



Middle Island

RESOURCES LIMITED

Middle Island Resources Ltd
ACN 142 361 608
ASX code: MDI
www.middleisleland.com.au

Capital Structure:

1,765 million ordinary shares
994 million unlisted options

Cash & Investments

\$2.7m (as at 21 February 2019)
No debt

Directors & Management:

Peter Thomas

Non-Executive Chairman

Rick Yeates

Managing Director

Beau Nicholls

Non-Executive Director

Brad Marwood

Non-Executive Director

Dennis Wilkins

Company Secretary

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ASX Release – 14 April 2020

Bonanza 4m @ 90.6g/t gold headlines new RC drilling results at Sandstone gold project, WA

- A bonanza intercept of **4m at 90.6g/t Au**, accompanied by a further intercept of **8m at 3.35g/t Au**, have been reported by Middle Island from new and initial assay results from the McClaren prospect, which comprises part of the Company's recently completed 13,400m Phase 1 RC drilling program at its wholly owned Sandstone project in WA.
- The new results announced today are derived from the first 30 holes (2,394m) of the Phase 1 RC drilling program, and address the initial three (of 14) gold deposits and prospects targeted, comprising McClaren, Two Mile Hill and Tailings East.
- The Company is excited to note that, subject to resampling and infill drilling, there is a likelihood that McClaren will prove to represent a new open pit deposit to complement the project's mill recommissioning inventory.
- McClaren is one of a cluster of three proximal gold prospects, also including McIntyre and Ridge, all of which are hosted within the southeast extension of the Shillington banded iron formation (BIF) package and located 2.5km from the Company's 100%-owned Sandstone gold processing plant.
- Better results received to date from infill and extension drilling at the Two Mile Hill deposit returned intercepts of **16m at 1.64g/t Au**, **4m at 8.04g/t Au** and **3m at 7.81g/t Au**.
- Further assay results are anticipated in the coming weeks. These will be reported in a timely manner.
- Middle Island is well-funded to continue follow-up activities at McClaren.

Middle Island Managing Director, Mr Rick Yeates:

“The bonanza grade intercept of 4m at 90.6g/t (almost 3oz/t) is an exciting early outcome from the Phase 1 RC drilling results at McClaren. However, it is as much to do with the now apparent continuity of mineralisation in this and surrounding holes, that, subject to resampling and infill drilling, suggests the McClaren prospect may well prove to represent an additional new open pit deposit to supplement the planned recommissioning inventory.

“We eagerly await drilling results for the nearby McIntyre and Ridge prospects, and the current geological mapping, which may provide evidence that mineralisation associated with all three prospects may be linked. It is worth noting that McClaren and the adjacent two prospects all lie within granted Mining Lease M57/129 and only 2.5km from the Company’s 100%-owned, 600ktpa gold processing plant.

*“I am equally encouraged by the initial drill intercepts within basalts in the northeast quadrant of the Two Mile Hill open pit deposit, which have the potential to extend and/or upgrade Sandstone’s existing Mineral Resources. **Open pit optimisation studies indicate this quadrant of the deposit is very sensitive to Mineral Resource upgrades and/or additions within the basalt, potentially deepening the entire open pit by at least 20m, and possibly as much as 40m, thereby significantly increasing the overall open pit inventory.***

“The Directors look forward to sharing further Phase 1 RC drilling results with you as they are received and compiled.”

SANDSTONE GOLD PROJECT (WA)

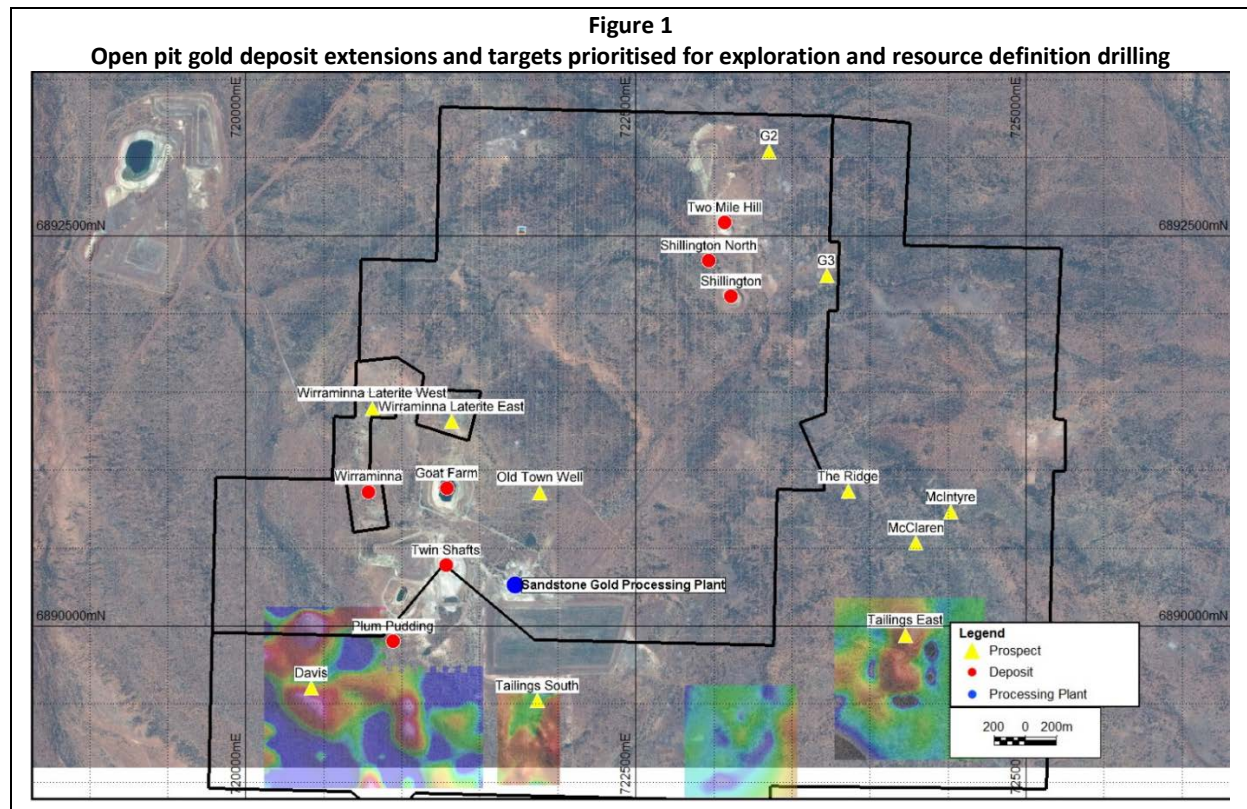
Explorer and aspiring gold developer, Middle Island Resources Limited (**Middle Island, MDI or the Company**) is pleased to announce significant gold outcomes emerging from the Company’s just-completed 13,400m, Phase 1, reverse circulation (RC) drilling program, one of four planned programs that collectively comprise a total 17,300m exploration and resource definition drilling campaign at the Company’s 100%-owned Sandstone gold project in central Western Australia.

The Phase 1 RC program, exclusively focussed on open pit targets, has tested some 14 gold deposits and prospects (Figure 1), all within 4km of the Company’s 100%-owned gold processing plant and the majority on existing Mining Leases.

In the case of existing deposits, **drilling is designed to variously extend Mineral Resources, reclassify Mineral Resources from Inferred to Indicated status, and/or upgrade JORC Code 2004 Mineral Resources to JORC Code 2012 compliance.** These comprise the Two Mile Hill, Shillington, Wirraminna, Goat Farm, Twin Shafts and Plum Pudding deposits.

The additional eight prospects assessed by RC drilling represent those which have had little or no existing drilling, but represent targets prioritised on the basis of their interpreted potential to generate open pit gold Mineral Resources. These targets variously include the Ridge, McIntyre, McClaren, Old Town Well, Wirraminna Laterite (East & West), Davis, Tailings (South & East) prospects, and the G2 & G3 gravity targets.

The various deposits and prospects assessed by the Phase 1 RC drilling are shown in Figure 1 below.



Initial results received for the Phase 1 RC drilling program to date comprise those derived from the Two Mile Hill deposit, and the McClaren and Tailings East prospects. Drill sampling on known deposits, with quantified Mineral Resources, was undertaken on 1m sample intervals, while 4m composite sampling was applied for new targets and prospects.

All results are based on 50g fire assay analyses completed by Intertek Laboratories.

The new drilling results reported in this ASX Release are derived from 30 holes (2,394m) of RC drilling completed as part of a 13,400m Phase 1 RC drilling program comprising 172 holes in total. More specifically, the following statistics are relevant:-

Two Mile Hill	6 RC holes; 708m
McClaren	10 RC holes; 756m
Tailings East	14 RC holes; 840m

Details of prior drilling results at the Two Mile Hill deposit and McClaren prospect can be found in ASX releases dated 14 December 2016 and 8 June 2017, respectively. Likewise, details of the recently completed interface (palaeo-surface) aircore drilling at Tailings East can be found in ASX release dated 12 March 2020. All assay results from these prospects are reported in this release, with the exception of eight (8) sample results from Two Mile Hill that are pending.

All material drill intercepts (based on a notional open pit cut-off grade of 0.6g/t and other parameters) are provided in Table 1 below. The exploration results have been prepared and reported in accordance with the JORC Code 2012.

Prospect	Hole ID	East	North	RL	Dip	Azimuth	Hole Depth	Sample Type	Depth From (m)	Depth To (m)	Thickness (m)	Grade (g/t Au)
TMH Basalt	MSRC304	723237.51	6892521.83	519.58	-59.62	275.48	138	1m chips	58	60	2	2.12
TMH Basalt	MSRC304	723237.51	6892521.83	519.58	-59.62	275.48	138	1m chips	71	87	16	1.64
TMH Basalt	MSRC304	723237.51	6892521.83	519.58	-59.62	275.48	138	1m chips	106	108	2	0.92
TMH Basalt	MSRC305	723278.76	6892563.66	521.27	-60.01	281.02	144	1m chips	102	104	2	3.44
TMH Basalt	MSRC306	723216.68	6892605.72	521.52	-59.82	279.46	174	1m chips	32	35	3	0.79
TMH Basalt	MSRC306	723216.68	6892605.72	521.52	-59.82	279.46	174	1m chips	61	64	3	0.77
TMH Basalt	MSRC306	723216.68	6892605.72	521.52	-59.82	279.46	174	1m chips	88	89	1	7.20
TMH Basalt	MSRC306	723216.68	6892605.72	521.52	-59.82	279.46	174	1m chips	144	148	4	8.04
TMH Basalt	MSRC306	723216.68	6892605.72	521.52	-59.82	279.46	174	1m chips	164	168	4	1.77
TMH Basalt	MSRC307	723153.95	6892654.77	521.71	-60.37	280.16	72	1m chips	53	55	2	2.52
TMH Basalt	MSRC307	723153.95	6892654.77	521.71	-60.37	280.16	72	1m chips	59	64	5	0.80
TMH Basalt	MSRC309	723189.16	6892654.69	521.64	-59.97	278.79	150	1m chips	0	3	3	7.81
TMH Basalt	MSRC309	723189.16	6892654.69	521.64	-59.97	278.79	150	1m chips	99	101	2	2.31
McClaren	MSRC338	724201.87	6890518.61	533.86	-60.41	228.75	84	4m comp	44	56	12	1.05
McClaren	MSRC340	724262.68	6890517.80	530.58	-60.31	230.84	72	4m comp	48	52	4	1.93
McClaren	MSRC341	724253.35	6890455.51	531.50	-58.63	225.37	72	4m comp	60	64	4	90.6
McClaren	MSRC342	724284.57	6890482.17	531.39	-60.13	232.00	72	4m comp	52	60	8	3.35
Tailings East	MSRC332	724143.06	6889737.00	501.02	-59.96	268.51	60	4m comp	52	56	4	2.55

Note: Calculated at a 0.6g/t Au lower cut-off grade, a minimum intercept length of 2m and a maximum of 2m of included waste. Grid MGA94_50.

McClaren Prospect

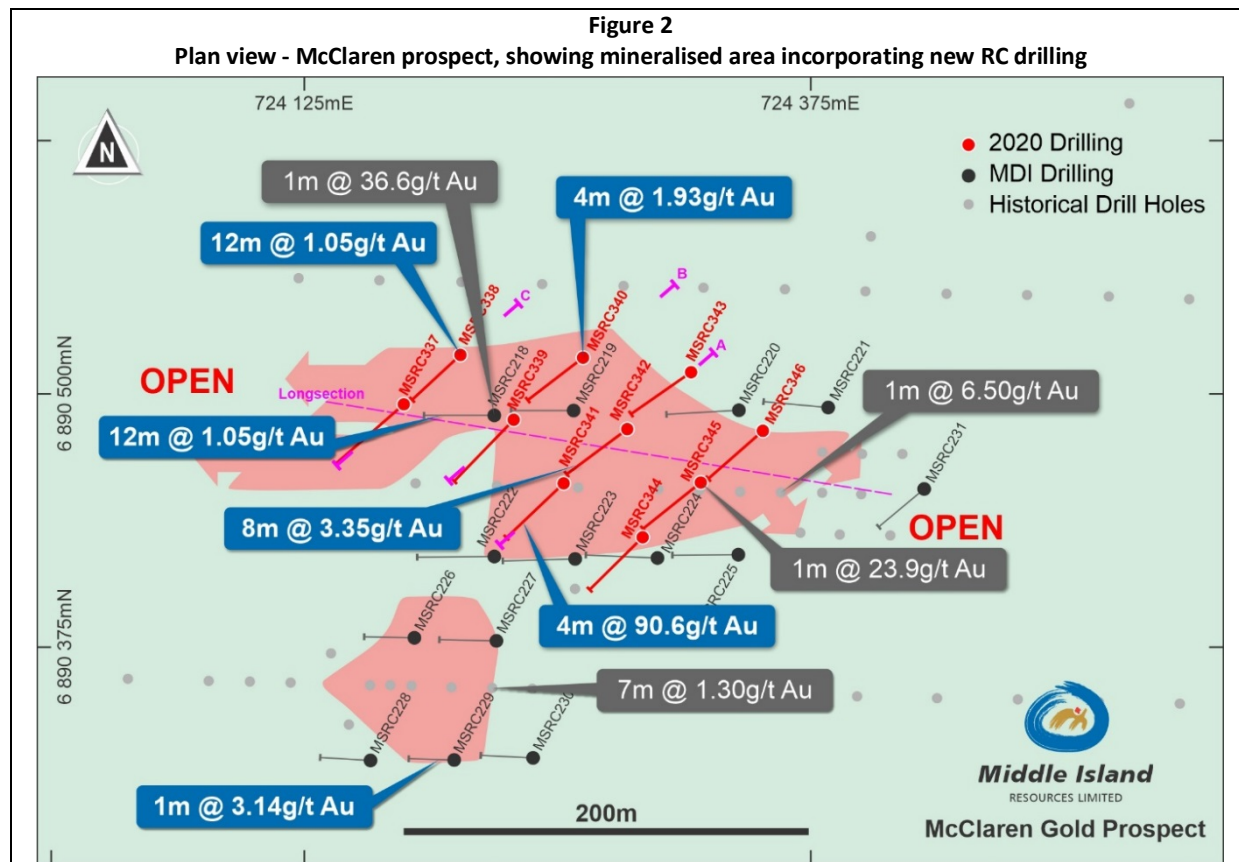
Better initial 4m composite assay results from the **McClaren** prospect are highlighted by a bonanza intercept of **4m at 90.6g/t Au** (from 60m in MSRC341), accompanied by an adjacent intercept of **8m at 3.35g/t Au** (from 52m in MSRC342).

Along with the Ridge and McIntyre prospects, McClaren was originally identified by historic reconnaissance drilling, variously completed by Herald Resources, Troy Resources and Middle Island. All three prospects lie in close proximity and are interpreted to be associated with a southeast striking, sub-horizontal to very shallow northeast dipping package of banded iron formations (BIFs), consistent with that hosting the Shillington deposits to the northwest.

At McClaren itself, gold mineralisation is hosted in a 4m to 20m thick, sub-horizontal BIF unit that occurs at approximately 50m depth below a small hill. Mineralisation appears to persist over at least a 250-300m strike length, is some 100m in lateral extent and remains open to the northwest and the southeast. The RC drilling results are presented in plan-view (Figure 2), long-section (Figure 3) and oblique-sections

(Figure 4 to Figure 6) below. The McClaren prospect is located 2.5km from the Company's 100%-owned gold processing plant, within granted Mining Lease M57/129.

For details of previous McClaren drilling results, refer to ASX Release dated 8 June 2017.



Note: For details of previous drilling results, refer to ASX Release dated 8 June 2017.

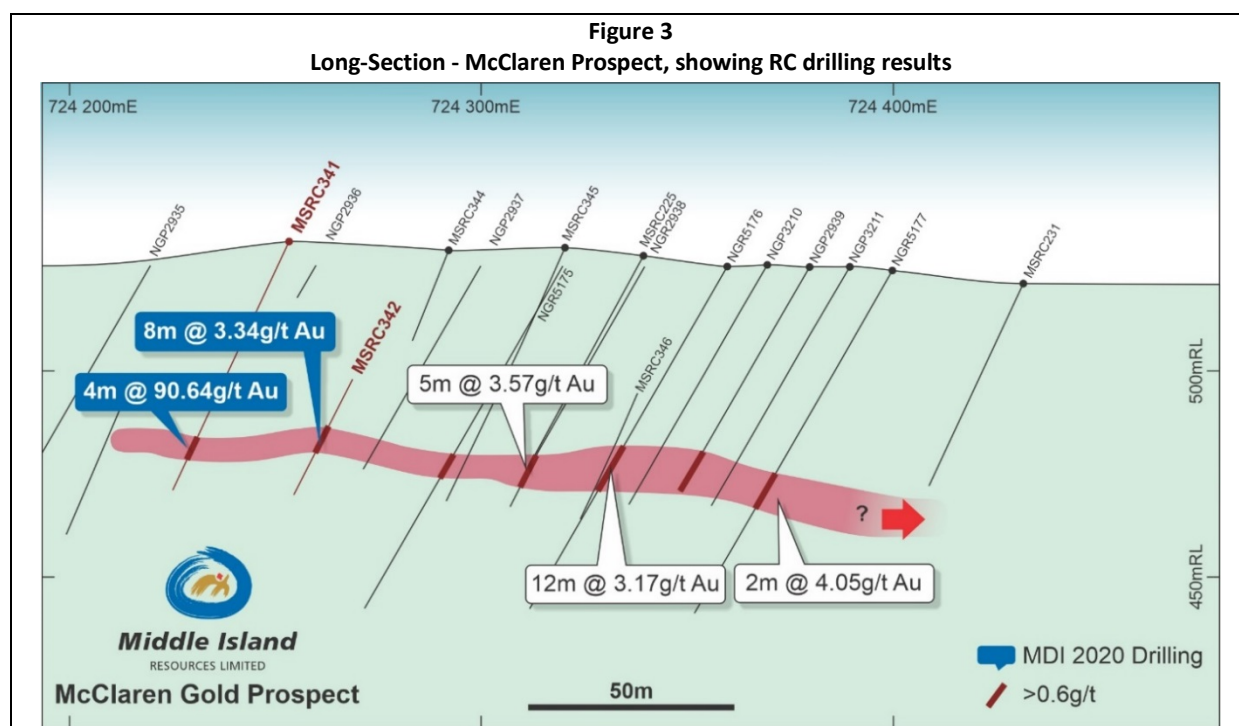


Figure 4
Oblique-Section A - McClaren Prospect, showing new RC drilling results

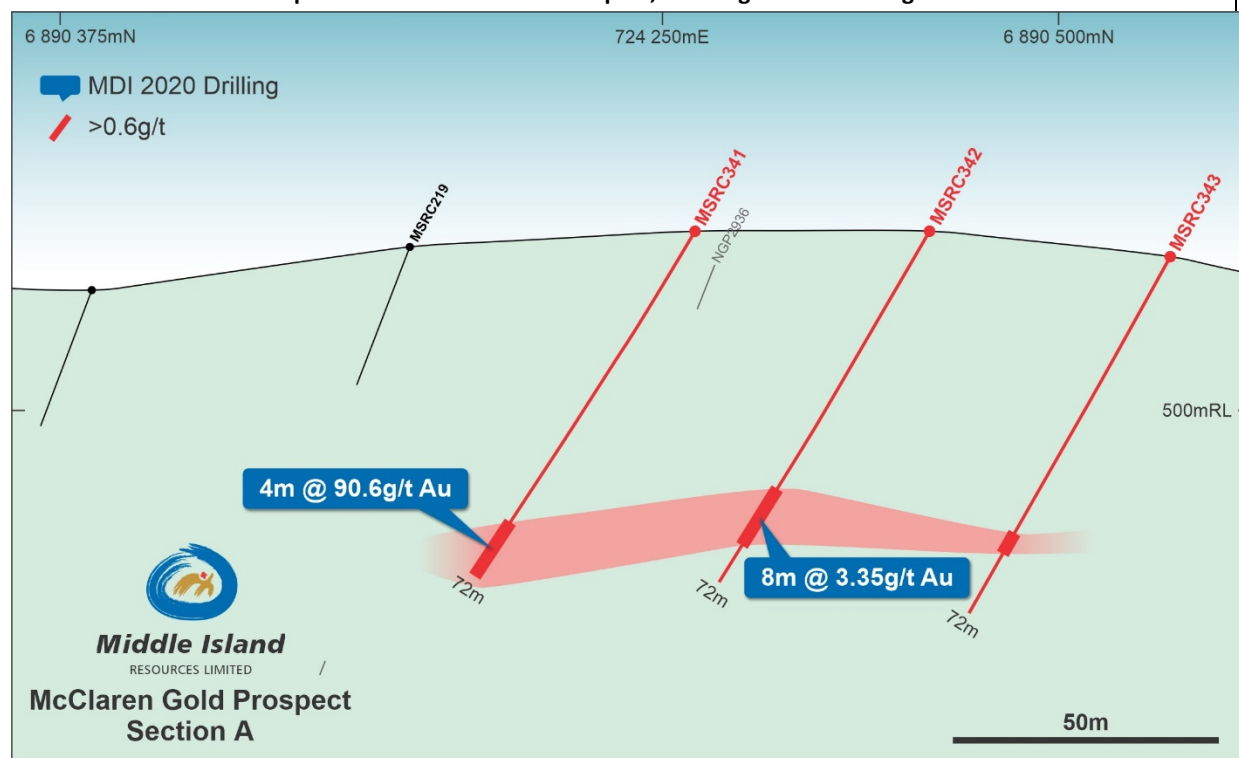
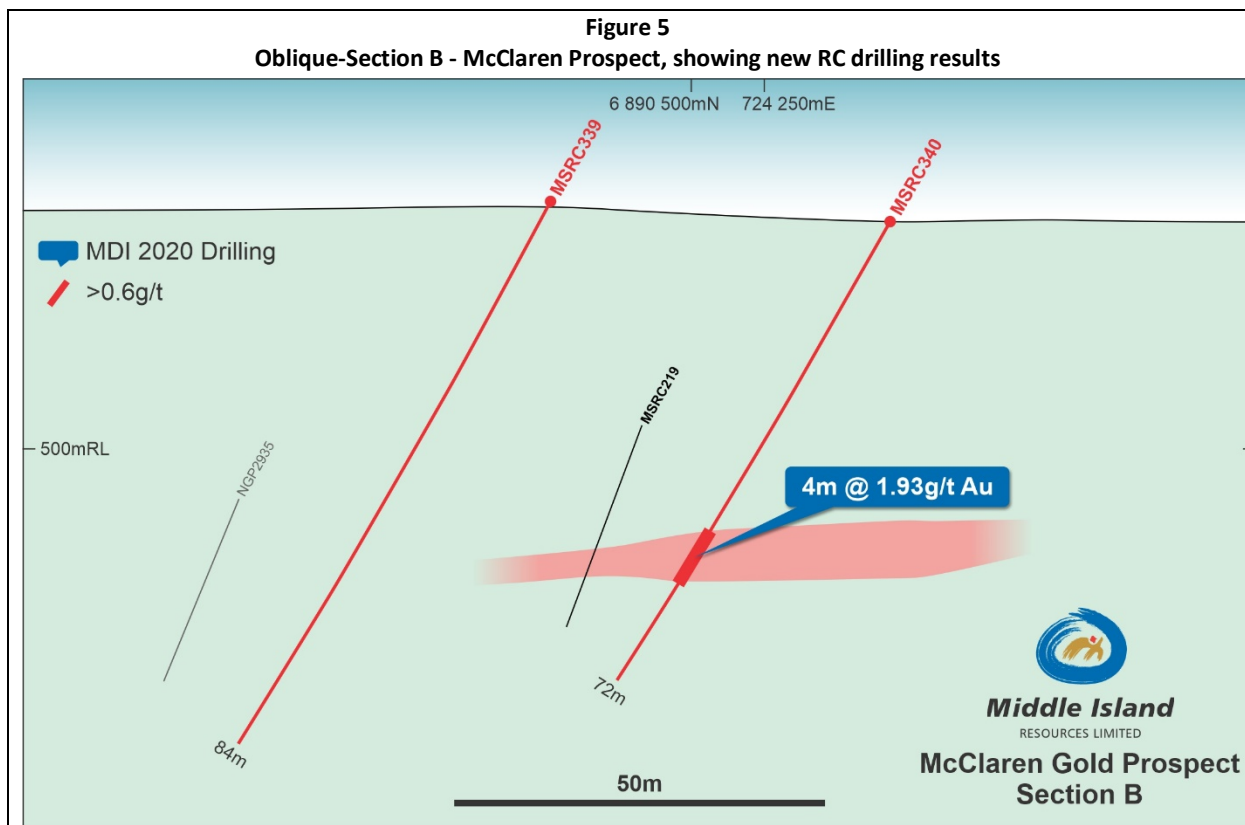
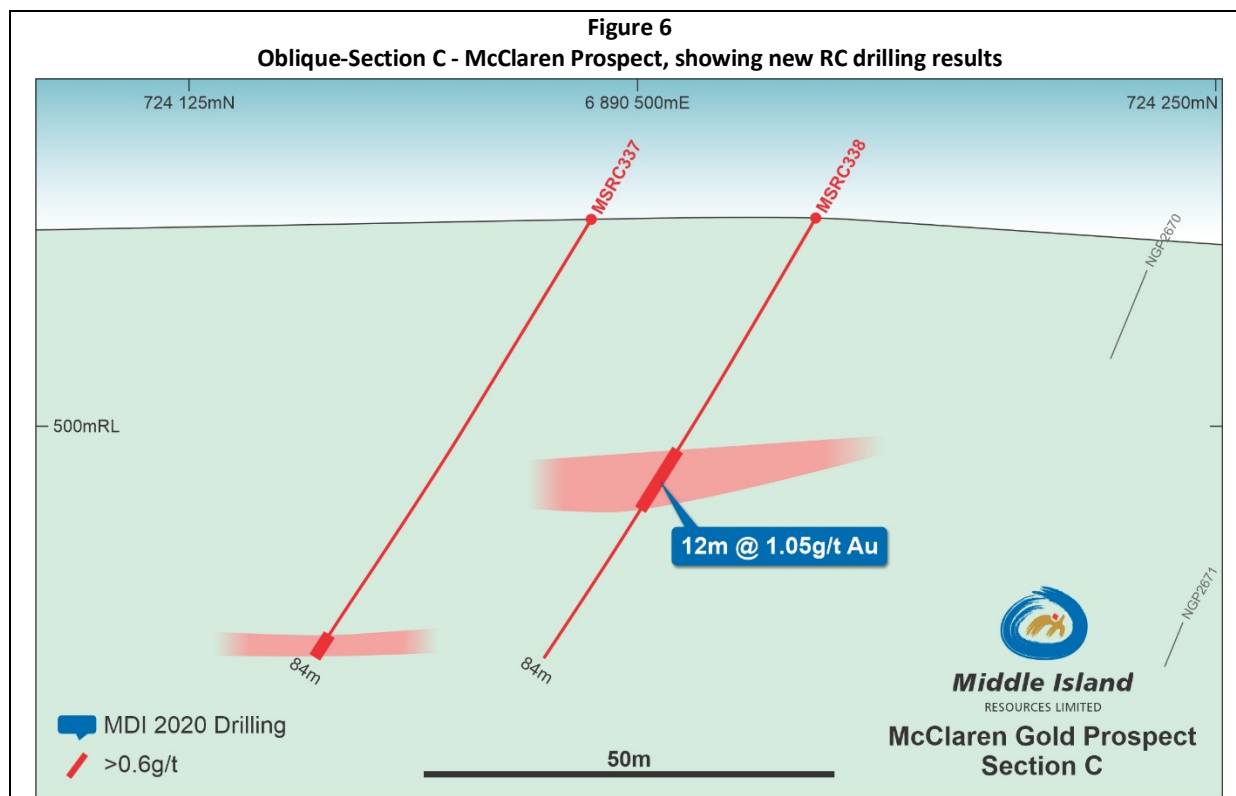


Figure 5
Oblique-Section B - McClaren Prospect, showing new RC drilling results



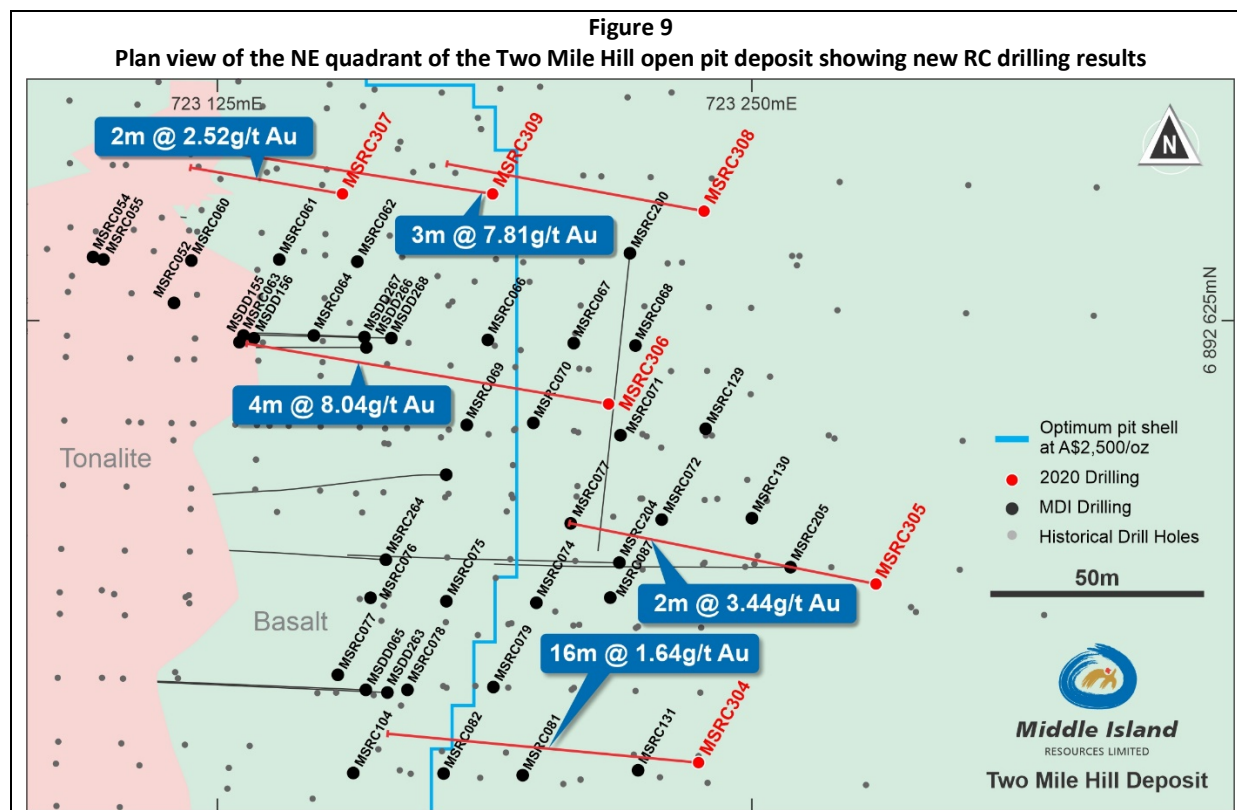


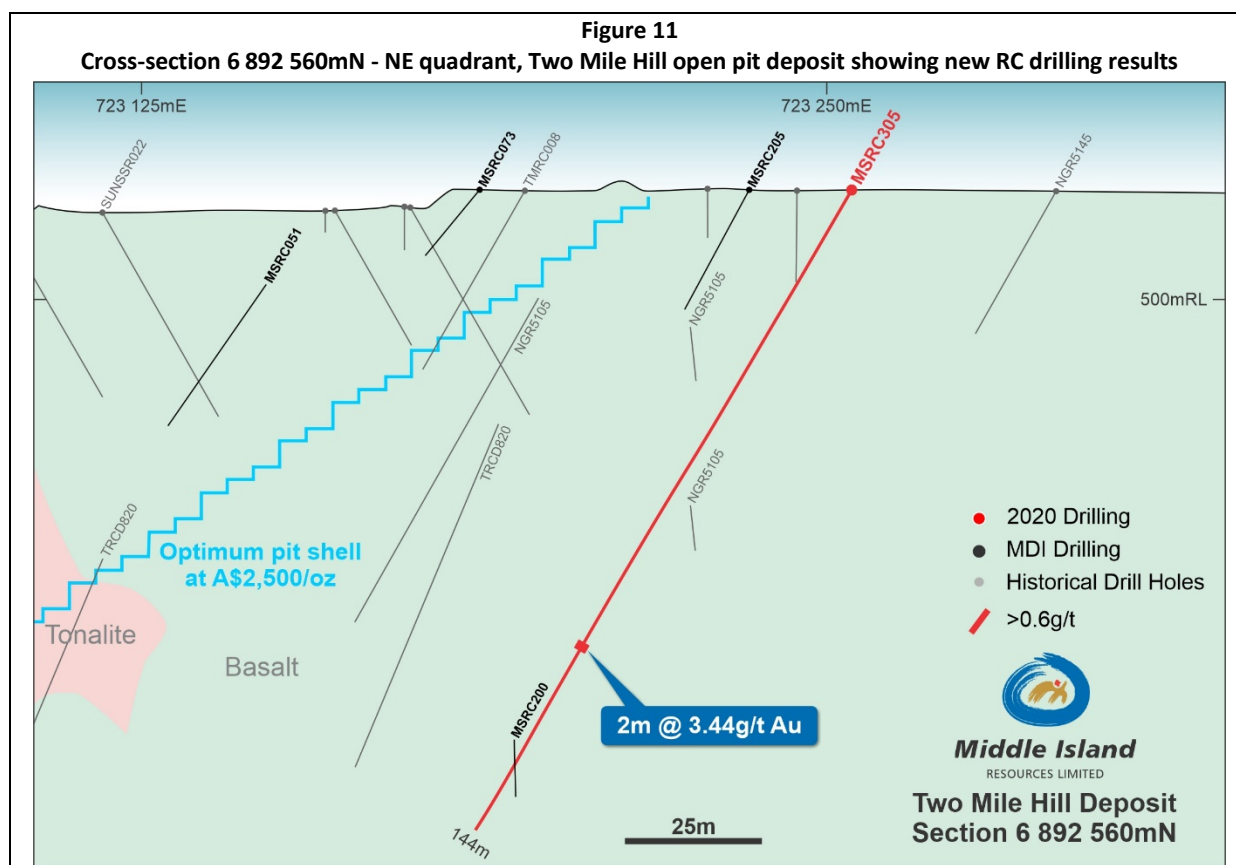
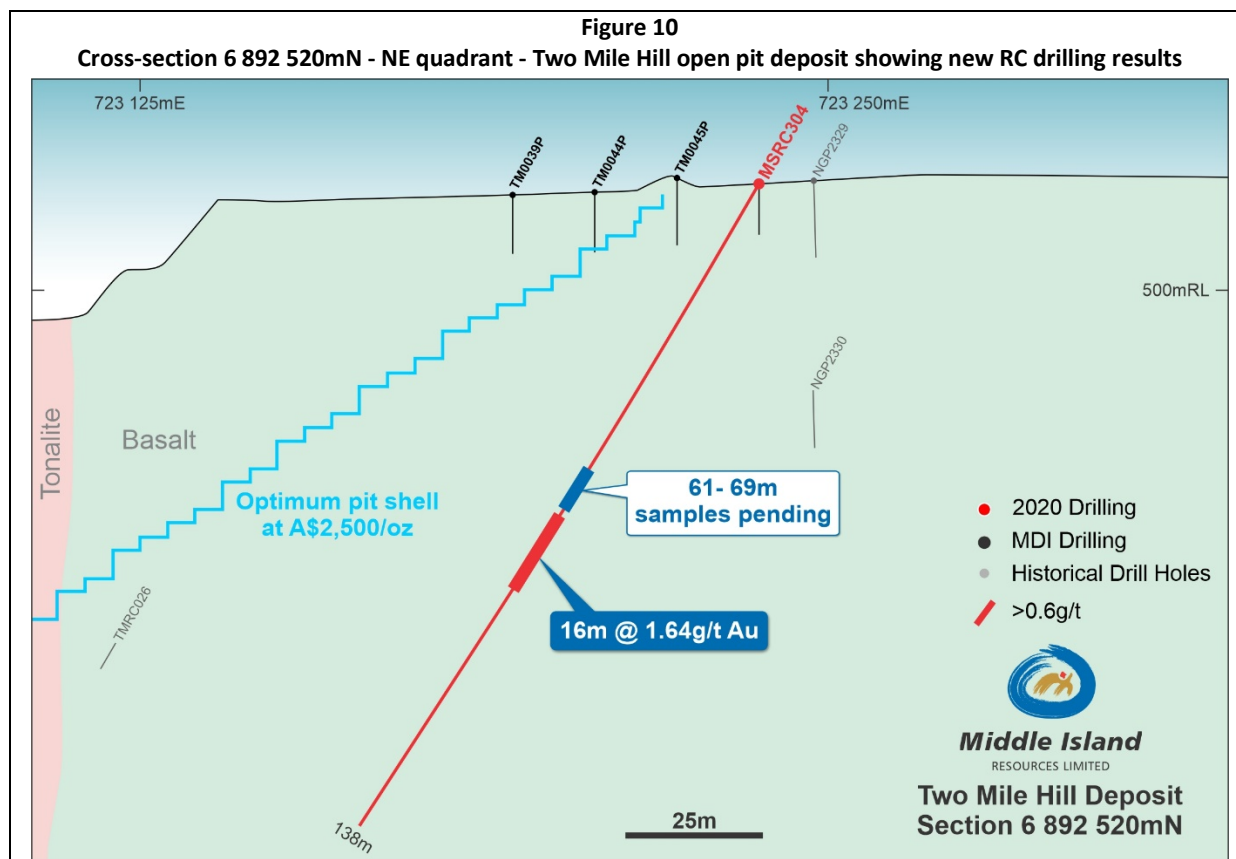
While a link between the Ridge, McIntyre and McClaren prospects (beyond the common BIF host rock) is yet to be established, this possibility is currently being clarified via detailed geological mapping. All three are hosted within elements of the Shillington BIF package which, at this point, comprises at least 2-3 individual BIF units that collectively dip very shallowly to the northeast and are extensively dislocated by faulting. The BIF units are also strongly internally folded and quartz veined (Figure 7 & Figure 8), and the apparent complexity is exacerbated by a combination of shallow dips and local topography.

Figure 7 Outcropping McClaren BIF with N-S striking quartz veining	Figure 8 Outcropping McClaren BIF with isoclinal folding
	

Two Mile Hill Open Pit Deposit

RC drilling within the northeast quadrant of the Two Mile Hill open pit deposit is designed to extend and/or provide further confidence in the existing 2012 JORC Indicated and Inferred Mineral Resources within basalts adjacent to the mineralised tonalite. To this end, the results (subject to eight outstanding assays) are broadly consistent with expectations, including better intercepts of **16m at 1.64g/t** (from 71m in MSRC304), **4m at 8.04g/t** (from 144m in MSRC306) and **3m at 7.81g/t Au** (from surface in MSRC309). The completed holes, relative to the optimum pit shell at A\$2,500/oz (refer ASX Release dated 25 October 2019) are shown in plan on Figure 9, while the new drilling results are provided on cross-section in Figure 10 to Figure 14.

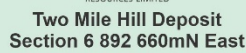


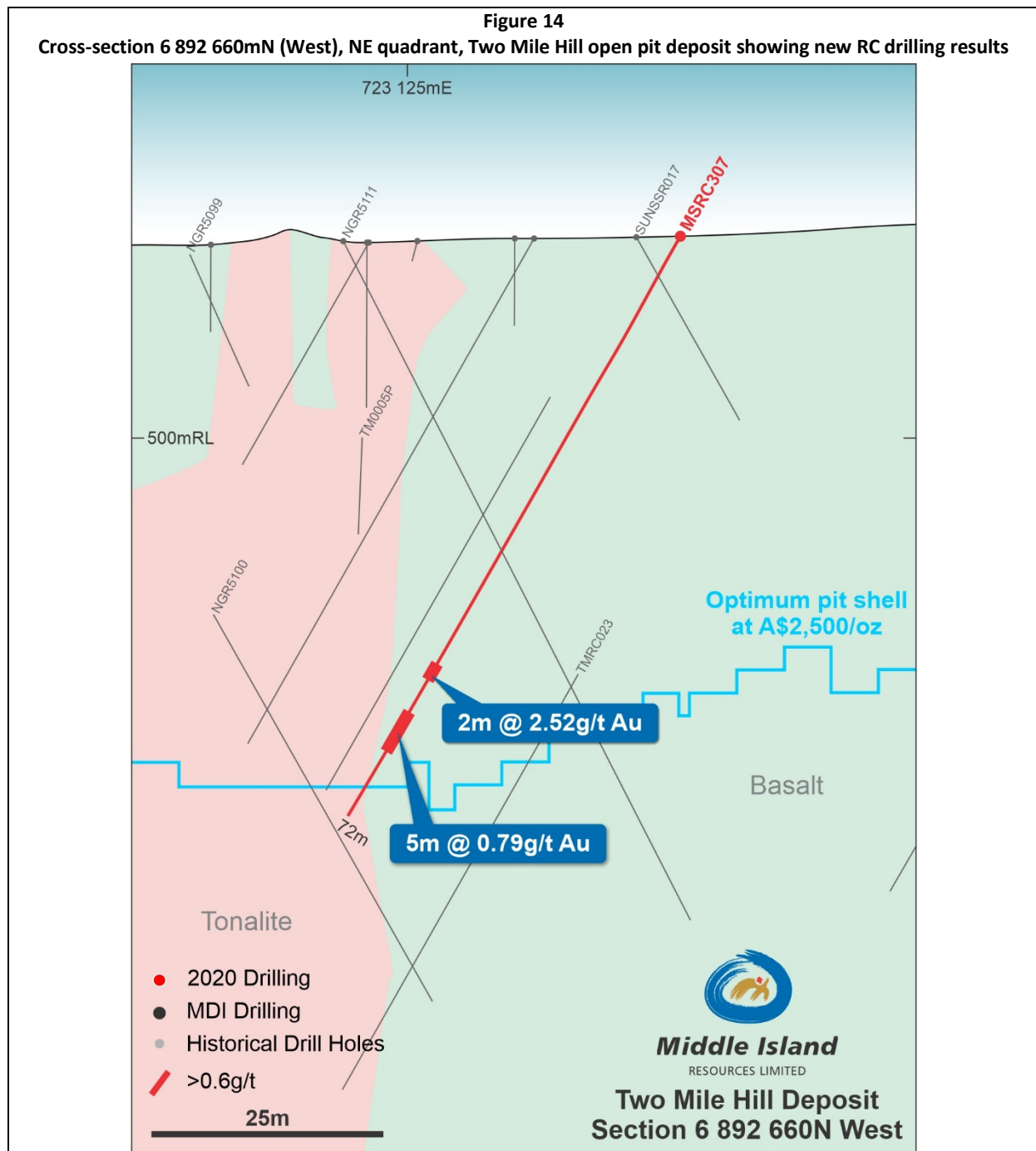


Cross-section 6 892 620mN - NE quadrant, Two Mile Hill open pit deposit showing new RC drilling results



Cross-section 6 892 660mN (East) - NE quadrant, Two Mile Hill open pit deposit showing new RC drilling results

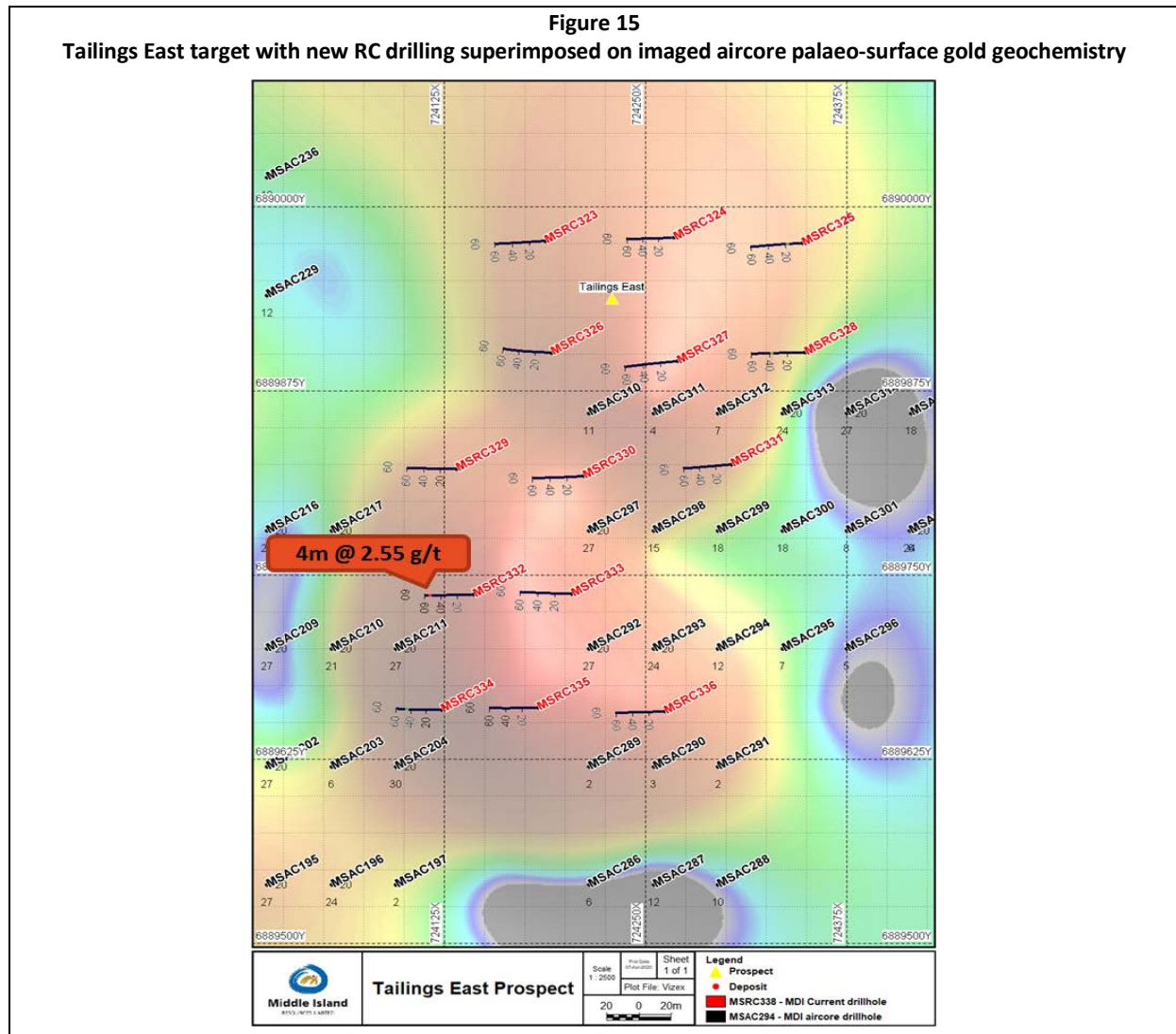




Open pit optimisation studies indicate the northeast quadrant of the Two Mile Hill deposit is very sensitive to Mineral Resource upgrades and/or additions within the basalt, **potentially deepening the entire open pit by at least 20m, and possibly by as much as 40m, thereby significantly increasing the overall open pit inventory.** The results received to date suggest this objective could well be achieved.

Tailings East (Eastern Zone) Prospect

The Tailings East prospect is a Weights of Evidence (WoE) target, refined via recent interface (palaeo-surface) aircore geochemistry. The target is interpreted to be associated with BIF horizons dislocated by faulting, within otherwise predominantly ultramafic rocks. The only significant result generated by RC drilling of the bedrock is a 4m composite sample of **4m at 2.55g/t Au** (from 52m in MSRC332). A plan of the recently completed interface aircore (refer ASX Release dated 12 March 2020) and RC drilling is provided as Figure 15 below.



While validating the technical merits of the WoE study and interface gold anomaly, at this stage Tailings East would not appear to represent a target of economic consequence. However, it is noted that the above mineralised composite RC sample lies on the anomaly margins, and therefore may justify follow-up drilling.

RELEASE AUTHORISED BY:

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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.

Competent Persons' Statement

Information in this release that relates to new Exploration Results at Two Mile Hill, McClaren and Tailings East deposits is based on, and fairly reflects, information and supporting documentation prepared by Mr Rick Yeates. Mr Yeates is a Member of the Australasian Institute of Mining and Metallurgy and a fulltime employee of Middle Island Resources Limited. Mr Yeates has sufficient experience, which is relevant to the nature of work and style of mineralisation under consideration, to qualify as Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Yeates has given his prior written consent to the inclusion in the release of the statements, based on his information, in the form and context in which they appear. Mr Yeates is a substantial shareholder in the Company and entities associated with Mr Yeates hold unlisted options in the capital of the Company as disclosed in Appendix 3Y and substantial shareholder notices released to ASX.

Previously reported information

This report includes information that relates to previously reported Exploration Results for the Two Mile Hill, McClaren and Tailings East deposits, which were prepared and first disclosed under the JORC Code 2012. The information was extracted from the Company's previous announcements dated 14 December 2016, 8 June 2017, 25 October 2019 and 12 March 2020 which are available to view on the Company's website.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcements.

Appendix 1

The following Table is provided in compliance with the JORC Code

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	- The results are derived from a RC drill program completed by Middle Island Resources. The sampling was carried out by collecting 2-3kg of RC chips off the drill rig's cone splitter; the sampling was undertaken at one meter intervals taken over the whole length of the drillholes for prospects with known mineral resources and composite samples comprising 4m intervals for prospects at early exploration stage. - Recovery was good for most samples with minor exceptions due to broken and/or wet ground. The sample was a consistent size of 2–3kg splitting off the drill rig's cone splitter. The primary sample was taken from the same splitter chute the entire program. - Samples from the drill cuttings weighing 2-3kg were sent to the laboratory to be crushed (-10mm) and pulverised to produce a 300g pulp, then split to a 50g charge for fire assay analysis. - RC drilling was used to obtain 1m samples of RC chips (see first point above) from which 2-3kg was sent to the laboratory to be crushed (-10mm) and pulverised to produce a 300g pulp, then split to a 50g charge for fire assay analysis.
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	The RC rigs used a face sampling hammer with a 5-5.5 inch bit to return sample every metre.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	RC chip recovery data for this drilling was estimated for each drill metre and captured in a digital logging software package. The recorded average RC chips recovery for the prospects covered in this release was from 94% to near 100%.

Criteria	JORC Code explanation	Commentary
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	- The water table was encountered typically at a 60 – 80m down-hole with appropriate measures taken by the drilling contractor to maintain recovery and dry samples, including additional air pressure and foam injection. For the drillholes where no water was encountered no extra measures were needed to maximise the sample recovery at time of drilling. - No relationship between sample recovery and grade has been established.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	- The RC chips were logged for lithology, weathering, mineralogy, mineralisation, colour and other features. Logging was carried out according to Middle Island Resources internal protocols at the time of drilling. Sampling was carried out according to Middle Island Resources internal protocols which comply with industry standards. - All drill holes were quantitatively logged from start to finish of the hole.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in</i>	- Not applicable - RC chips were rotary split with a cone splitter on the drill rig. Samples were collected dry and bagged in 1m intervals. In the case of wet samples, a procedure to air-dry the wet cuttings was implemented followed by sampling via a spear. - The samples were dried and crushed to -10mm before being split and then a 300g subsample pulverised to 95% passing 75 microns. This fraction was then split again down to a 50g sample charge for fire assay. - For the RC chips the routine sample procedure was to consistently take the primary split from the same chute. A field duplicate (via a second split) off the drill rig's sample splitter was collected and assayed at a rate of 1:50 samples. In case of composite samples, a duplicate was taken by a spear utilizing an industry standard sampling technique. - Field duplicates were taken either by second split from the cyclone or,

Criteria	JORC Code explanation	Commentary
	<i>situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	in case of a primary composite sample, via spear sampling the chips. Results have been compared to the original sample taken. In cases of wet samples, the complete sample was air-dried and resampled by a spear in order to obtain a more representative sample. Sample size and assay charge size are considered entirely appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	- Middle Island adopted a 50g fire assay method with an ICP-OES finish. This technique is considered appropriate for gold mineralisation associated with sulphides. - No other measurement tools/instruments were used to derive assays. - Field duplicates, lab duplicates, field and laboratory standards were routinely included in the assay train at a 1:9 frequency when taking all QC samples into account, and a quartz wash was applied between each sample pulverised. Sample results are consistent with those reported by previous drilling programs.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	- Sampling was undertaken by field assistants supervised by experienced geologists from Middle Island Resources. Significant intercepts were checked by senior personnel who confirmed them as prospective for gold mineralisation. - No twinned holes were used for this programme. - Data was collected digitally utilising designated templates following industry best practices. Sampling data was also captured on paper to ensure a paper trail was maintained by the field staff and checked by the supervising geologists. Logging and sampling data were imported and validated using the OCRIS database software system by an experienced external database manager. After database import, drillhole data was plotted and validated in plan and section view by Middle island geologists, any errors encountered were rectified. - Assay data has not been adjusted.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Surface collar coordinates are surveyed via RTK GNSS with 1cm accuracy by a professional surveying contractor. A high-quality downhole north-seeking multi-shot or continuous survey gyro-camera was used to determine the dip and azimuth of the hole at 25m intervals

Criteria	JORC Code explanation	Commentary
	<i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	- down the hole. - MGA94 Zone 50 - The topographic surface was calculated from the onsite mine survey pickups and subsequently verified by RTK GNSS collar surveys.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	- Results being reported comprise either 4m composite intervals or individual 1m sample intervals, depending on the prospects exploration stage. - The data spacing is sufficient to demonstrate the continuity of grade. - Composite samples comprising 4m intervals were adopted for initial assessment of immature prospects.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	- Drilling orientations were appropriate to intersect the anticipated mineralisation orientations to provide a representative sample of close to true width. - The Competent Person does not believe that any sample bias has been introduced.
Sample security	<i>The measures taken to ensure sample security.</i>	- The samples were collected by a field assistant and two experienced company geologists and picked up by freight courier. - Samples receipt by the Intertek assay laboratory was carried out in line with its internal procedures maintaining chain of custody.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Reported results are consistent with historic results.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The drilled holes and sampled RC chips are derived from mining and prospecting leases M57/128, M57/129 and P57/1395, the first two of which are 100%-owned by Sandstone Operations Pty Ltd (SOP), a wholly-owned subsidiary of Middle Island Resources Limited. P57/1395 is held under an option agreement, in which SOP may acquire a 100% interest. - As of 15/02/2016 Sandstone Operations Pty Ltd was the sole owner of the project, including leases M57/128 and M57/129, while P57/1395 was optioned by SOP in June 2017.
<i>Exploration done by other parties</i>	Acknowledgment and appraisal of exploration by other parties.	No acknowledgement or appraisal by other parties.
<i>Geology</i>	Deposit type, geological setting and style of mineralisation.	- BIF-hosted, meso-thermal quartz veining and pyrite replacement mineralisation. - Shear-zones hosted within ultramafic and mafic rocks with meso-thermal quartz veining within the Archaean Sandstone greenstone belt.
<i>Drill hole Information</i>	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	- See Table 1 within the release. - A plan has been included for the Tailings East prospect, but no section has been prepared on the basis that, at this stage, it does not look to be of economic significance.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	- Drill intercepts reported with weighted averages to create the grade intercepts. Individual internal values of <0.6g/t Au were included over a minimum internal interval of two metres, with a maximum of 2m of internal waste. - Higher grade internal intercepts have been reported within broader lower-grade intercepts. - Metal equivalent values not reported.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	Holes have been drilled orthogonally to the general dip and strike of the mineralised zones, where known, and therefore down-hole intercepts approximate true widths.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	See table and figures within the release. Plans and cross sections for the McClaren prospect and the Two Mile Hill deposit are included within the release. A plan has been included for the Tailings East prospect, but no section has been prepared on the basis that, at this stage, it does not look to be of economic significance.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Results are derived from a targeted drill program to determine new mineralized zones and expand existing ones defined from previous programmes by Middle Island and previous owners of the project.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Other than that included in the release, there is no other meaningful and material exploration data.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	In the case of already known resources, the program has provided information to expand, reclassify and/or upgrade (JORC 2012) existing deposits. Where additional Inferred Mineral Resources have been defined, the company intends to infill drill these to the extent required to derive an Indicated classification, which would allow them to be assessed and incorporated into the updated pre-feasibility study as an Ore Reserve. In the case of new targets, the program allows

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	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	the company to either define a new discovery or downgrade the target. In the former case, sufficient drilling will then be undertaken to classify the mineralisation as a Mineral Resource for assessment in the pre-feasibility study. Included - see table, plans and cross sections within the release.