



# Middle Island

RESOURCES LIMITED

Middle Island Resources Limited  
ACN 142 361 608

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## QUARTERLY REPORT

For the period ended 31 March 2023

**ASX Code: MDI**

**Office:**

Suite 1, 2 Richardson Street  
West Perth WA 6005  
Western Australia

**Postal Address:**

PO Box 1017  
West Perth WA 6872

T: +61 8 9322 1430

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[www.middleisland.com.au](http://www.middleisland.com.au)

**Capital Structure:**

122,418,222 ordinary shares

**Key Management Personnel:**

**Peter Thomas**

Non-Executive Chairman

**Brad Marwood**

Executive Director

**Bruce Stewart**

Non-Executive Director

**Roland Bartsch**

Chief Executive Officer

**Rudolf Tieleman**

Company Secretary

## HIGHLIGHTS

### BARKLY COPPER-GOLD PROJECT, NORTHERN TERRITORY

- Preservation of cash during the non-drilling wet season. Activities focused on data compilation, data processing and target generation.
- Sampling and logging were completed on 4 diamond holes drilled at the Crosswinds Prospect in 2022. Initial assays received; results will be reported to the market when final assays have been received and interpreted.
- Iron Oxide Copper-Gold (IOCG)-style alteration recorded in all holes.

### CORPORATE

- Highly experienced Geologist and Manager with particular expertise in IOCG systems, Roland Bartsch, appointed as Chief Executive Officer effective 1 April 2023.
- MDI maintains ~17.7% 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\$4.23M as of 31 March 2023, comprising:

- Cash reserves - A\$2.99M
- Shares held in Aurumin Limited (ASX:AUN) – A\$1.05M
- Shares held in Tajiri Resources Corporation (TSXV:TAJ) -A\$189K

During the March quarter, MDI diligently, in a considered and measured manner, progressed the works away-from-field activities whilst taking every opportunity to preserve cash without jeopardising timely outcomes.

### **ASX Additional Information**

ASX Listing Rule 5.3.1: Exploration and evaluation expenditure during the March quarter was \$152k.

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

ASX Listing Rule 5.3.5: During the March quarter, the Company made cash payments of \$79K to related parties and their associates, being the aggregate amount paid to Directors as salary, directors fees, consulting fees and superannuation.

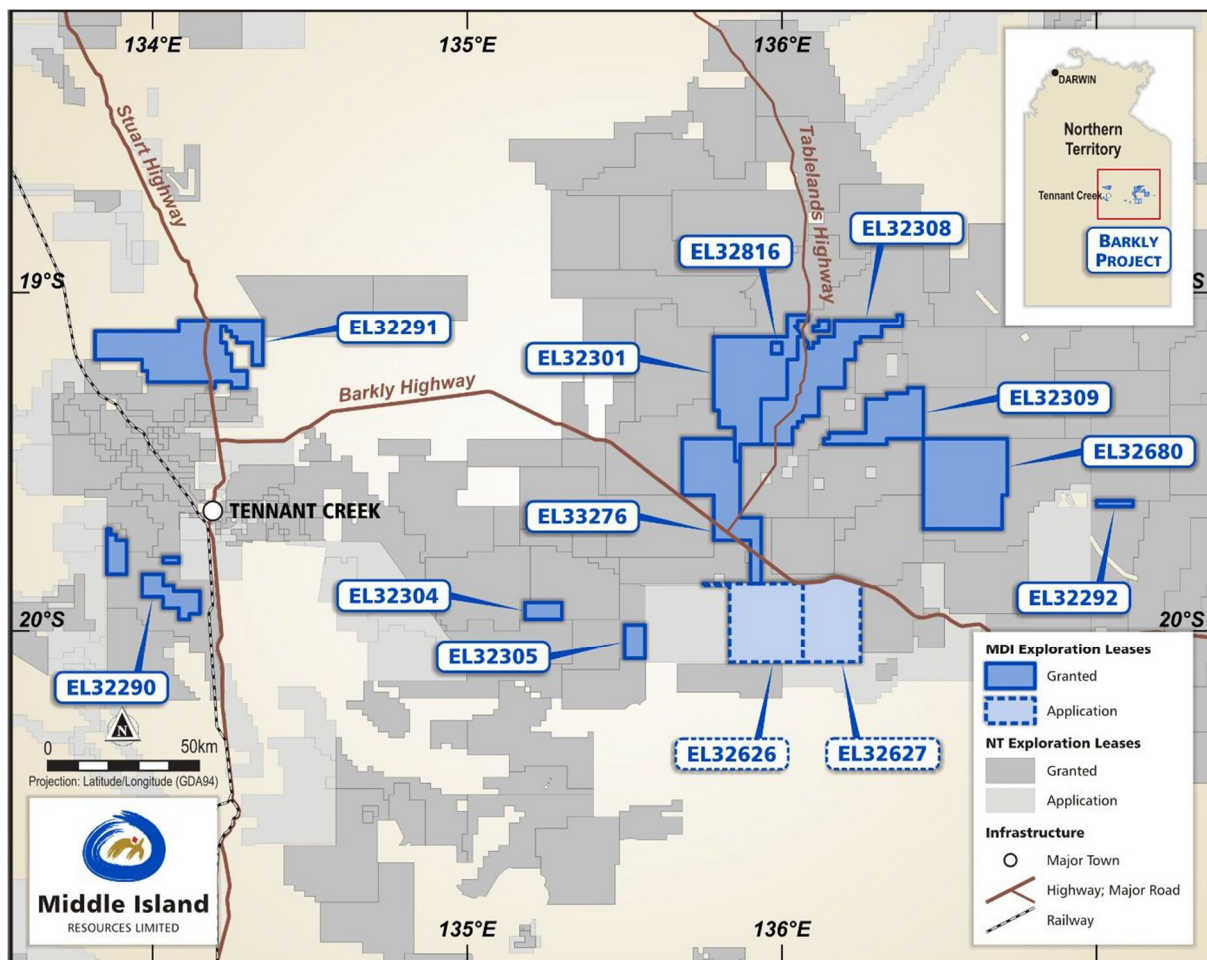
### **Tenure**

MDI holds 100% in 11 granted exploration licences covering 4,375.87km<sup>2</sup>, and 2 pending applications covering 1,157.72km<sup>2</sup> within the Barkly region of the Northern Territory.

### **Strategy**

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

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



**Figure 1**

### **Exploration Overview**

- Located on an interpreted eastward extension of the fault-bounded and prospective East Tennant Ridge under shallow to moderate Georgina Basin cover in the Northern Territory, the project Exploration Licences (11 granted & 2 applications) cover a total of approximately 5,434km<sup>2</sup> (Table 1).
- 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 mineralization including ‘world-class’ sediment hosted Zn-Pb-Ag deposits found in the Mt Inlier to the east.
- IOCG deposits, that 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 in west of the Barkly Project at Tennant Creek.
- The deposits and alteration surrounding them have elevated levels of iron oxide minerals magnetite and hematite, that 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 areal 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 is the case at Barkly.

- MDI's exploration strategy is 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 and to complete the acquisition, incorporation into its consolidated data base and review all publicly available data, 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 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.

### **Geophysics & Targeting**

Targets are being generated from 40,000 line-kilometers of aerial geophysics (magnetics and radiometrics) collected in 2022 covering the full project areas. The aerial survey was completed by MagSpec Airborne Surveys. Reprocessing of these data was completed by Southern Geoscience Consultants to produce 3D inversion models and is being integrated with compiled regional data and local detailed surveys at the Crosswinds prospect.

Regional open file data compiled and modelled include:

- Gravity;
- Seismic lines;
- Historical drill holes across the region (~1200 holes; exploration and shallow water bores); and,
- The depth to top target 'basement' surface (referred to as Seebase), to help define the bottom of the masking Georgina basin cover sediments.

This data will be reported to the market when initial interpretations have been completed.

### **Crosswinds Prospect**

In the March quarter, sampling and logging was finalised on the four diamond holes completed at the Crosswinds Prospect in 2022 (ASX Announcement: 1 February 2023). The drilling and initial observations reported in February are further to ASX announcements of 2 June, 10 August, and 13 September 2022.

In the lead up to drilling at Crosswinds, a surface occurrence of copper (malachite) identified in late 2020 returned spot pXRF results between 24.8% and 76.25% Cu; chip sampling of the occurrence returned a composite sample assay of 130m at 0.76% Cu by Intertek.

Detailed geophysics was conducted over the prospect in 2022 by MDI that included airborne magnetics; five lines (28.5 kms) of Induced Polarisation (IP)/Resistivity by Planetary Geophysics Pty Ltd; and detailed ground gravity (2,016 stations) by Atlas Geophysics. The geophysics mapped features that may indicate the presence of sulphide mineralization (notably a strong chargeability anomaly at depth). The drilling was a first-pass test of the identified targets directed primarily at gaining an understanding of the geology whilst testing targets.

The four diamond holes were drilled to depths of 550 to 855m, for a total 3,025m, drilled to test geophysical targets in the Proterozoic basement. All four holes intersected the base of cover (the target basement unconformity) within the predicted depth range ~ 250m from surface (~275 – 297m down-hole). In the underlying basement, metasediments, schists, granites and lesser mafic intrusive were intersected. Zones of hematitic alteration and veins with affinity to alteration associated with IOCG systems was recorded. Trace copper and lead sulphide (not in economic quantities) were also observed.

The geology observed in the initial drilling adds further support to the IOCG target concept. Initial assay results from the drilling have been received; results will be reported to the market when final assays have been received and interpreted.



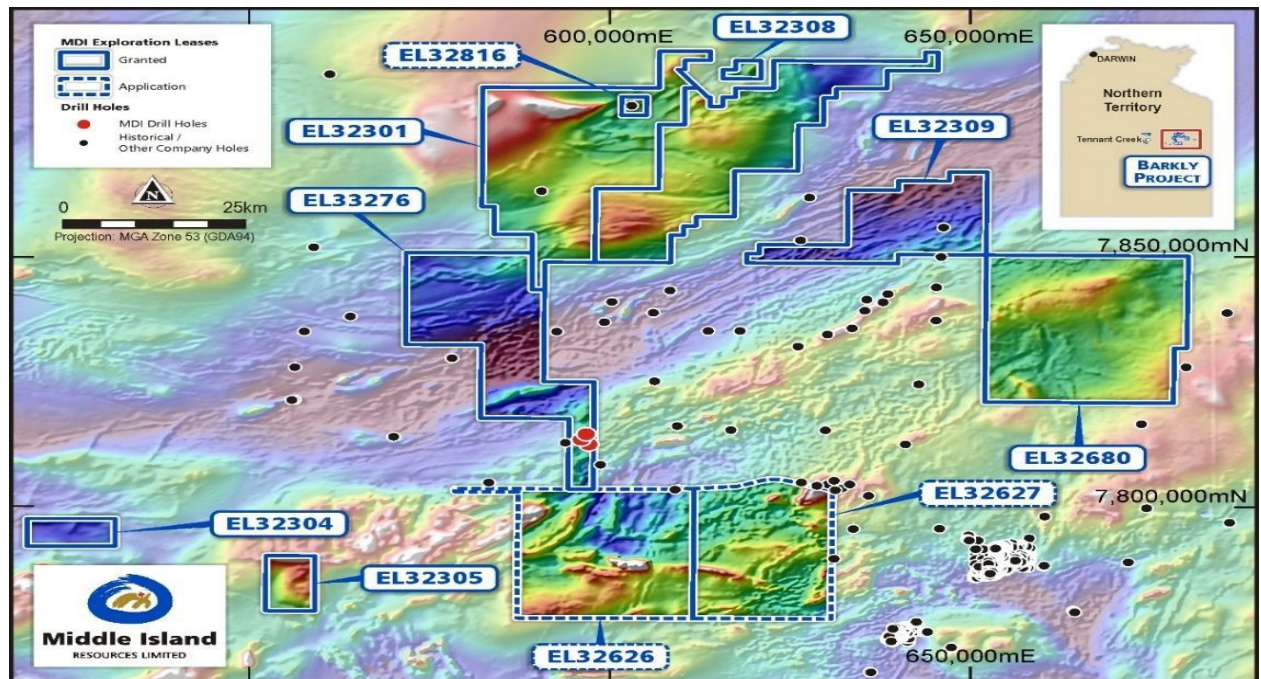


Figure 2

Location of the Crosswinds drilling (red dots) with respect to MDIs exploration licenses and regional magnetics (TMI-RTP NW shade).

### **Planned June 2023 Quarter Activities**

With the commencement of a new highly experienced geologist as the Company's CEO in April, a complete review of the project, with the benefit of MDI's now significant database, is planned to further develop targets through his practiced eyes. A priority is to complete the development of solid structurally focused geological interpretations to generate a prioritised target list to inform the exploration program for 2023.

Options for the 2023 exploration program include:

- Soil geochemistry seeking trace indicators of targets below;
- Ground gravity and other geophysics (IP, MT);
- Collaboration with MINEX CDC and near neighbours working to make discoveries in the Barkly Tablelands;
- Drilling of highest priority targets; and
- Further analysis of new data as it becomes available to add to the weight of evidence leading to a discovery.

## **Mining Tenements**

Middle Island Resources Limited advises the following information required under ASX Listing Rule 5.3.3 as of 31 March 2023.

<b>Table 1</b> <b>Middle Island Resources' Tenements</b>				
<b>Tenements</b>	<b>Mining tenements acquired during the quarter</b>	<b>Mining tenements disposed during the quarter</b>	<b>Mining tenements held at the end of the quarter</b>	<b>Tenement location</b>
EL 32290	Granted		100%	Northern Territory
EL 32291	Granted		100%	Northern Territory
EL 32292	Granted		100%	Northern Territory
EL 33276	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 32816	Granted		100%	Northern Territory
EL 32626	Application		Pending Grant – 100%	Northern Territory
EL 32627	Application		Pending Grant – 100%	Northern Territory

## **Safety, Environmental & Social**

### **Health & Safety**

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

### **Environment**

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

### **RELEASE AUTHORISED BY:**

Board of Middle Island Resources Limited

### **COMPANY CONTACTS:**

Roland Bartsch

+61 (0)8 9322 1430

### **WEBSITE:**

[www.middleisland.com.au](http://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.

### **Competent Person Statement**

The reported Exploration Results were compiled by Brad Marwood, a Fellow of the Australian Institute of Mining and Metallurgy. Mr Marwood has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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 Marwood was part-time CEO of MDI up until 1 April 2023, and the Competent Person for the Company. He was paid fees for his CEO services and has a relevant interest in shares in MDI.

## 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 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(152)	(1,422)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(115)	(363)
	(e) administration and corporate costs	(79)	(250)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	22
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) – gold sale proceeds	-	115
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(337)</b>	<b>(1,898)</b>

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



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
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>	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,334	4,895
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(337)	(1,898)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,997</b>	<b>2,997</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	61	57
5.2 Call deposits at interest	2,895	3,236
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Term Deposits	41	41
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,997</b>	<b>3,334</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	79
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>	

<b>7. Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
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)	(337)
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)	(337)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,997
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,997
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	8.89
<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: **28 April 2023**

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.

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

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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.