

ASX Announcement

1 November 2023

ASX: MDI

Middle Island Resources Limited (**ASX:MDI**) wishes to advise that the Company's Annual General Meeting will be held at 1:00 pm on Thursday 30 November 2023 at The Celtic Club, 48 Ord, West Perth, WA.

The attached Notice of Meeting and a personalised Proxy Form will be sent by either email or posted to eligible shareholders.

Shareholders are strongly encouraged to register with the Company's share registry, and select to receive all Company communications electronically in an attempt to obviate the delaying issues of receiving printed documents.

The registry, Automic Group, may be contacted as follows:

1. post to Level 5, 126 Phillip Street Sydney NSW 2000 or GPO Box 5193, Sydney NSW 2001;
2. email at hello@automicgroup.com.au;
3. fax to +61 2 8583 3040; or
4. contact by phone 1300 288 664 (within Australia), +61 2 9698 5414 (from Overseas).

Authorised for release by Rudolf Tieleman, Company Secretary

Contacts: +61 (8) 9322 1430 info@middleisland.com.au

Website: www.middleisland.com.au

For personal use only



Middle Island

RESOURCES LIMITED

ABN 70 142 361 608

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Thursday 30 November 2023

Time of Meeting

1:00pm AWST

Place of Meeting

The Celtic Club
48 Ord Street
WEST PERTH WA 6005

*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.
The **2023 Annual Report** may be viewed on the Company's website at www.middleisland.com.au*



MIDDLE ISLAND RESOURCES LIMITED
ABN 70 142 361 608
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 annual general meeting of Middle Island Resources Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday 30 November 2023 at 1:00pm AWST (**Meeting**) for the purpose of transacting the following business, in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

All Resolutions will be conducted by poll.

2023 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, together with the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2023.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2023 Annual Report be adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting prohibition: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (b) by a person who is a member of the Key Management Personnel at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 1:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF PETER THOMAS AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of article 6.3 of the Constitution and for all other purposes, Peter Thomas retires by rotation as a Director, and being eligible and having offered himself for re-election, is re-elected as a Director."

NOTICE OF GENERAL MEETING - 30 NOVEMBER 2023

RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO STRATEGIC ENERGY RESOURCES LTD

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,240,000 fully paid Shares to Strategic Energy Resources Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who participated in the issue. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – APPROVAL TO GRANT OF OPTIONS TO ROLAND BARTSCH (CEO) (as reported to ASX on his appointment, the grant was agreed conditional on shareholder approval)

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue (on the terms and conditions outlined in the Explanatory Statement) of 5,000,000 Options to acquire FP Shares (exercisable at \$0.075 each, expiring on the date which is the earlier of three years from their date of issue or date of cessation of employment) to Mr Bartsch (and/or his nominee/s) on the terms and conditions outlined in the Explanatory Statement, in Annexure A.”

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, or an associate of that person, if this Resolution is passed. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting exclusion: For the purposes of Listing Rule 7.3A, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who may participate in the 10% Placement Facility, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as

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proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – APPROVAL FOR PROPOSED ISSUE OF BROKER OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,544,937 Options to acquire FP Shares exercisable at an exercise price of \$0.015 each, expiring on a date which is the same date as the date of issue of the options being issued pursuant to a Prospectus lodged by the Company on 31 October 2023, which expiry date is expected to be on or about 24 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure B).”

Voting Exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7 – APPROVAL TO GRANT OF OPTIONS TO MR PETER THOMAS

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, members hereby approve the issue to Mr Peter Thomas, or his nominee/s, of 2,000,000 Options to acquire FP Shares, exercisable at \$0.0225 each, expiring on 31 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure C), and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Peter Thomas and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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RESOLUTION 8 – APPROVAL TO GRANT OF OPTIONS TO MR BRAD MARWOOD

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, members hereby approve the issue to Mr Brad Marwood, or his nominee/s, of 2,000,000 Options to acquire FP Shares, exercisable at \$0.0225 each, expiring on 31 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure C), and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Brad Marwood and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 9 – APPROVAL TO GRANT OF OPTIONS TO MR BRUCE STEWART

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, members hereby approve the issue to Mr Bruce Stewart, or his nominee/s, of 2,000,000 Options to acquire FP Shares, exercisable at \$0.0225 each, expiring on 31 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure C), and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Bruce Stewart and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 10 – APPROVAL TO GRANT OF OPTIONS TO OTHER KEY PERSONNEL

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue to selected employees/contractors (on the terms and conditions outlined in the Explanatory Statement) of up to a total of 3,300,000 Options to acquire FP Shares, exercisable at \$0.0225 each, expiring on 31 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure C) and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, or an associate of that person, if this Resolution is passed. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled

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to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a proxy to vote on their behalf. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint one or two proxies and if appointing two may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying Proxy Form and return it in accordance with its instructions prior to 1:00pm AWST on Tuesday 28 November 2023 by:

1. post to GPO Box 5193, Sydney NSW 2001;
2. email at meetings@automicgroup.com.au; or
3. online at <https://investor.automic.com.au/#/loginsah>.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the Proxy Form or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00pm AWST on 28 November 2023 will be entitled to attend and vote at the Meeting.

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CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

ELECTRONIC COMMUNICATION

All Shareholders may, and are encouraged to, elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

REVOCAION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chair on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING OF PROXIES

The Proxy Form accompanying this Notice confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Notice, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the Proxy Form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

By Order of the Board.

Rudolf Tieleman
Company Secretary

Date: 31 October 2023

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the Shareholders of the Company in connection with the business to be conducted at the annual general meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005, on Thursday 30 November 2023 commencing at 1:00pm AWST and any adjournment thereof.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

All Resolutions will be conducted by poll.

FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2023.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- (a) discuss the Annual Report which is available online from the Company's website www.middleisland.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor if the question is relevant to:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Annual Report to be considered at the Meeting,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's office (+61 8 9322 1430).

1 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel.

The Remuneration Report has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site www.middleisland.com.au.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, Shareholders will have the opportunity to remove the whole Board (except the managing director) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGM's.

Where a resolution on the Remuneration Report receives a Strike at two consecutive AGM's, the Company will be required to put to Shareholders at the second AGM a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

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The Company's Remuneration Report did not receive a Strike at the 2022 AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2024 AGM, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

1.2 Voting on the Remuneration Report

Please refer to the voting prohibition set out in the Notice for the persons who are not entitled to vote on Resolution 1.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

1.3 Directors' recommendation

The Directors recommend that Shareholders vote in favour of adopting the Remuneration Report.

2 RESOLUTION 2 – RE-ELECTION OF PETER THOMAS AS A DIRECTOR

2.1 General

Mr Thomas was appointed as a Director on 2 March 2010.

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Mr Thomas will retire by rotation, and being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's biography and experience

Mr Thomas comes from a legal background specialising in resources and corporate. For over 30 years, before retiring from legal practice, he specialised in the delivery of wide ranging legal, corporate, and commercial advice to listed explorers and miners. Mr Thomas is now a professional director leveraging his legal background whilst delivering the insight of his commercial acumen and business expertise.

For nearly 40 years he has served on the boards of various listed companies including being the founding chairman of both copper producer Sandfire Resources NL (2004) and mineral sands producer Image Resources NL. Other current ASX listed company board positions include being a non-executive director of Image Resources NL (since 19 April 2002) and non-executive chair of Emu NL (since 29 August 2007).

2.3 Directors' recommendation

All the Directors consider that Resolution 2 is in the best interests of the Company, as Mr Thomas' skills, knowledge and experience is valuable to the Company. All the Directors, except Mr Thomas, who has an interest in this Resolution, recommend that Shareholders vote in favour of Resolution 2.

The Chair intends to exercise all undirected proxies in favour of Resolution 2.

EXPLANATORY STATEMENT

RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO STRATEGIC ENERGY RESOURCES LTD

3.1 General

On 17 July 2023, the Company announced that contract completion had been achieved for its acquisition of the East Tennant Project from ASX-listed Strategic Energy Resources Ltd (ASX:SER or “Strategic Energy”).

The purchase covered exploration licenses EL32109, EL32306, EL32307, EL32617, EL32760 and EL32809 expanded Middle Island’s Barkly Super Project in the East Tennant region.

The transaction details were as follows:

- Middle Island issued 18,240,000 fully paid ordinary MDI shares at a deemed price of \$0.035 per share, this being the closing price of ASX:MDI on the contract date, Friday 12 May 2023 (**Consideration Shares**);
- The Consideration Shares were issued out of the Company’s existing ASXLR 7.1 capacity, and accordingly were issued without requiring prior shareholders’ approval;
- The shares were issued to SER subject to a voluntary escrow period of 12 months from date of completion; and
- MDI confirmed that the proposed transaction is not a significant change to the scale of the Company’s activities within ASX Listing Rule 11.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period;

The issue of Consideration Shares does not fit within any of these exceptions and, as it has not yet been approved by MDI’s shareholders, it effectively uses up almost all of the 15% limit in Listing Rule 7.1, reducing MDI’s capacity to issue further equity securities without shareholder approval under that Listing Rule for the 12 month period following the Placement issue Date;

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rules 7.1, and so does not reduce the company’s capacity to issue further equity securities without shareholder approval under those rules;

MDI wishes to retain as much flexibility as possible to issue additional equity securities without having to obtain shareholder approval for such issues under Listing Rule 7.1;

To this end, Resolution 3 seeks shareholder approval of the Placement under and for the purposes of Listing Rule 7.4;

If Resolution 3 is passed, the issue of Consideration Shares will be excluded in calculating MDI’s 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Consideration Shares issue Date;

If Resolution 3 is not passed, the issue of Consideration Shares will be included in calculating MDI’s 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Consideration Shares issue date;

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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EXPLANATORY STATEMENT

3.2 Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) the Shares were issued to Strategic Energy Resources Ltd;
- (b) 18,240,000 fully paid Shares were allotted and issued by the Company within the Company's Listing Rule 7.1 capacity on 17 July 2023;
- (c) the Shares were fully paid ordinary Shares which rank equally with all other fully paid ordinary Shares on issue, and currently quoted as ASX:MDI;
- (d) Strategic Energy Resources Ltd is not a related party of MDI;
- (e) the Shares were issued at \$0.035 each;
- (f) no funds were raised from the issue of Shares; and
- (g) a voting exclusion statement is included in the Notice.

3.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

The Chair intends to exercise all undirected proxies in favour of Resolution 3.

RESOLUTION 4 –ISSUE OF OPTIONS TO ROLAND BARTSCH (CEO)

4.1 General

As a condition to Mr Bartsch's appointment as CEO, the Board agreed to issue him (and/or his nominee) with 5,000,000 options to acquire fully paid Shares upon the terms set out in Annexure A to this Explanatory Statement, exercisable at \$0.075 each, expiring on a date which is the earlier of three years from their date of issue, or date of cessation of his employment, and subject to shareholder approval. The Company considers that offering incentive options is appropriate to attract and retain the right calibre of professionals to the Company with the appropriate mindset for a junior explorer. Equity-based incentives/remuneration help align the interests of employees/contractors with shareholders in that the employees/contractors thereby have a vested interest in seeing the delivery of value to shareholders through share price appreciation.

Upon payment of the exercise price, the resultant fully paid Shares shall rank equally with the Shares currently quoted as ASX:MDI.

The issue, if not approved as proposed, will have to be made within the Company's existing Listing Rule 7.1 15% placement capacity.

The effect of Resolution 4 will be to authorise the Directors to issue the Options without using the Company's 15% placement capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Options does not fit within any of these exceptions and, if it is not approved by MDI's shareholders, it will use up part of the 15% limit in Listing Rule 7.1, reducing MDI's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Option issue Date.

MDI wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval to the Option issue under and for the purposes of Listing Rule 7.1.

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If Resolution 4 is passed, the Option issue will be excluded in calculating MDI's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Option issue Date.

If Resolution 4 is not passed, the Options will not be issued.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

4.2 Information required by ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the Options were agreed to be issued to Mr Bartsch, and he is not excluded from being issued the Options by virtue of ASX Listing Rule 10.11;
- (b) A total of 5,000,000 Options have been agreed to be issued by the Company;
- (c) the Options are exercisable at \$0.075 each on or before a date which is the earlier of three years from their date of issue, or date of cessation of employment, and entitle the holder to acquire fully paid Shares upon the terms and conditions outlined in Annexure A;
- (d) the Options have not yet been issued, and subject to this Resolution being passed, they will be issued (and the issue date will be) within 3 months of the date of the Meeting or such later date as may be approved by ASX, but the intention is to issue the Options as soon as possible after the Meeting – if the resolution is not passed, the options will not be issued;
- (e) the purpose of the issue is to remunerate Mr Bartsch as CEO with equity-based incentives for rendering of services and no funds will be raised from the issue;
- (f) the Options will be issued under agreements entered into with Mr Bartsch;
- (g) Mr Bartsch's commenced employment as CEO effective from 1 April 2023 – his current salary is \$300,000 per annum (plus statutory superannuation entitlements), his employment can be terminated by either the Company or Mr Bartsch giving three months' written notice (shorter notice periods apply in the event of breach of contract by either party) – no benefits are payable on termination – it was agreed that immediately upon, and subject to shareholder approval being granted, that he was to be issued with 5,000,000 options, exercisable into Shares at \$0.075 each, vesting twelve months after date of acceptance of employment and exercisable, and expiring on or before a date which is the earlier of three years from date of issue, or date of cessation of employment;
- (h) a voting exclusion statement is included in the Notice.

4.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

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5 RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY

5.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of the period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its AGM, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes as at the date of this Notice. If, on the date of the Meeting, the Company is not an eligible entity under the Listing Rules for the purposes of Listing Rule 7.1A, then Resolution 5 will be withdrawn.

Resolution 5 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows.

- (a) Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:
- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
 - (ii) the time and date of the Company's next AGM; or
 - (iii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

The Company will only issue and allot the Equity Securities pursuant to the 10% Placement Facility during the 10% Placement Period.

- (b) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the relevant class of the Company's Equity Securities over the 15 Trading Days in which trades in the class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The Company may seek to issue the Equity Securities to raise funds for making (or to securing the right to make) one or more acquisitions and/or to further its existing projects; and/or general working capital; so that the

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Company has the necessary working capital and flexibility to consider, and if thought fit, to put it in a stronger position to make (or to secure the right to make) one or more acquisitions and/or to further its existing projects.

(d) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the relevant class of the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.01 50% decrease in Issue Price	\$0.02 Issue Price	\$0.04 100% increase in Issue Price
Current Variable A 140,658,222 Shares	10% voting dilution	14,065,822 Shares		
	Funds raised	\$140,658	\$281,316	\$562,633
50% increase in current Variable A 210,987,333 Shares	10% voting dilution	21,098,733 Shares		
	Funds raised	\$210,987	\$421,975	\$843,949
100% increase in current Variable A 281,316,444 Shares	10% voting dilution	28,131,644 Shares		
	Funds raised	\$281,316	\$562,633	\$1,125,266

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The table has been prepared on the following assumptions:

- (i) Shareholders approve Resolutions 3 and 6.
 - (ii) The Company issues, in a single allotment, the maximum number of Equity Securities available under the 10% Placement Facility.
 - (iii) No existing Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.
 - (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of this Meeting.
 - (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities under the 10% Placement Facility includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (viii) The issue price is \$0.02 being the closing price of Shares on the ASX on 24 October 2023.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are neither a related party nor an Associate of a related party of the Company.
- (g) The Company last obtained Shareholder approval under Listing Rule 7.1A at the 2022 AGM held on 30 November 2022.
- In accordance with Listing Rule 7.3A.6, as at the date of this Notice, the Company advises it did not issue any Equity Securities during the 12 months preceding the date of the Meeting under Listing Rule 7.1A.
- (h) A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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5.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 5 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 5. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities whilst potentially avoiding the expense and delay involved in calling a special purpose general meeting of shareholders to seek approval to permit an equity issuance whilst averting the further potential of damaging the market capitalisation of the Company by signalling emphatically the Company is come raise. The passing of Resolution 5 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval. Any utilisation of this additional placement capacity by the Company will be very judicious and Shareholder dilution will, of course, be a factor bearing on any deliberation as to whether to do so .

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all undirected proxies in favour of Resolution 5.

6 RESOLUTION 6 – APPROVAL OF PROPOSED ISSUE OF OPTIONS TO BROKER

6.1 General

The Company has entered into an agreement with Mahe Capital Pty Ltd appointing that firm as lead manager in relation to the conduct of a Renounceable Rights Issue (**Offer**, or **RRI**) which is expected to be transacted between the date of this Notice of Meeting and the date of the AGM.

The terms and conditions agreed with Mahe Capital Pty Ltd as lead manager to the Offer, stipulate the payment of a fixed fee of \$40,000, a 1% management fee, a 5% fee calculated by reference to any shortfall in the RRI placed to subscribers as procured by Mahe Capital, together with the issue of up to 1,554,937 free Options on the basis of one option for every \$1 raised, exercisable at \$0.015 each, expiring on a date which is the same date as the date of issue of the options being issued pursuant to a Prospectus lodged by MDI on 31 October 2023, which expiry date is expected to be on or about 24 May 2025, and conditional upon shareholder approval being obtained.

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 1,544,937 Options to the lead manager.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that number which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period (adjusted for certain events over that 12-month period).

The effect of Resolution 6 will be to authorise the Directors to issue the Options without using the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 6 is passed, and the Options are issued, that issue will be disregarded for the purpose of calculating MDI's 15% limit, thus not adversely impacting the number of equity securities MDI can issue without shareholder approval over the 12-month period following the issue date of the Options.

If Resolution 6 is not passed, the Option issue will be included in calculating MDI's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Option issue date.

6.2 Information required by ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the Company will issue up to 1,544,937 Options to acquire Shares;

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- (b) the Company will issue the Options (and the issue date will be) within 3 months of the date of the Meeting or such later date as may be approved by ASX, but the intention is to issue the Options as soon as possible after the Meeting;
- (c) the Options will be issued as part consideration to Mahe Capital Pty Ltd and/or nominees for acting as lead manager, and managing the Offer;
- (d) the Options will be issued on the terms and conditions set out in Annexure B;
- (e) the Options will be issued to Mahe Capital Pty Ltd and/or its nominee/s, none of whom is a related party of the Company;
- (f) the Company may but does not undertake to apply for quotation of the Options on ASX; and
- (g) no funds will be raised from the issue.

6.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

7 RESOLUTIONS 7, 8, and 9 – APPROVAL TO GRANT OPTIONS TO DIRECTORS

7.1 General

The Company has entered into a Deed Poll with each director whereby, subject to Shareholder approval, and otherwise upon the terms set out in Annexure C to this Explanatory Statement, the Company has agreed to issue to each of the directors of the Company (or their nominee/s) 2,000,000 Options (**Options**) to acquire fully paid Shares, exercisable at \$0.0225 each, expiring on 31 May 2025.

In the event that the issue of the Options to a Director is not approved by Shareholders, the Company is obliged by the Deed Poll to pay the affected Director the sum of \$2,000.

Whilst the Directors are entitled, under the Constitution, to be paid for special exertion, in practice only very rarely has a claim for special exertion been made especially where equity remuneration/incentive (even if out of the money) has been awarded. The Directors consider that the grant of the Options will be a cost effective and efficient means for the Company to provide an incentive and motivate the contribution of special exertion without routine claims having to be made and paid in cash for such exertion whilst aligning the vested interests of directors with equity holders at large.

\$135,000 will be raised by the Company upon and in the event all the Options are exercised.

Resolutions 7, 8, and 9 are ordinary resolutions, requiring them to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.2 Chapter 2E of the Corporations Act – related party transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

Each of Resolutions 7, 8 and 9 provides for the grant of Options to related parties which is a financial benefit requiring Shareholder approval unless an exemption from the requirement for such approval applies. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed Resolutions would permit the financial benefit to be given

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Subject to Shareholder approval, the Options the subject of Resolutions 7, 8 and 9 will be granted to Messrs Thomas, Marwood and Stewart (or their nominee/s), within one month of the passing of the Resolutions. Messrs Thomas, Marwood, and Stewart are Directors of the Company and are therefore classified as related parties.

The nature of, reasons for, and basis for the financial benefit

The proposed financial benefits are the grant of 2,000,000 Options to Mr Thomas, 2,000,000 Options to Mr Marwood, and 2,000,000 Options to Mr Stewart or their nominee/s, for no issue price. Each Option will allow Messrs Thomas, Marwood, and Stewart to subscribe for one fully paid Share in the Company. Each Option is exercisable at \$0.0225 and has an expiry date of 31 May 2025.

The Options will form part of Messrs Thomas', Marwood's, and Stewart's remuneration for service as directors of the Company and, in the opinion of your Board, constitute reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

Options are considered to be an appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Messrs Thomas, Marwood, and Stewart are to derive any intrinsic value from the exercise of the Options, the market price of MDI Shares must be in excess of \$0.0225 per share. The Options represent an incentive to Messrs Thomas, Marwood, and Stewart to get the fully paid ASX:MDI share price up, not just to the level of the exercise price but well above that price in order that the Options will be deep in the money so that they can realise a significant gain from the disposal of their interests in the Options, thus aligning their personal interests with those of other Shareholders.

Directors' recommendation

All Directors, except Mr Thomas, recommend Shareholders vote in favour of Resolution 7. Mr Thomas does not make a recommendation about Resolution 7 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

All Directors, except Mr Marwood, recommend Shareholders vote in favour of Resolution 8. Mr Marwood does not make a recommendation about Resolution 8 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

All directors, except Mr Stewart, recommend Shareholders vote in favour of Resolution 9. Mr Stewart does not make a recommendation about Resolution 9 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) Resolutions 7, 8 and 9, if passed, will have the effect of giving power to the Directors to grant 2,000,000 Options respectively to each of Messrs Thomas, Marwood, and Stewart, or their respective nominee/s and the Option issue will be excluded in calculating MDI's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Option issue Date.
- (b) If Resolutions 7, 8, and 9 are not passed, the Company is obliged by the Deed Poll to pay the affected Director the sum of \$2,000.
- (c) The exercise of the Options is subject to the terms and conditions as set out in Annexure C to this Explanatory Statement and as otherwise mentioned above.
- (d) The Directors have valued the Options using the Australian Accounting Standards approved Black-Scholes European Option Pricing Model.
- (e) The total (indicative) value of the Options is outlined in Table 1. If Options granted to Messrs Thomas, Marwood, and Stewart, or their nominees, are exercised, the effect would be to dilute the Shareholdings of the other Shareholders.

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Table 1 - Details of Director Options

Name Relationship	Number of options	Exercise price per option	Expiry date	Vesting	Value Using Black- Scholes See Note (i) below
Peter Thomas Director	2,000,000	\$0.0225	31 May 2025	At date of issue	\$17,183
Brad Marwood Director	2,000,000				\$17,183
Bruce Stewart Director	2,000,000				\$17,183

Note (i) - Option Valuation Inputs

Details	Input
VWAP for underlying fully paid ordinary Shares – closing price on 27 October 2023	\$0.02
Exercise price (Based on premium of 50% to RRI option issue price)	\$0.0225
Risk free rate	4.27%
Volatility	123.1%
Start date	1 December 2023
Expiry date	31 May 2025
Discount factor attributed to non-tradability	20%
Value per Option	\$0.0086

This valuation may not be the final value for accounting purposes but is based on the assumptions detailed above and subject to audit by the Company's auditors.

Applying the valuation methodology prescribed by the employee share scheme provisions of the Income Tax Assessment Act, the Options have minimal value. The Company believes that the employee share scheme provisions of Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) will be applicable to the Options.

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- (f) As at the date of this Notice, the issued capital of the Company comprised 140,658,222 FP Shares. If all Options granted as proposed above are exercised, the effect will be to dilute the Shareholding of existing fully paid Shareholders as per the table below:

Current FP Shares on issue	140,658,222
Proposed issue of FP Shares upon exercising of Options to be granted to Directors	6,000,000
Proposed issue of FP Shares upon exercising by non-directors	9,854,937
Expanded FP Shares	156,513,159
Dilutionary effect	3.83%

The current relevant interest of each Director in securities of the Company is:

Director	FP Shares
Mr Thomas	3,290,327
Mr Marwood	184,477
Mr Stewart	2,200,000

- (g) Whilst the fully paid ordinary Shares of the Company are traded on ASX, there is no agreement to list the Options on ASX.
- (h) The Options to acquire fully paid Shares can be converted to fully paid Shares by the payment of 2.25 cents (\$0.0225) each. The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. It is probable that the Options will only be exercised if the price at which FP Shares are trading exceeds four cents.
- (i) Mr Thomas currently receives annual director fees of \$60,274, plus statutory superannuation entitlements. Mr Marwood currently receives annual director fees of \$40,000 plus statutory superannuation entitlements. Mr Stewart receives annual director fees of \$40,000.
- (j) The Options will be issued as remuneration for the provision of directorial services.
- (k) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Statement, the Directors do not consider, from an economic and commercial point of view, there are any costs or detriments, including taxation consequences for the Company or benefits foregone by the Company, in granting the Options to Messrs Thomas, Marwood, and Stewart or their nominees pursuant to Resolutions 7, 8, and 9 EXCEPT FOR the cost of foregoing the opportunity to issue the Options for cash and the downstream potential to dilute the capital structure of the Company.
- (l) Save as set out herein, neither the Company nor any of the Directors is aware of any other information that would be reasonably required by Shareholders for them to make a decision in relation to the financial benefits contemplated by this Resolutions 7, 8, and 9.

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8.3 ASXLR 10.11 and 10.13

Unless an exception detailed in ASXLR 10.12 applies, the Company must not issue or agree to issue equity securities to any persons as detailed in ASXLR 10.11.1 to 10.11.5 inclusive without the approval of the holders of its ordinary securities. No such exception applies to the issue of the Options to its directors (being related parties, and to associates, as defined) unless Shareholders approve such issue.

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 and is detailed hereunder:

- (a) the Options will be issued to Messrs Thomas, Marwood, and Stewart (or their nominee/s).
- (b) the issues will be made to a related party or an associate of that person;
- (c) the maximum number of Options to be issued is 6,000,000 (2,000,000 Options to Mr Thomas, 2,000,000 Options to Mr Marwood, and 2,000,000 Options to Mr Stewart);
- (d) the Options are to acquire fully paid Shares exercisable at an exercise price of \$0.0225 each, and expire on 31 May 2025, and otherwise on the terms and conditions outlined in Annexure C;
- (e) the Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (f) the Options will be issued for no cash consideration;
- (g) the purpose of the issue to Directors is a cost effective and efficient means for the Company to provide an incentive and motivate the contribution of special exertion without routine claims to be paid in cash for the same in recognition that hourly rate quantum merit claims may entirely inadequately recognise the value add of such services;
- (h) Mr Thomas currently receives annual director fees of \$60,274, plus statutory superannuation entitlements. Mr Marwood currently receives annual director fees of \$40,000 plus statutory superannuation entitlements. Mr Stewart receives annual director fees of \$40,000;
- (i) the persons to be issued with the Options are directors and therefore classified as related parties under ASXLR 10.11.1 and/or associates of that person as defined in ASXLR 10.11.4 or 10.14.5;
- (j) the Options will be issued pursuant to shareholder approval being given;
- (k) the Options will not be quoted on ASX;
- (l) If Resolutions 7, 8, and 9 are not passed, the Options will not be issued, and the Company is obliged by the Deed Poll to pay the affected Director the sum of \$2,000; and
- (m) a voting exclusion statement is included in the Notice.

RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO EMPLOYEES/CONTRACTORS

10.1 General

The Board wishes to issue up to a total of 3,300,000 options to acquire fully paid Shares, exercisable at an exercise price of \$0.0225 each with an expiry date of 31 May 2025, and otherwise on the terms and conditions outlined in Annexure C;

The Company considers that offering incentive options is appropriate to attract and retain the right calibre of professionals to the Company with the appropriate mindset for a junior explorer. Equity-based incentives/remuneration help align the interests of employees/contractors with shareholders in that the employees/contractors thereby have a vested interest in seeing the delivery of value to shareholders through share price appreciation.

Upon payment of the exercise price, the resultant fully paid Shares shall rank equally with the Shares currently quoted as ASX:MDI.

Up to \$74,250 will be raised by the Company upon and in the event all the Options are exercised.

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The effect of Resolution 10 will be to authorise the Directors to issue the Options without using the Company's 15% placement capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Options does not fit within any of these exceptions and would effectively use up part of the 15% limit in Listing Rule 7.1, reducing MDI's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Option issue Date.

MDI wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 10 seeks shareholder approval to the Option issue under, and for the purposes of Listing Rule 7.1.

If Resolution 10 is passed, the Option issue will be excluded in calculating MDI's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the Option issue Date.

If Resolution 10 is not passed, the Options will be not be issued.

Resolution 10 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

10.2 Information required by ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the Company will authorise the Directors to issue up to 3,300,000 Options to employees/contractors selected by the Board (including 2,000,000 Options which will be issued to Roland Bartsch as CEO), none of whom are excluded from being issued the Options by virtue of ASX Listing Rule 10.11;
- (b) the Options will be exercisable at an exercise price of \$0.0225 each, having an expiry date of 31 May 2025, and otherwise on the terms and conditions outlined in Annexure C, and rank equally with all other Options issued with the same terms and conditions;
- (c) the Options have not yet been issued, and subject to this Resolution being passed, the Board will be authorised to issue the Options no later than 3 months after the date of this meeting;
- (d) the Options will be issued with the purpose of remunerating selected employees/contractors with equity-based incentives for rendering of services, and no funds will be raised from the issue;
- (e) the Options will not be quoted on ASX;
- (f) If Resolution 10 is not passed, the Options will not be issued; and
- (g) a voting exclusion statement is included in the Notice.

10.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.



EXPLANATORY STATEMENT

11 PRO FORMA CAPITAL STRUCTURE FOLLOWING MEETING

The Company's capital structure following this Meeting (assuming the maximum issue of Equity Securities pursuant to approvals given under Resolutions 4, 6, 7, 8, 9, 10 and 11 but EXCLUDING the issuance of any Shares approved by Resolution 5 (Additional 10% Placement Capacity), will be as follows:

Shares	Number
Fully paid Shares	
Current (includes the issues ratified in Resolution 3)	140,658,222
Total FP Shares following the Meeting	140,658,222
Options to acquire FP Shares	
Issued pursuant to Resolutions 4, 7, 8, 19 and 10 (Unquoted)	14,300,000
Issued pursuant to Resolution 6 (MDI reserves the right to quote on ASX at its sole discretion)	1,544,937
Total Options following the Meeting	15,844,937

OTHER BUSINESS

The Company is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice.

For personal use only

EXPLANATORY STATEMENT

GLOSSARY, 7

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

10% Placement Facility has the meaning given in Section 5.1 of the Explanatory Statement;

10% Placement Period has the meaning given in Section 5.2 of the Explanatory Statement;;

AGM means an annual general meeting;

Annual Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2023;

Associate has the same meaning as defined in section 11 and section 13 to 17 of the Corporations Act;

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

Auditor's Report means the auditor's report on the Financial Report;

AWST means Australian Western Standard Time;

Board means the board of Directors;

Business Day has the meaning as defined in the Listing Rules;

Chair means the person appointed to chair the Meeting, or any part of the Meeting;

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2001 (Cth)*;

Convertible Security means a security of the Company which is convertible into Shares;

Company means Middle Island Resources Limited ABN 70 142 361 608;

Constitution means the Company's constitution, as amended from time to time;

Corporations Act means *Corporations Act 2001 (Cth)*;

Director means a director of the Company;

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

Equity Securities has the same meaning as in the Listing Rules;

Explanatory Statement means the explanatory statement accompanying the Notice;

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;



EXPLANATORY STATEMENT

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company;

Listing Rules means the listing rules of the ASX;

Meeting has the meaning in the introductory paragraph of the Notice;

Notice means this notice of annual general meeting;

Placement has the meaning as defined in Section 6.1 of the Explanatory Statement;

Proxy Form means the proxy form attached to this Notice;

Remuneration Report means the section of the Directors' Report contained in the Annual Report entitled 'remuneration report';

Resolution means a resolution contained in this Notice;

Section means a section of the Explanatory Statement;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means the holder of a Share;

Spill Resolution has the meaning set out in Section 1.1 of the Explanatory Statement;

Strike has the meaning set out in Section 1.1 of the Explanatory Statement;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

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ANNEXURE A

TERMS AND CONDITIONS

CEO OPTIONS

The Options are issued on the following terms:

1. Each Option may be exercised by giving notice in that regard together with payment of an amount of \$0.075 each (**Exercise Price**).
2. All of the Options will be issued immediately upon receiving shareholder approval (**Issue Date**) and will vest on a date which is 12 months after 1 April 2023 (**Vesting Date**).
3. Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in Middle Island Resources Limited ACN 142 361 608 (**Company**) upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm on the date which is the earlier of three years from their Issue Date or date of cessation of employment or contractual arrangement (**Expiry Date**).
5. The Options are transferable at any time in accordance with the Corporations Act 2001 and any applicable rules of ASX.
6. There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled (as a consequence of holding Option) to participate in new issues of capital that may be offered to shareholders during the currency of the Options.
7. The Option holder has the right to exercise Options prior to the date for determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 3 business days before the relevant record date to exercise the Options.
8. Subject to any requirements of the Corporations Act and ASX Listing Rules, the Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so), Options can only be exercised in parcels of not less than 500,000, except where the total Options held by the holder is less than 500,000 (in which case, all Options held by the holder must be exercised and the costs of filing with ASX in connection with the exercise to be borne up front by the Optionholder). Subject to ASX listing rules, the Company shall not be obliged to issue Shares in response to an exercise of Options more frequently than once per calendar quarter. The Company may, in its discretion, waive this clause or any part of it and such a waiver may be subject to conditions or further limitations.
11. Subject to clause 9, the Options shall be exercisable at any time during the period (**Exercise Period**) ending on the Expiry Date by: (a) the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by cleared funds for the subscription monies for the Shares; or (b) such other form and method as may be approved by the Company from time to time. The Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it PROVIDED THAT if the remaining number be less than 500,000 those Options shall ipso facto lapse.
12. If the Company has entered into an agreement to underwrite the exercise of the Options and any Options remain unexercised at the Expiry Date, then the holder of those unexercised Options immediately, unconditionally and irrevocably appoints the Company as the Optionholder's agent to transfer (for no consideration to that holder) the unexercised Options to the relevant underwriter and, despite clause 10, that underwriter is entitled to exercise the unexercised Options within 14 calendar days (or such fewer days as the Company may determine in its absolute discretion) of the Expiry Date.
13. Subject to clause 9, the Company shall endeavour to allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
14. The Company does not undertake to apply for quotation of the Options on ASX.

ANNEXURE B

TERMS AND CONDITIONS PLACEE and BROKER OPTIONS

The Options are issued on the following terms (“**Terms**”):

1. Each Option may be exercised by giving notice in that regard together with payment of the amount of \$0.015 (1.5 cents) (**Exercise Price**).
2. Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in Middle Island Resources Limited ACN 142 361 608 (**Company**) upon the payment of the Exercise Price per Share subscribed for.
3. The Options will lapse at 5:00 pm (Perth, Western Australia time) on a date which is 18 months (for clarity, 547 days) from the date of issue of securities issued pursuant to the Renounceable Rights Issue as announced on 30 October 2023 (**Expiry Date**).
4. The Options are only transferable if approved by the Company on a case-by-case basis .
5. The Options carry no right to participate in new issues of securities unless the Options are exercised before the record date for determining entitlements to the relevant new issue.
6. The Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised except in the event of a bonus issue of Shares being made pro rata to Shareholders (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue.
7. Options can only be exercised in parcels of not less than 50,000,000, except where the total Options held by the holder is less than 50,000,000 (in which case, all Options held by the holder must be exercised and the costs of filing with ASX in connection with the exercise is to be borne up front by the Optionholder). An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it PROVIDED THAT if the remaining number be less than 50,000,000 those Options shall ipso facto lapse. The Company shall not be obliged to issue Shares in response to an exercise of Options more frequently than once per calendar quarter. The Company may waive or otherwise permit exceptions to this clause or any part of it on a case-by-case basis.
8. Subject to clause 9, the Options shall be exercisable at any time during the period (**Exercise Period**) ending on the Expiry Date by: (a) the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by cleared funds for the subscription monies for the Shares; or (b) such other form and method as may be approved by the Company from time to time. The Notice and cleared funds must be received by the Company during the Exercise Period.
9. If the Company has entered into an agreement to underwrite the exercise of the Options and any Options remain unexercised at the Expiry Date, then the holder of those unexercised Options immediately, unconditionally and irrevocably appoints the Company as the Optionholder’s agent to transfer (for no consideration to that holder) the unexercised Options to the relevant underwriter and, despite clause 10, that underwriter is entitled to exercise the unexercised Options within 14 calendar days (or such fewer days as the Company may determine in its absolute discretion) of the Expiry Date.
10. Subject to clause 9, the Company shall endeavour to allot the resultant Shares and deliver a statement of shareholdings with a holders’ identification number within 5 business days of exercise of the Options.
11. The Company reserve the right to apply for quotation of the Options on ASX at its sole discretion.
12. Any rights of approval, rejection, waiver or other discretion vested in the Company under these Terms may be exercised or not by the board of directors of the Company as it sees fit, with or without reasons, conditions or limitations.
13. If the Company is admitted to the official list of ASX, the following provisions apply and override the above provisions:
 - a. Notwithstanding anything contained in these Terms, if the ASX listing rules (**Listing Rules**) prohibit an act being done, the act must not be done.
 - b. Nothing contained in these Terms prevents an act being done that the Listing Rules require to be done.
 - c. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
 - d. If the Listing Rules require these Terms to contain a provision and they does not contain such a provision, these Terms are deemed to contain that provision.
 - e. If the Listing Rules require these Terms not to contain a provision and it contains such a provision, these Terms are deemed not to contain that provision.
 - f. If any provision of these Terms are or become inconsistent with the Listing Rules, these Terms are deemed not to contain that provision to the extent of the inconsistency.

ANNEXURE C

TERMS AND CONDITIONS DIRECTORS' and OTHER KMP OPTIONS

The Options are issued on the following terms:

1. Each Option may be exercised by giving notice in that regard together with payment of an amount of \$0.0225 (2.25 cents) for each Option exercised (**Exercise Price**).
2. Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in Middle Island Resources Limited ACN 142 361 608 (**Company**) upon the payment of the Exercise Price.
3. The Options will lapse at 5:00 pm on 31 May 2025 (**Expiry Date**).
4. The Options are transferable at any time in accordance with the Corporations Act 2001 and any applicable rules of ASX.
5. There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled (as a consequence of holding Option) to participate in new issues of capital that may be offered to shareholders during the currency of the Options.
6. The Option holder has the right to exercise Options prior to the date for determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 3 business days before the relevant record date to exercise the Options.
7. Subject to any requirements of the Corporations Act and ASX Listing Rules, the Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so), Options can only be exercised in parcels of not less than 500,000, except where the total Options held by the holder is less than 500,000 (in which case, all Options held by the holder must be exercised and the costs of filing with ASX in connection with the exercise to be borne up front by the Optionholder). Subject to ASX listing rules, the Company shall not be obliged to issue Shares in response to an exercise of Options more frequently than once per calendar quarter. The Company may, in its discretion, waive this clause or any part of it and such a waiver may be subject to conditions or further limitations.
10. Subject to clause 9, the Options shall be exercisable at any time during the period (**Exercise Period**) ending on the Expiry Date by: (a) the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by cleared funds for the subscription monies for the Shares; or (b) such other form and method as may be approved by the Company from time to time. The Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it PROVIDED THAT if the remaining number be less than 500,000 those Options shall ipso facto lapse.
11. If the Company has entered into an agreement to underwrite the exercise of the Options and any Options remain unexercised at the Expiry Date, then the holder of those unexercised Options immediately, unconditionally and irrevocably appoints the Company as the Optionholder's agent to transfer (for no consideration to that holder) the unexercised Options to the relevant underwriter and, despite clause 10, that underwriter is entitled to exercise the unexercised Options within 14 calendar days (or such fewer days as the Company may determine in its absolute discretion) of the Expiry Date.
12. Subject to clause 9, the Company shall endeavour to allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
13. The Company does not undertake to apply for quotation of the Options on ASX.



Middle Island
RESOURCES LIMITED

Middle Island Resources Limited | ABN 70 142 361 608

Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **01.00pm (AWST) on Tuesday, 28 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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1300 288 664 (Within Australia)
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Middle Island

RESOURCES LIMITED

ABN 70 142 361 608

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Thursday 30 November 2023

Time of Meeting

1:00pm AWST

Place of Meeting

The Celtic Club
48 Ord Street
WEST PERTH WA 6005

*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.
The **2023 Annual Report** may be viewed on the Company's website at www.middleisland.com.au*



MIDDLE ISLAND RESOURCES LIMITED
ABN 70 142 361 608
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 annual general meeting of Middle Island Resources Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday 30 November 2023 at 1:00pm AWST (**Meeting**) for the purpose of transacting the following business, in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

All Resolutions will be conducted by poll.

2023 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, together with the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2023.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2023 Annual Report be adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting prohibition: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (b) by a person who is a member of the Key Management Personnel at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 1:

- (a) in accordance with a direction as to how to vote on the Proxy Form; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF PETER THOMAS AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of article 6.3 of the Constitution and for all other purposes, Peter Thomas retires by rotation as a Director, and being eligible and having offered himself for re-election, is re-elected as a Director."

NOTICE OF GENERAL MEETING - 30 NOVEMBER 2023

RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO STRATEGIC ENERGY RESOURCES LTD

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,240,000 fully paid Shares to Strategic Energy Resources Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who participated in the issue. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – APPROVAL TO GRANT OF OPTIONS TO ROLAND BARTSCH (CEO) (as reported to ASX on his appointment, the grant was agreed conditional on shareholder approval)

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue (on the terms and conditions outlined in the Explanatory Statement) of 5,000,000 Options to acquire FP Shares (exercisable at \$0.075 each, expiring on the date which is the earlier of three years from their date of issue or date of cessation of employment) to Mr Bartsch (and/or his nominee/s) on the terms and conditions outlined in the Explanatory Statement, in Annexure A.”

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, or an associate of that person, if this Resolution is passed. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting exclusion: For the purposes of Listing Rule 7.3A, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who may participate in the 10% Placement Facility, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as

NOTICE OF GENERAL MEETING - 30 NOVEMBER 2023

proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – APPROVAL FOR PROPOSED ISSUE OF BROKER OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,544,937 Options to acquire FP Shares exercisable at an exercise price of \$0.015 each, expiring on a date which is the same date as the date of issue of the options being issued pursuant to a Prospectus lodged by the Company on 31 October 2023, which expiry date is expected to be on or about 24 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure B).”

Voting Exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7 – APPROVAL TO GRANT OF OPTIONS TO MR PETER THOMAS

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, members hereby approve the issue to Mr Peter Thomas, or his nominee/s, of 2,000,000 Options to acquire FP Shares, exercisable at \$0.0225 each, expiring on 31 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure C), and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Peter Thomas and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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RESOLUTION 8 – APPROVAL TO GRANT OF OPTIONS TO MR BRAD MARWOOD

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, members hereby approve the issue to Mr Brad Marwood, or his nominee/s, of 2,000,000 Options to acquire FP Shares, exercisable at \$0.0225 each, expiring on 31 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure C), and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Brad Marwood and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 9 – APPROVAL TO GRANT OF OPTIONS TO MR BRUCE STEWART

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, members hereby approve the issue to Mr Bruce Stewart, or his nominee/s, of 2,000,000 Options to acquire FP Shares, exercisable at \$0.0225 each, expiring on 31 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure C), and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: For the purposes of Listing Rule 7.3, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Bruce Stewart and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or an associate of that person excluded from voting. However, this does not apply to a vote cast in favour of a resolution by: (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 10 – APPROVAL TO GRANT OF OPTIONS TO OTHER KEY PERSONNEL

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue to selected employees/contractors (on the terms and conditions outlined in the Explanatory Statement) of up to a total of 3,300,000 Options to acquire FP Shares, exercisable at \$0.0225 each, expiring on 31 May 2025, and otherwise on the terms and conditions outlined in the Explanatory Statement (including Annexure C) and further resolve that this constitutes reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.”

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, or an associate of that person, if this Resolution is passed. However, this does not apply to a vote cast in favour of a resolution by (i) a person as proxy or attorney for a person who is entitled

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to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (ii) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or (iii) a holder acting solely in a nominee, trust, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (2) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a proxy to vote on their behalf. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint one or two proxies and if appointing two may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying Proxy Form and return it in accordance with its instructions prior to 1:00pm AWST on Tuesday 28 November 2023 by:

1. post to GPO Box 5193, Sydney NSW 2001;
2. email at meetings@automicgroup.com.au; or
3. online at <https://investor.automic.com.au/#/loginsah>.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the Proxy Form or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00pm AWST on 28 November 2023 will be entitled to attend and vote at the Meeting.

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CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

ELECTRONIC COMMUNICATION

All Shareholders may, and are encouraged to, elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

REVOCAION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chair on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING OF PROXIES

The Proxy Form accompanying this Notice confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Notice, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the Proxy Form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

By Order of the Board.

Rudolf Tieleman
Company Secretary

Date: 31 October 2023

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the Shareholders of the Company in connection with the business to be conducted at the annual general meeting of the Company to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005, on Thursday 30 November 2023 commencing at 1:00pm AWST and any adjournment thereof.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

All Resolutions will be conducted by poll.

FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2023.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- (a) discuss the Annual Report which is available online from the Company's website www.middleisland.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor if the question is relevant to:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Annual Report to be considered at the Meeting,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's office (+61 8 9322 1430).

1 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel.

The Remuneration Report has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site www.middleisland.com.au.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, Shareholders will have the opportunity to remove the whole Board (except the managing director) if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGM's.

Where a resolution on the Remuneration Report receives a Strike at two consecutive AGM's, the Company will be required to put to Shareholders at the second AGM a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

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The Company's Remuneration Report did not receive a Strike at the 2022 AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2024 AGM, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

1.2 Voting on the Remuneration Report

Please refer to the voting prohibition set out in the Notice for the persons who are not entitled to vote on Resolution 1.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

1.3 Directors' recommendation

The Directors recommend that Shareholders vote in favour of adopting the Remuneration Report.

2 RESOLUTION 2 – RE-ELECTION OF PETER THOMAS AS A DIRECTOR

2.1 General

Mr Thomas was appointed as a Director on 2 March 2010.

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Mr Thomas will retire by rotation, and being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's biography and experience

Mr Thomas comes from a legal background specialising in resources and corporate. For over 30 years, before retiring from legal practice, he specialised in the delivery of wide ranging legal, corporate, and commercial advice to listed explorers and miners. Mr Thomas is now a professional director leveraging his legal background whilst delivering the insight of his commercial acumen and business expertise.

For nearly 40 years he has served on the boards of various listed companies including being the founding chairman of both copper producer Sandfire Resources NL (2004) and mineral sands producer Image Resources NL. Other current ASX listed company board positions include being a non-executive director of Image Resources NL (since 19 April 2002) and non-executive chair of Emu NL (since 29 August 2007).

2.3 Directors' recommendation

All the Directors consider that Resolution 2 is in the best interests of the Company, as Mr Thomas' skills, knowledge and experience is valuable to the Company. All the Directors, except Mr Thomas, who has an interest in this Resolution, recommend that Shareholders vote in favour of Resolution 2.

The Chair intends to exercise all undirected proxies in favour of Resolution 2.

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RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO STRATEGIC ENERGY RESOURCES LTD

3.1 General

On 17 July 2023, the Company announced that contract completion had been achieved for its acquisition of the East Tennant Project from ASX-listed Strategic Energy Resources Ltd (ASX:SER or “Strategic Energy”).

The purchase covered exploration licenses EL32109, EL32306, EL32307, EL32617, EL32760 and EL32809 expanded Middle Island’s Barkly Super Project in the East Tennant region.

The transaction details were as follows:

- Middle Island issued 18,240,000 fully paid ordinary MDI shares at a deemed price of \$0.035 per share, this being the closing price of ASX:MDI on the contract date, Friday 12 May 2023 (**Consideration Shares**);
- The Consideration Shares were issued out of the Company’s existing ASXLR 7.1 capacity, and accordingly were issued without requiring prior shareholders’ approval;
- The shares were issued to SER subject to a voluntary escrow period of 12 months from date of completion; and
- MDI confirmed that the proposed transaction is not a significant change to the scale of the Company’s activities within ASX Listing Rule 11.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period;

The issue of Consideration Shares does not fit within any of these exceptions and, as it has not yet been approved by MDI’s shareholders, it effectively uses up almost all of the 15% limit in Listing Rule 7.1, reducing MDI’s capacity to issue further equity securities without shareholder approval under that Listing Rule for the 12 month period following the Placement issue Date;

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rules 7.1, and so does not reduce the company’s capacity to issue further equity securities without shareholder approval under those rules;

MDI wishes to retain as much flexibility as possible to issue additional equity securities without having to obtain shareholder approval for such issues under Listing Rule 7.1;

To this end, Resolution 3 seeks shareholder approval of the Placement under and for the purposes of Listing Rule 7.4;

If Resolution 3 is passed, the issue of Consideration Shares will be excluded in calculating MDI’s 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Consideration Shares issue Date;

If Resolution 3 is not passed, the issue of Consideration Shares will be included in calculating MDI’s 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Consideration Shares issue date;

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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3.2 Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) the Shares were issued to Strategic Energy Resources Ltd;
- (b) 18,240,000 fully paid Shares were allotted and issued by the Company within the Company's Listing Rule 7.1 capacity on 17 July 2023;
- (c) the Shares were fully paid ordinary Shares which rank equally with all other fully paid ordinary Shares on issue, and currently quoted as ASX:MDI;
- (d) Strategic Energy Resources Ltd is not a related party of MDI;
- (e) the Shares were issued at \$0.035 each;
- (f) no funds were raised from the issue of Shares; and
- (g) a voting exclusion statement is included in the Notice.

3.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

The Chair intends to exercise all undirected proxies in favour of Resolution 3.

RESOLUTION 4 –ISSUE OF OPTIONS TO ROLAND BARTSCH (CEO)

4.1 General

As a condition to Mr Bartsch's appointment as CEO, the Board agreed to issue him (and/or his nominee) with 5,000,000 options to acquire fully paid Shares upon the terms set out in Annexure A to this Explanatory Statement, exercisable at \$0.075 each, expiring on a date which is the earlier of three years from their date of issue, or date of cessation of his employment, and subject to shareholder approval. The Company considers that offering incentive options is appropriate to attract and retain the right calibre of professionals to the Company with the appropriate mindset for a junior explorer. Equity-based incentives/remuneration help align the interests of employees/contractors with shareholders in that the employees/contractors thereby have a vested interest in seeing the delivery of value to shareholders through share price appreciation.

Upon payment of the exercise price, the resultant fully paid Shares shall rank equally with the Shares currently quoted as ASX:MDI.

The issue, if not approved as proposed, will have to be made within the Company's existing Listing Rule 7.1 15% placement capacity.

The effect of Resolution 4 will be to authorise the Directors to issue the Options without using the Company's 15% placement capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Options does not fit within any of these exceptions and, if it is not approved by MDI's shareholders, it will use up part of the 15% limit in Listing Rule 7.1, reducing MDI's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Option issue Date.

MDI wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval to the Option issue under and for the purposes of Listing Rule 7.1.

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If Resolution 4 is passed, the Option issue will be excluded in calculating MDI's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Option issue Date.

If Resolution 4 is not passed, the Options will not be issued.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

4.2 Information required by ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the Options were agreed to be issued to Mr Bartsch, and he is not excluded from being issued the Options by virtue of ASX Listing Rule 10.11;
- (b) A total of 5,000,000 Options have been agreed to be issued by the Company;
- (c) the Options are exercisable at \$0.075 each on or before a date which is the earlier of three years from their date of issue, or date of cessation of employment, and entitle the holder to acquire fully paid Shares upon the terms and conditions outlined in Annexure A;
- (d) the Options have not yet been issued, and subject to this Resolution being passed, they will be issued (and the issue date will be) within 3 months of the date of the Meeting or such later date as may be approved by ASX, but the intention is to issue the Options as soon as possible after the Meeting – if the resolution is not passed, the options will not be issued;
- (e) the purpose of the issue is to remunerate Mr Bartsch as CEO with equity-based incentives for rendering of services and no funds will be raised from the issue;
- (f) the Options will be issued under agreements entered into with Mr Bartsch;
- (g) Mr Bartsch's commenced employment as CEO effective from 1 April 2023 – his current salary is \$300,000 per annum (plus statutory superannuation entitlements), his employment can be terminated by either the Company or Mr Bartsch giving three months' written notice (shorter notice periods apply in the event of breach of contract by either party) – no benefits are payable on termination – it was agreed that immediately upon, and subject to shareholder approval being granted, that he was to be issued with 5,000,000 options, exercisable into Shares at \$0.075 each, vesting twelve months after date of acceptance of employment and exercisable, and expiring on or before a date which is the earlier of three years from date of issue, or date of cessation of employment;
- (h) a voting exclusion statement is included in the Notice.

4.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

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5 RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY

5.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of the period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its AGM, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes as at the date of this Notice. If, on the date of the Meeting, the Company is not an eligible entity under the Listing Rules for the purposes of Listing Rule 7.1A, then Resolution 5 will be withdrawn.

Resolution 5 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows.

- (a) Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:
- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
 - (ii) the time and date of the Company's next AGM; or
 - (iii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

The Company will only issue and allot the Equity Securities pursuant to the 10% Placement Facility during the 10% Placement Period.

- (b) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the relevant class of the Company's Equity Securities over the 15 Trading Days in which trades in the class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The Company may seek to issue the Equity Securities to raise funds for making (or to securing the right to make) one or more acquisitions and/or to further its existing projects; and/or general working capital; so that the

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Company has the necessary working capital and flexibility to consider, and if thought fit, to put it in a stronger position to make (or to secure the right to make) one or more acquisitions and/or to further its existing projects.

(d) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the relevant class of the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.01 50% decrease in Issue Price	\$0.02 Issue Price	\$0.04 100% increase in Issue Price
Current Variable A 140,658,222 Shares	10% voting dilution	14,065,822 Shares		
	Funds raised	\$140,658	\$281,316	\$562,633
50% increase in current Variable A 210,987,333 Shares	10% voting dilution	21,098,733 Shares		
	Funds raised	\$210,987	\$421,975	\$843,949
100% increase in current Variable A 281,316,444 Shares	10% voting dilution	28,131,644 Shares		
	Funds raised	\$281,316	\$562,633	\$1,125,266

EXPLANATORY STATEMENT

The table has been prepared on the following assumptions:

- (i) Shareholders approve Resolutions 3 and 6.
 - (ii) The Company issues, in a single allotment, the maximum number of Equity Securities available under the 10% Placement Facility.
 - (iii) No existing Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.
 - (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of this Meeting.
 - (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities under the 10% Placement Facility includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (viii) The issue price is \$0.02 being the closing price of Shares on the ASX on 24 October 2023.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are neither a related party nor an Associate of a related party of the Company.
- (g) The Company last obtained Shareholder approval under Listing Rule 7.1A at the 2022 AGM held on 30 November 2022.
- In accordance with Listing Rule 7.3A.6, as at the date of this Notice, the Company advises it did not issue any Equity Securities during the 12 months preceding the date of the Meeting under Listing Rule 7.1A.
- (h) A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

EXPLANATORY STATEMENT

5.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 5 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 5. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities whilst potentially avoiding the expense and delay involved in calling a special purpose general meeting of shareholders to seek approval to permit an equity issuance whilst averting the further potential of damaging the market capitalisation of the Company by signalling emphatically the Company is come raise. The passing of Resolution 5 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval. Any utilisation of this additional placement capacity by the Company will be very judicious and Shareholder dilution will, of course, be a factor bearing on any deliberation as to whether to do so .

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all undirected proxies in favour of Resolution 5.

6 RESOLUTION 6 – APPROVAL OF PROPOSED ISSUE OF OPTIONS TO BROKER

6.1 General

The Company has entered into an agreement with Mahe Capital Pty Ltd appointing that firm as lead manager in relation to the conduct of a Renounceable Rights Issue (**Offer**, or **RRI**) which is expected to be transacted between the date of this Notice of Meeting and the date of the AGM.

The terms and conditions agreed with Mahe Capital Pty Ltd as lead manager to the Offer, stipulate the payment of a fixed fee of \$40,000, a 1% management fee, a 5% fee calculated by reference to any shortfall in the RRI placed to subscribers as procured by Mahe Capital, together with the issue of up to 1,554,937 free Options on the basis of one option for every \$1 raised, exercisable at \$0.015 each, expiring on a date which is the same date as the date of issue of the options being issued pursuant to a Prospectus lodged by MDI on 31 October 2023, which expiry date is expected to be on or about 24 May 2025, and conditional upon shareholder approval being obtained.

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 1,544,937 Options to the lead manager.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that number which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period (adjusted for certain events over that 12-month period).

The effect of Resolution 6 will be to authorise the Directors to issue the Options without using the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 6 is passed, and the Options are issued, that issue will be disregarded for the purpose of calculating MDI's 15% limit, thus not adversely impacting the number of equity securities MDI can issue without shareholder approval over the 12-month period following the issue date of the Options.

If Resolution 6 is not passed, the Option issue will be included in calculating MDI's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Option issue date.

6.2 Information required by ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the Company will issue up to 1,544,937 Options to acquire Shares;

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- (b) the Company will issue the Options (and the issue date will be) within 3 months of the date of the Meeting or such later date as may be approved by ASX, but the intention is to issue the Options as soon as possible after the Meeting;
- (c) the Options will be issued as part consideration to Mahe Capital Pty Ltd and/or nominees for acting as lead manager, and managing the Offer;
- (d) the Options will be issued on the terms and conditions set out in Annexure B;
- (e) the Options will be issued to Mahe Capital Pty Ltd and/or its nominee/s, none of whom is a related party of the Company;
- (f) the Company may but does not undertake to apply for quotation of the Options on ASX; and
- (g) no funds will be raised from the issue.

6.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

7 RESOLUTIONS 7, 8, and 9 – APPROVAL TO GRANT OPTIONS TO DIRECTORS

7.1 General

The Company has entered into a Deed Poll with each director whereby, subject to Shareholder approval, and otherwise upon the terms set out in Annexure C to this Explanatory Statement, the Company has agreed to issue to each of the directors of the Company (or their nominee/s) 2,000,000 Options (**Options**) to acquire fully paid Shares, exercisable at \$0.0225 each, expiring on 31 May 2025.

In the event that the issue of the Options to a Director is not approved by Shareholders, the Company is obliged by the Deed Poll to pay the affected Director the sum of \$2,000.

Whilst the Directors are entitled, under the Constitution, to be paid for special exertion, in practice only very rarely has a claim for special exertion been made especially where equity remuneration/incentive (even if out of the money) has been awarded. The Directors consider that the grant of the Options will be a cost effective and efficient means for the Company to provide an incentive and motivate the contribution of special exertion without routine claims having to be made and paid in cash for such exertion whilst aligning the vested interests of directors with equity holders at large.

\$135,000 will be raised by the Company upon and in the event all the Options are exercised.

Resolutions 7, 8, and 9 are ordinary resolutions, requiring them to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.2 Chapter 2E of the Corporations Act – related party transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

Each of Resolutions 7, 8 and 9 provides for the grant of Options to related parties which is a financial benefit requiring Shareholder approval unless an exemption from the requirement for such approval applies. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

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The related party to whom the proposed Resolutions would permit the financial benefit to be given

Subject to Shareholder approval, the Options the subject of Resolutions 7, 8 and 9 will be granted to Messrs Thomas, Marwood and Stewart (or their nominee/s), within one month of the passing of the Resolutions. Messrs Thomas, Marwood, and Stewart are Directors of the Company and are therefore classified as related parties.

The nature of, reasons for, and basis for the financial benefit

The proposed financial benefits are the grant of 2,000,000 Options to Mr Thomas, 2,000,000 Options to Mr Marwood, and 2,000,000 Options to Mr Stewart or their nominee/s, for no issue price. Each Option will allow Messrs Thomas, Marwood, and Stewart to subscribe for one fully paid Share in the Company. Each Option is exercisable at \$0.0225 and has an expiry date of 31 May 2025.

The Options will form part of Messrs Thomas', Marwood's, and Stewart's remuneration for service as directors of the Company and, in the opinion of your Board, constitute reasonable remuneration for the purposes of Chapter 2E of the Corporations Act.

Options are considered to be an appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Messrs Thomas, Marwood, and Stewart are to derive any intrinsic value from the exercise of the Options, the market price of MDI Shares must be in excess of \$0.0225 per share. The Options represent an incentive to Messrs Thomas, Marwood, and Stewart to get the fully paid ASX:MDI share price up, not just to the level of the exercise price but well above that price in order that the Options will be deep in the money so that they can realise a significant gain from the disposal of their interests in the Options, thus aligning their personal interests with those of other Shareholders.

Directors' recommendation

All Directors, except Mr Thomas, recommend Shareholders vote in favour of Resolution 7. Mr Thomas does not make a recommendation about Resolution 7 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

All Directors, except Mr Marwood, recommend Shareholders vote in favour of Resolution 8. Mr Marwood does not make a recommendation about Resolution 8 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

All directors, except Mr Stewart, recommend Shareholders vote in favour of Resolution 9. Mr Stewart does not make a recommendation about Resolution 9 as he will receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

- (a) Resolutions 7, 8 and 9, if passed, will have the effect of giving power to the Directors to grant 2,000,000 Options respectively to each of Messrs Thomas, Marwood, and Stewart, or their respective nominee/s and the Option issue will be excluded in calculating MDI's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Option issue Date.
- (b) If Resolutions 7, 8, and 9 are not passed, the Company is obliged by the Deed Poll to pay the affected Director the sum of \$2,000.
- (c) The exercise of the Options is subject to the terms and conditions as set out in Annexure C to this Explanatory Statement and as otherwise mentioned above.
- (d) The Directors have valued the Options using the Australian Accounting Standards approved Black-Scholes European Option Pricing Model.

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- (e) The total (indicative) value of the Options is outlined in Table 1. If Options granted to Messrs Thomas, Marwood, and Stewart, or their nominees, are exercised, the effect would be to dilute the Shareholdings of the other Shareholders.

Table 1 - Details of Director Options

Name Relationship	Number of options	Exercise price per option	Expiry date	Vesting	Value Using Black- Scholes See Note (i) below
Peter Thomas Director	2,000,000	\$0.0225	31 May 2025	At date of issue	\$17,183
Brad Marwood Director	2,000,000				\$17,183
Bruce Stewart Director	2,000,000				\$17,183

Note (i) - Option Valuation Inputs

Details	Input
VWAP for underlying fully paid ordinary Shares – closing price on 27 October 2023	\$0.02
Exercise price (Based on premium of 50% to RRI option issue price)	\$0.0225
Risk free rate	4.27%
Volatility	123.1%
Start date	1 December 2023
Expiry date	31 May 2025
Discount factor attributed to non-tradability	20%
Value per Option	\$0.0086

This valuation may not be the final value for accounting purposes but is based on the assumptions detailed above and subject to audit by the Company's auditors.

Applying the valuation methodology prescribed by the employee share scheme provisions of the Income Tax Assessment Act, the Options have minimal value. The Company believes that the employee share scheme provisions of Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) will be applicable to the Options.

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- (f) As at the date of this Notice, the issued capital of the Company comprised 140,658,222 FP Shares. If all Options granted as proposed above are exercised, the effect will be to dilute the Shareholding of existing fully paid Shareholders as per the table below:

Current FP Shares on issue	140,658,222
Proposed issue of FP Shares upon exercising of Options to be granted to Directors	6,000,000
Proposed issue of FP Shares upon exercising by non-directors	9,854,937
Expanded FP Shares	156,513,159
Dilutionary effect	3.83%

The current relevant interest of each Director in securities of the Company is:

Director	FP Shares
Mr Thomas	3,290,327
Mr Marwood	184,477
Mr Stewart	2,200,000

- (g) Whilst the fully paid ordinary Shares of the Company are traded on ASX, there is no agreement to list the Options on ASX.
- (h) The Options to acquire fully paid Shares can be converted to fully paid Shares by the payment of 2.25 cents (\$0.0225) each. The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. It is probable that the Options will only be exercised if the price at which FP Shares are trading exceeds four cents.
- (i) Mr Thomas currently receives annual director fees of \$60,274, plus statutory superannuation entitlements. Mr Marwood currently receives annual director fees of \$40,000 plus statutory superannuation entitlements. Mr Stewart receives annual director fees of \$40,000.
- (j) The Options will be issued as remuneration for the provision of directorial services.
- (k) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Statement, the Directors do not consider, from an economic and commercial point of view, there are any costs or detriments, including taxation consequences for the Company or benefits foregone by the Company, in granting the Options to Messrs Thomas, Marwood, and Stewart or their nominees pursuant to Resolutions 7, 8, and 9 EXCEPT FOR the cost of foregoing the opportunity to issue the Options for cash and the downstream potential to dilute the capital structure of the Company.
- (l) Save as set out herein, neither the Company nor any of the Directors is aware of any other information that would be reasonably required by Shareholders for them to make a decision in relation to the financial benefits contemplated by this Resolutions 7, 8, and 9.

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7.3 ASXLR 10.11 and 10.13

Unless an exception detailed in ASXLR 10.12 applies, the Company must not issue or agree to issue equity securities to any persons as detailed in ASXLR 10.11.1 to 10.11.5 inclusive without the approval of the holders of its ordinary securities. No such exception applies to the issue of the Options to its directors (being related parties, and to associates, as defined) unless Shareholders approve such issue.

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 and is detailed hereunder:

- (a) the Options will be issued to Messrs Thomas, Marwood, and Stewart (or their nominee/s).
- (b) the issues will be made to a related party or an associate of that person;
- (c) the maximum number of Options to be issued is 6,000,000 (2,000,000 Options to Mr Thomas, 2,000,000 Options to Mr Marwood, and 2,000,000 Options to Mr Stewart);
- (d) the Options are to acquire fully paid Shares exercisable at an exercise price of \$0.0225 each, and expire on 31 May 2025, and otherwise on the terms and conditions outlined in Annexure C;
- (e) the Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (f) the Options will be issued for no cash consideration;
- (g) the purpose of the issue to Directors is a cost effective and efficient means for the Company to provide an incentive and motivate the contribution of special exertion without routine claims to be paid in cash for the same in recognition that hourly rate quantum merit claims may entirely inadequately recognise the value add of such services;
- (h) Mr Thomas currently receives annual director fees of \$60,274, plus statutory superannuation entitlements. Mr Marwood currently receives annual director fees of \$40,000 plus statutory superannuation entitlements. Mr Stewart receives annual director fees of \$40,000;
- (i) the persons to be issued with the Options are directors and therefore classified as related parties under ASXLR 10.11.1 and/or associates of that person as defined in ASXLR 10.11.4 or 10.14.5;
- (j) the Options will be issued pursuant to shareholder approval being given;
- (k) the Options will not be quoted on ASX;
- (l) If Resolutions 7, 8, and 9 are not passed, the Options will not be issued, and the Company is obliged by the Deed Poll to pay the affected Director the sum of \$2,000; and
- (m) a voting exclusion statement is included in the Notice.

RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO EMPLOYEES/CONTRACTORS

10.1 General

The Board wishes to issue up to a total of 3,300,000 options to acquire fully paid Shares, exercisable at an exercise price of \$0.0225 each with an expiry date of 31 May 2025, and otherwise on the terms and conditions outlined in Annexure C;

The Company considers that offering incentive options is appropriate to attract and retain the right calibre of professionals to the Company with the appropriate mindset for a junior explorer. Equity-based incentives/remuneration help align the interests of employees/contractors with shareholders in that the employees/contractors thereby have a vested interest in seeing the delivery of value to shareholders through share price appreciation.

Upon payment of the exercise price, the resultant fully paid Shares shall rank equally with the Shares currently quoted as ASX:MDI.

Up to \$74,250 will be raised by the Company upon and in the event all the Options are exercised.

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The effect of Resolution 10 will be to authorise the Directors to issue the Options without using the Company's 15% placement capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Options does not fit within any of these exceptions and would effectively use up part of the 15% limit in Listing Rule 7.1, reducing MDI's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Option issue Date.

MDI wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 10 seeks shareholder approval to the Option issue under, and for the purposes of Listing Rule 7.1.

If Resolution 10 is passed, the Option issue will be excluded in calculating MDI's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the Option issue Date.

If Resolution 10 is not passed, the Options will be not be issued.

Resolution 10 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

10.2 Information required by ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) the Company will authorise the Directors to issue up to 3,300,000 Options to employees/contractors selected by the Board (including 2,000,000 Options which will be issued to Roland Bartsch as CEO), none of whom are excluded from being issued the Options by virtue of ASX Listing Rule 10.11;
- (b) the Options will be exercisable at an exercise price of \$0.0225 each, having an expiry date of 31 May 2025, and otherwise on the terms and conditions outlined in Annexure C, and rank equally with all other Options issued with the same terms and conditions;
- (c) the Options have not yet been issued, and subject to this Resolution being passed, the Board will be authorised to issue the Options no later than 3 months after the date of this meeting;
- (d) the Options will be issued with the purpose of remunerating selected employees/contractors with equity-based incentives for rendering of services, and no funds will be raised from the issue;
- (e) the Options will not be quoted on ASX;
- (f) If Resolution 10 is not passed, the Options will not be issued; and
- (g) a voting exclusion statement is included in the Notice.

10.3 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.



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11 PRO FORMA CAPITAL STRUCTURE FOLLOWING MEETING

The Company's capital structure following this Meeting (assuming the maximum issue of Equity Securities pursuant to approvals given under Resolutions 4, 6, 7, 8, 9, 10 and 11 but EXCLUDING the issuance of any Shares approved by Resolution 5 (Additional 10% Placement Capacity), will be as follows:

Shares	Number
Fully paid Shares	
Current (includes the issues ratified in Resolution 3)	140,658,222
Total FP Shares following the Meeting	140,658,222
Options to acquire FP Shares	
Issued pursuant to Resolutions 4, 7, 8, 19 and 10 (Unquoted)	14,300,000
Issued pursuant to Resolution 6 (MDI reserves the right to quote on ASX at its sole discretion)	1,544,937
Total Options following the Meeting	15,844,937

OTHER BUSINESS

The Company is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice.

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GLOSSARY, 7

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

10% Placement Facility has the meaning given in Section 5.1 of the Explanatory Statement;

10% Placement Period has the meaning given in Section 5.2 of the Explanatory Statement;;

AGM means an annual general meeting;

Annual Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2023;

Associate has the same meaning as defined in section 11 and section 13 to 17 of the Corporations Act;

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

Auditor's Report means the auditor's report on the Financial Report;

AWST means Australian Western Standard Time;

Board means the board of Directors;

Business Day has the meaning as defined in the Listing Rules;

Chair means the person appointed to chair the Meeting, or any part of the Meeting;

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2001 (Cth)*;

Convertible Security means a security of the Company which is convertible into Shares;

Company means Middle Island Resources Limited ABN 70 142 361 608;

Constitution means the Company's constitution, as amended from time to time;

Corporations Act means *Corporations Act 2001 (Cth)*;

Director means a director of the Company;

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

Equity Securities has the same meaning as in the Listing Rules;

Explanatory Statement means the explanatory statement accompanying the Notice;

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;



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Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company;

Listing Rules means the listing rules of the ASX;

Meeting has the meaning in the introductory paragraph of the Notice;

Notice means this notice of annual general meeting;

Placement has the meaning as defined in Section 6.1 of the Explanatory Statement;

Proxy Form means the proxy form attached to this Notice;

Remuneration Report means the section of the Directors' Report contained in the Annual Report entitled 'remuneration report';

Resolution means a resolution contained in this Notice;

Section means a section of the Explanatory Statement;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means the holder of a Share;

Spill Resolution has the meaning set out in Section 1.1 of the Explanatory Statement;

Strike has the meaning set out in Section 1.1 of the Explanatory Statement;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

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ANNEXURE A

TERMS AND CONDITIONS

CEO OPTIONS

The Options are issued on the following terms:

1. Each Option may be exercised by giving notice in that regard together with payment of an amount of \$0.075 each (**Exercise Price**).
2. All of the Options will be issued immediately upon receiving shareholder approval (**Issue Date**) and will vest on a date which is 12 months after 1 April 2023 (**Vesting Date**).
3. Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in Middle Island Resources Limited ACN 142 361 608 (**Company**) upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm on the date which is the earlier of three years from their Issue Date or date of cessation of employment or contractual arrangement (**Expiry Date**).
5. The Options are transferable at any time in accordance with the Corporations Act 2001 and any applicable rules of ASX.
6. There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled (as a consequence of holding Option) to participate in new issues of capital that may be offered to shareholders during the currency of the Options.
7. The Option holder has the right to exercise Options prior to the date for determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 3 business days before the relevant record date to exercise the Options.
8. Subject to any requirements of the Corporations Act and ASX Listing Rules, the Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so), Options can only be exercised in parcels of not less than 500,000, except where the total Options held by the holder is less than 500,000 (in which case, all Options held by the holder must be exercised and the costs of filing with ASX in connection with the exercise to be borne up front by the Optionholder). Subject to ASX listing rules, the Company shall not be obliged to issue Shares in response to an exercise of Options more frequently than once per calendar quarter. The Company may, in its discretion, waive this clause or any part of it and such a waiver may be subject to conditions or further limitations.
11. Subject to clause 9, the Options shall be exercisable at any time during the period (**Exercise Period**) ending on the Expiry Date by: (a) the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by cleared funds for the subscription monies for the Shares; or (b) such other form and method as may be approved by the Company from time to time. The Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it PROVIDED THAT if the remaining number be less than 500,000 those Options shall ipso facto lapse.
12. If the Company has entered into an agreement to underwrite the exercise of the Options and any Options remain unexercised at the Expiry Date, then the holder of those unexercised Options immediately, unconditionally and irrevocably appoints the Company as the Optionholder's agent to transfer (for no consideration to that holder) the unexercised Options to the relevant underwriter and, despite clause 10, that underwriter is entitled to exercise the unexercised Options within 14 calendar days (or such fewer days as the Company may determine in its absolute discretion) of the Expiry Date.
13. Subject to clause 9, the Company shall endeavour to allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
14. The Company does not undertake to apply for quotation of the Options on ASX.

ANNEXURE B

TERMS AND CONDITIONS PLACEE and BROKER OPTIONS

The Options are issued on the following terms (“**Terms**”):

1. Each Option may be exercised by giving notice in that regard together with payment of the amount of \$0.015 (1.5 cents) (**Exercise Price**).
2. Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in Middle Island Resources Limited ACN 142 361 608 (**Company**) upon the payment of the Exercise Price per Share subscribed for.
3. The Options will lapse at 5:00 pm (Perth, Western Australia time) on a date which is 18 months (for clarity, 547 days) from the date of issue of securities issued pursuant to the Renounceable Rights Issue as announced on 30 October 2023 (**Expiry Date**).
4. The Options are only transferable if approved by the Company on a case-by-case basis .
5. The Options carry no right to participate in new issues of securities unless the Options are exercised before the record date for determining entitlements to the relevant new issue.
6. The Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised except in the event of a bonus issue of Shares being made pro rata to Shareholders (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue.
7. Options can only be exercised in parcels of not less than 50,000,000, except where the total Options held by the holder is less than 50,000,000 (in which case, all Options held by the holder must be exercised and the costs of filing with ASX in connection with the exercise is to be borne up front by the Optionholder). An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it PROVIDED THAT if the remaining number be less than 50,000,000 those Options shall ipso facto lapse. The Company shall not be obliged to issue Shares in response to an exercise of Options more frequently than once per calendar quarter. The Company may waive or otherwise permit exceptions to this clause or any part of it on a case-by-case basis.
8. Subject to clause 9, the Options shall be exercisable at any time during the period (**Exercise Period**) ending on the Expiry Date by: (a) the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by cleared funds for the subscription monies for the Shares; or (b) such other form and method as may be approved by the Company from time to time. The Notice and cleared funds must be received by the Company during the Exercise Period.
9. If the Company has entered into an agreement to underwrite the exercise of the Options and any Options remain unexercised at the Expiry Date, then the holder of those unexercised Options immediately, unconditionally and irrevocably appoints the Company as the Optionholder’s agent to transfer (for no consideration to that holder) the unexercised Options to the relevant underwriter and, despite clause 10, that underwriter is entitled to exercise the unexercised Options within 14 calendar days (or such fewer days as the Company may determine in its absolute discretion) of the Expiry Date.
10. Subject to clause 9, the Company shall endeavour to allot the resultant Shares and deliver a statement of shareholdings with a holders’ identification number within 5 business days of exercise of the Options.
11. The Company reserve the right to apply for quotation of the Options on ASX at its sole discretion.
12. Any rights of approval, rejection, waiver or other discretion vested in the Company under these Terms may be exercised or not by the board of directors of the Company as it sees fit, with or without reasons, conditions or limitations.
13. If the Company is admitted to the official list of ASX, the following provisions apply and override the above provisions:
 - a. Notwithstanding anything contained in these Terms, if the ASX listing rules (**Listing Rules**) prohibit an act being done, the act must not be done.
 - b. Nothing contained in these Terms prevents an act being done that the Listing Rules require to be done.
 - c. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
 - d. If the Listing Rules require these Terms to contain a provision and they does not contain such a provision, these Terms are deemed to contain that provision.
 - e. If the Listing Rules require these Terms not to contain a provision and it contains such a provision, these Terms are deemed not to contain that provision.
 - f. If any provision of these Terms are or become inconsistent with the Listing Rules, these Terms are deemed not to contain that provision to the extent of the inconsistency.

ANNEXURE C

TERMS AND CONDITIONS DIRECTORS' and OTHER KMP OPTIONS

The Options are issued on the following terms:

1. Each Option may be exercised by giving notice in that regard together with payment of an amount of \$0.0225 (2.25 cents) for each Option exercised (**Exercise Price**).
2. Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in Middle Island Resources Limited ACN 142 361 608 (**Company**) upon the payment of the Exercise Price.
3. The Options will lapse at 5:00 pm on 31 May 2025 (**Expiry Date**).
4. The Options are transferable at any time in accordance with the Corporations Act 2001 and any applicable rules of ASX.
5. There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled (as a consequence of holding Option) to participate in new issues of capital that may be offered to shareholders during the currency of the Options.
6. The Option holder has the right to exercise Options prior to the date for determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 3 business days before the relevant record date to exercise the Options.
7. Subject to any requirements of the Corporations Act and ASX Listing Rules, the Options do not confer the right to a change in exercise price or the number of securities over which the Option can be exercised.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so), Options can only be exercised in parcels of not less than 500,000, except where the total Options held by the holder is less than 500,000 (in which case, all Options held by the holder must be exercised and the costs of filing with ASX in connection with the exercise to be borne up front by the Optionholder). Subject to ASX listing rules, the Company shall not be obliged to issue Shares in response to an exercise of Options more frequently than once per calendar quarter. The Company may, in its discretion, waive this clause or any part of it and such a waiver may be subject to conditions or further limitations.
10. Subject to clause 9, the Options shall be exercisable at any time during the period (**Exercise Period**) ending on the Expiry Date by: (a) the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by cleared funds for the subscription monies for the Shares; or (b) such other form and method as may be approved by the Company from time to time. The Notice and cleared funds must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it PROVIDED THAT if the remaining number be less than 500,000 those Options shall ipso facto lapse.
11. If the Company has entered into an agreement to underwrite the exercise of the Options and any Options remain unexercised at the Expiry Date, then the holder of those unexercised Options immediately, unconditionally and irrevocably appoints the Company as the Optionholder's agent to transfer (for no consideration to that holder) the unexercised Options to the relevant underwriter and, despite clause 10, that underwriter is entitled to exercise the unexercised Options within 14 calendar days (or such fewer days as the Company may determine in its absolute discretion) of the Expiry Date.
12. Subject to clause 9, the Company shall endeavour to allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
13. The Company does not undertake to apply for quotation of the Options on ASX.



Middle Island
RESOURCES LIMITED

Middle Island Resources Limited | ABN 70 142 361 608

Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **01.00pm (AWST) on Tuesday, 28 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

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Sydney NSW 2000

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BY FACSIMILE:

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