure 2.



MDI now has an additional 24-line km of IP/Resistivity over four lines 500m apart, both north and south of the original line, also with an extension to the original line. This was undertaken to create a 3D model of the target to better define the IP anomaly and to bullseye drill holes. Several depth slices were produced to indicate target areas. Not only does the original anomaly remain coincident with Crosswinds, but a second, larger, anomaly has been defined by this work and just a few hundred metres to the north-west.

A photo of the IP equipment used by Planetary Geophysics at the Crosswinds Prospect terrain as shown in the Figure 3 below.

Figure 3
Crosswinds Copper Gold Project - IP/Resistivity line – Collection Photo



Figure 4 below, shows the chargeability results indicating two significant chargeable targets at approximately 500m depth. The images below show depth slices created at the -180m RL and the -230m RL (~450-500m below surface) which show the modelled anomaly. These targets have been refined from the initial IP line completed in December 2021.

The materials that are most chargeable include sulphide minerals (both massive and disseminated), clay-rich materials, and graphite.

Figure 4a
Crosswinds Copper Gold Project - IP -230m RL depth slice

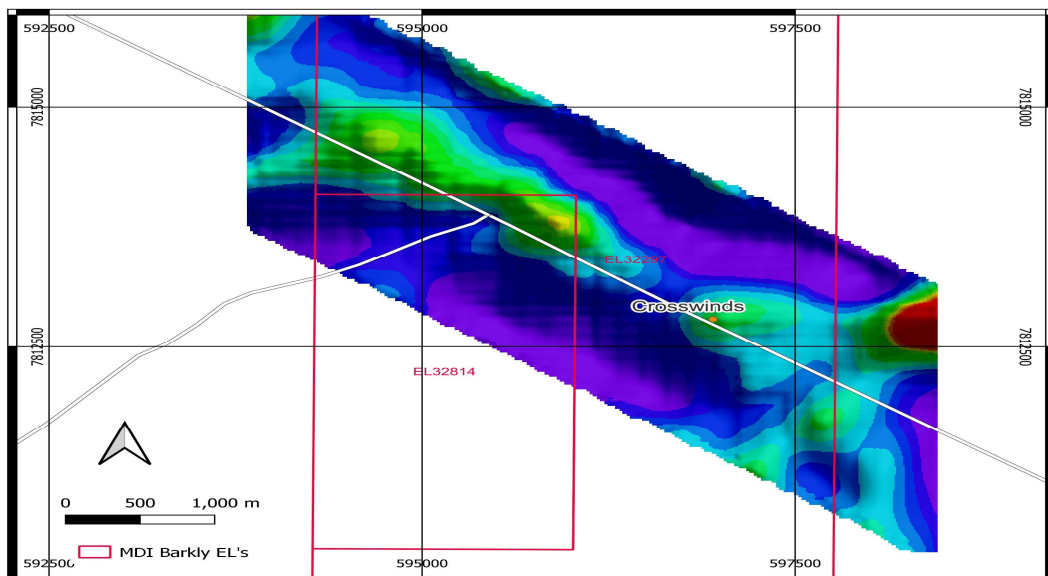
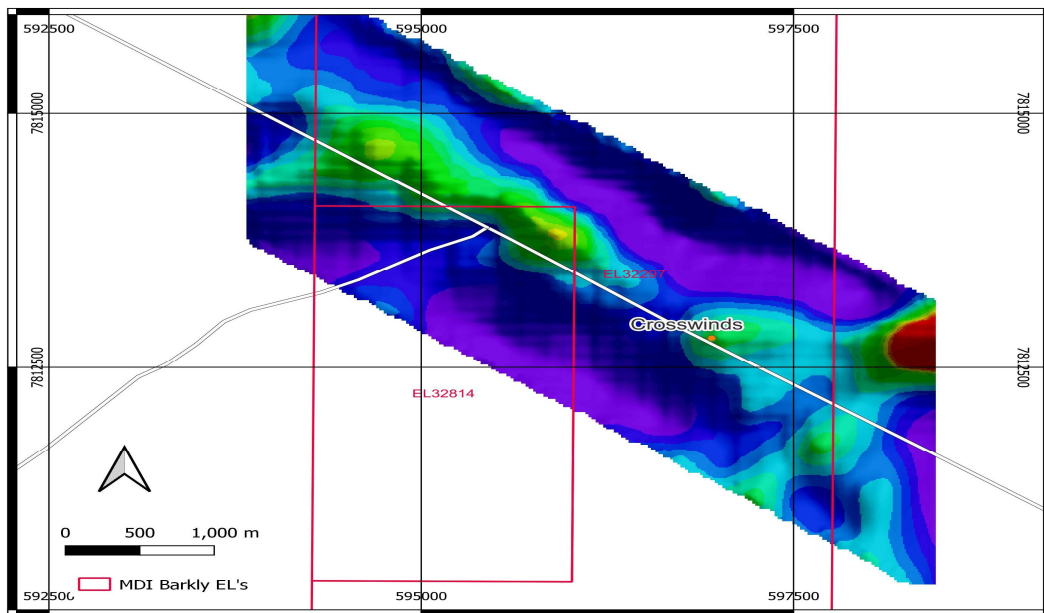




Figure 4b
Crosswinds Copper Gold Project - IP -180m RL depth slice



Ground Gravity Survey

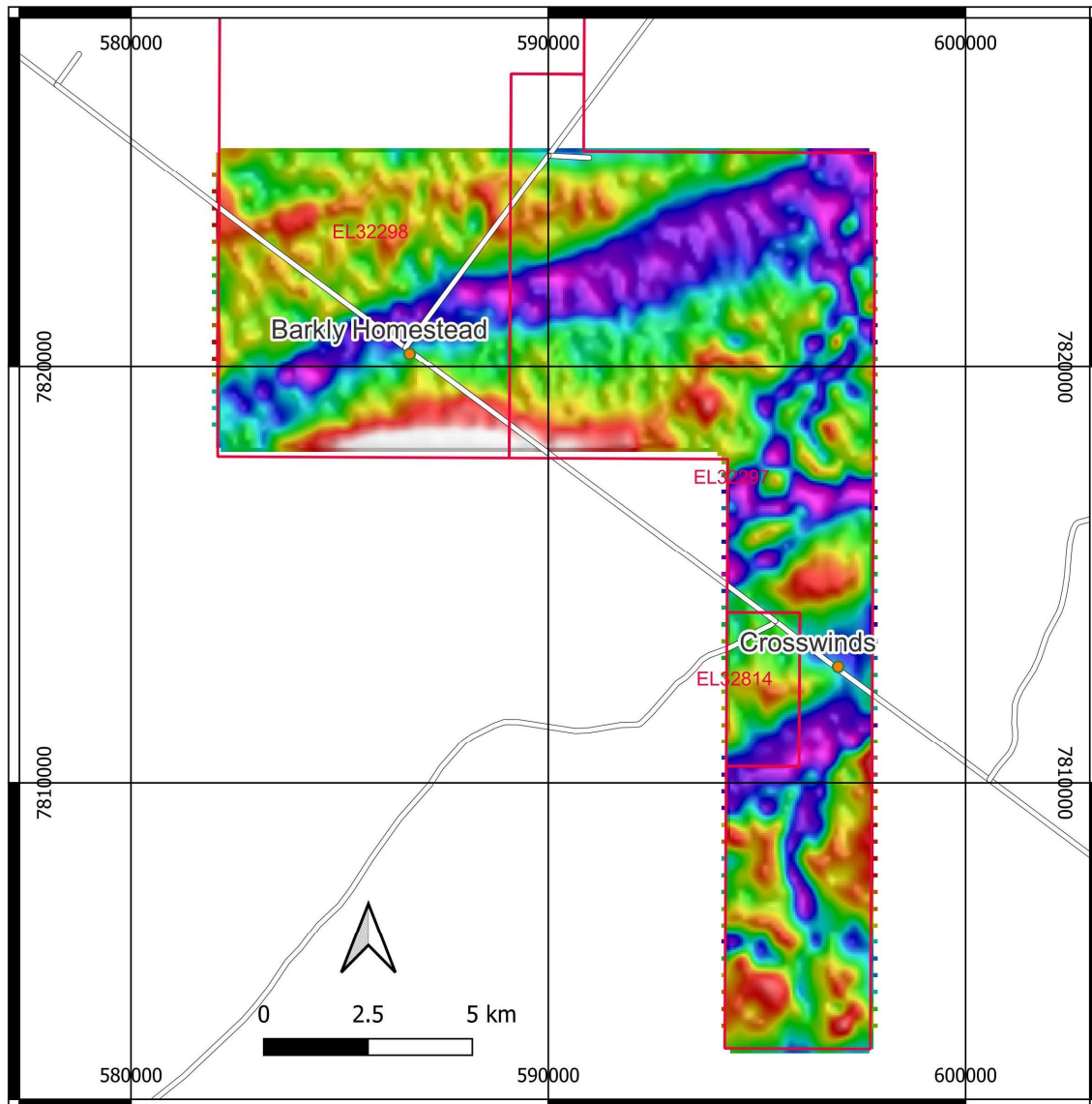
The Ground Gravity survey was completed during the June quarter which was conducted by Atlas Geophysics. This survey was added to our datasets and better defines the drill targets. The survey area includes that of the Crosswinds project and the area over the Barkly Homestead (See Figure 5).

Figure 5
Conducting Gravity Survey, Crosswinds Copper Prospect





Figure 6
Ground Gravity at Crosswinds Copper Gold Project



Aeromagnetic and Radiometric work

The aeromagnetic survey was completed during the June quarter, this will provide a regional assessment of potential targets across MDI's holding at east Barkly. A total of 39,500km was flown. MDI expects aeromagnetic work will prove an extremely useful tool to identify potential targets that can be followed up with on the ground exploration to provide weight of evidence prior to drilling.

As MDI completed the work before the end of the June Quarter, MDI qualified to receive funding support from the Northern Territory Government's geophysics and drilling collaborations co-funding programme.

Drilling

Drilling commenced at the Crosswinds prospect during the June Quarter.

Figure 7
Drilling at Crosswinds Copper Gold Project



Northern Territory Grants

During the June Quarter, MDI was successful in its application for co-funding through the Round 15 Geophysics and Drilling collaborations program. MDI applied for co-funding for the Greenfield Drilling program.

Planned September 2022 Quarter Activities

Activities planned at the **Barkly** project during the September 2022 quarter comprise: -

- Drilling will continue to probe identified targets to establish the potential for an IOCG discovery.
- Ground exploration activities will be increased to provide further weight of evidence prior to drilling of the targets generated.
- The exploration team is fully equipped and ready to work. They will develop drilling protocols, logging procedures and standards of operation to ensure the maximum amount of information is captured from every metre drilled



Mining Tenements

Middle Island Resources Limited advises the following information required under ASX Listing Rule 5.3.3 as of 30 June 2022.

Table 1 Middle Island Resources' Tenements				
Tenements	Mining tenements acquired during the quarter	Mining tenements disposed during the quarter	Mining tenements held at the end of the quarter	Tenement location
EL 32290	Granted		100%	Northern Territory
EL 32291	Granted		100%	Northern Territory
EL 32292	Granted		100%	Northern Territory
EL 32297	Granted		100%	Northern Territory
EL 32298	Granted		100%	Northern Territory
EL 32301	Granted		100%	Northern Territory
EL 32304	Granted		100%	Northern Territory
EL 32305	Granted		100%	Northern Territory
EL 32308	Granted		100%	Northern Territory
EL 32309	Granted		100%	Northern Territory
EL 32680	Granted		100%	Northern Territory
EL 32814	Granted		100%	Northern Territory
EL 32815	Granted		100%	Northern Territory
EL 32816	Granted		100%	Northern Territory
EL 32626	Application		Pending Grant – 100%	Northern Territory
EL 32627	Application		Pending Grant – 100%	Northern Territory
EL 32680	Granted		100%	Northern Territory

Safety, Environmental & Social

Health & Safety

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

No COVID-19 infections have been recorded amongst staff or contractors.

Environment

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

Social

MDI is committed to working the local communities in terms of procurement and employment.

RELEASE AUTHORISED BY:

Board of Middle Island Resources Limited

COMPANY CONTACTS:

Brad Marwood – Executive Director

+61 (0)8 9322 1430

WEBSITE: www.middleisland.com.au



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.

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")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(437)	(1,541)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(344)	(979)
	(e) administration and corporate costs	(399)	(861)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	89	107
1.8	Other (provide details if material)	(3)	5
1.9	Net cash from / (used in) operating activities	(1,092)	(3,266)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(52)	(88)
	(d) exploration & evaluation	-	-
	(e) investments	-	(1,000)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	6,000
	(b) tenements	-	-
	(c) property, plant and equipment	-	1
	(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	(52)	4,913

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings – <i>Insurance Premium Funding – adjust to expense</i>	42	-
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	42	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,997	3,248
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,092)	(3,266)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(52)	4,913
4.4	Net cash from / (used in) financing activities (item 3.10 above)	42	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,895	4,895

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	181	95
5.2 Call deposits	4,693	5,881
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	21	21
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,895	5,997

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	325
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)	(1,092)
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)	(1,092)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,895
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,895
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.48
<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: **29 July 2022**

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.

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