



Middle Island

RESOURCES LIMITED

ABN 70 142 361 608

INTERIM FINANCIAL REPORT

For the Half-Year Ended 31 December 2025

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2025 and any public announcements made by Middle Island Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

CONTENTS

CAUTIONARY STATEMENTS	3
COMPANY DIRECTORY	4
DIRECTORS' REPORT	5
AUDITOR'S INDEPENDENCE DECLARATION	12
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	13
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	15
CONSOLIDATED STATEMENT OF CASH FLOWS	16
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	17
DIRECTORS' DECLARATION	25
INDEPENDENT AUDITOR'S REVIEW REPORT	26

Cautionary Statements

Forward Looking Statements

Certain statements made during or in connection with this report contain or comprise certain forward-looking statements regarding the Company's exploration activities and other economic performance and financial conditions as well as general market outlook. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements and no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in commodity prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of the Company, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.

Exploration Results

This report contains information in relation to exploration results extracted from the Company's previous ASX announcements, which are available to view on the Company's website.

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

Competent Person Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore reserves is based on, and fairly represents, information compiled or reviewed by Mr Peter Spiers, a Competent Person who is a Member of the Australasian Institute of Geoscientists and a full-time employee of the Company. Mr Spiers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Spiers consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. The Exploration Targets described are conceptual in nature and there is insufficient information to establish whether further exploration will result in the determination of Mineral Resources.

Company Directory

Directors and Company Secretary

Daniel Raihani

Richie Yang

David A-Izzeddin

Gabriel Chiappini (Company Secretary)

Head Office and Registered Office

Suite 1, 2 Richardson Street

West Perth WA 6005

Phone: (08) 9322 1430

www.middleisland.com.au

Auditors

Elderton Audit Pty Ltd

Level 28, 140 St Georges Terrace

Perth WA 6000

Share Registry

Automic Group

Level 5, 191 St Georges Terrace

Perth WA 6000

Telephone: +61 1300 288 664

www.investor.automic.com.au

Stock Exchange Listing

Australian Securities Exchange Ltd

ASX Code: MDI

Australian Company Number

142 361 608

Solicitor

Hamilton Locke

Level 39, 152-158 St Georges Terrace

Perth WA 6000

Directors' Report

Your directors are pleased to present their report on Middle Island Resources Limited (**MDI, Middle Island** or the **Company**) at the end of, or during, the half-year ended 31 December 2025.

DIRECTORS

The names of the directors who held office during or since the end of the half-year, to the date of this report, are:

Daniel Raihani
Richie Yang
David A-Izzeddin

PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was gold, silver and base metal exploration in Serbia and Australia.

REVIEW OF RESULTS

The loss after tax for the period ended 31 December 2025 was \$802,844 (2024: \$1,390,792).

Middle Island Resources Limited held cash and liquid investments of \$4,708,430 as at 31 December 2025, comprising \$3,468,729 in cash and A\$1,239,701 in available-for-sale listed equity investments.

REVIEW OF OPERATIONS

Konstantin Resources Ltd Acquisition

During the half-year, the Company entered into a binding share sale and purchase agreement to acquire 100% of Konstantin Resources Ltd (KRL), which has 14 licences in Serbia covering approximately 620km², and encompasses the Bobija, Timok and Priboj project areas (Figure 1).

The Serbian projects lie within a world class geological setting containing numerous giant copper, gold and silver deposits. Serbia has a well-developed mining industry and is one of Europe's leading copper producers.

Exploration field activities subsequently commenced across all Serbian project areas, including reverse circulation drilling and trenching at the Bobija project.



Figure 1 - Location of Konstantin projects and significant third-party projects within world class mineral province.

Serbian Exploration Projects

Bobija Project – Successful drilling and trenching programs

During the half-year, exploration activities in Serbia focussed on the Bobija Project area which includes the historically mined Bobija gold-silver-copper-lead-zinc deposit. The Bobija deposit has strong similarities to the former Adriatic Metals' Vares project in Bosnia and Herzegovina (20.9Mt @ 1.1g/t Au, 153g/t Ag, 0.4% Cu, 2.8% Pb & 4.3% Zn). Extensive massive sulphide mineralisation is exposed in the floor of the historic Bobija open pit mine and it was originally explored by the Yugoslav State for barite, lead and zinc. Recent work has highlighted the potential of the area to also host significant gold mineralisation in addition to the known base metal and barite mineralisation.

During the period, the Company completed its maiden reverse circulation (RC) drilling program in the Bobija Mine area comprising 11 drill holes for a total of 816 drilled metres (Figure 2). The results highlighted the exceptional potential of the area to host economic gold, as well as base metals.

Significant drill intersections reported from the Bobija drilling included:

- **BMLRC001 - 52m @ 1.17g/t Au, 26.0g/t Ag, 0.12% Cu, 0.39% Pb & 1.01% Zn (from 9m)**
 - incl. 10m @ 2.18g/t Au, 47.2g/t Ag, 0.14% Cu, 0.76% Pb & 0.73% Zn (from 9m)
- **BMLRC002 - 17m @ 1.44g/t Au, 34.6g/t Ag, 0.18% Cu, 0.49% Pb & 1.97% Zn (from 40m)**
- **BMLRC002 - 11m @ 1.14g/t Au, 52.1g/t Ag, 0.24% Cu, 1.19% Pb & 1.56% Zn (from 71m)**
 - incl. 4m @ 1.83g/t Au, 118.8g/t Ag, 0.55% Cu, 2.66% Pb & 2.86% Zn (from 78m)
- **BMLRC003 - 11m @ 3.15g/t Au, 22.6g/t Ag, 0.10% Cu, 0.57% Pb & 1.09% Zn (from 28m)**
- **BMLRC005 - 23m @ 1.12g/t Au, 50.6g/t Ag, 0.20% Cu, 1.17% Pb & 1.94% Zn (from 9m)**
 - incl. 10m @ 1.57g/t Au, 98.3g/t Ag, 0.42% Cu, 2.55% Pb & 4.01% Zn (from 11m)
- **BMLRC008 - 23m @ 1.15g/t Au, 20.6g/t Ag, 0.14% Cu, 0.67% Pb & 0.40% Zn (from 4m)**
- **BMLRC009 - 16m @ 0.94g/t Au, 12g/t Ag, 0.28% Pb & 0.43% Zn**



Figure 2: Plan view of Bobija Mine area showing location of phase 1 drill holes, channel samples, mineralised zones defined in historic underground mapping and schematic cross section.

Drilling successfully extended the known footprint of the Bobija deposit, and mineralisation remains open in multiple directions. In addition, thick zones of substantial mineralisation in areas previously considered barren further added to the overall footprint of the deposit, for example, drilling between the West and North Zones recorded **52m @ 1.17g/t Au, 26g/t Ag and 1.01% Zn** (drill hole BMLRC001 from 9m downhole depth) indicating likely continuity of the mineralised horizon across the entire area between these zones (Figure 2 and Figure 3).

Given the potential to define a mineralised horizon that extends across the entire footprint of the current mine area (approximately 300m x 300m in area), Middle Island looks forward to commencing Phase 2 drilling during the 2026 field season.

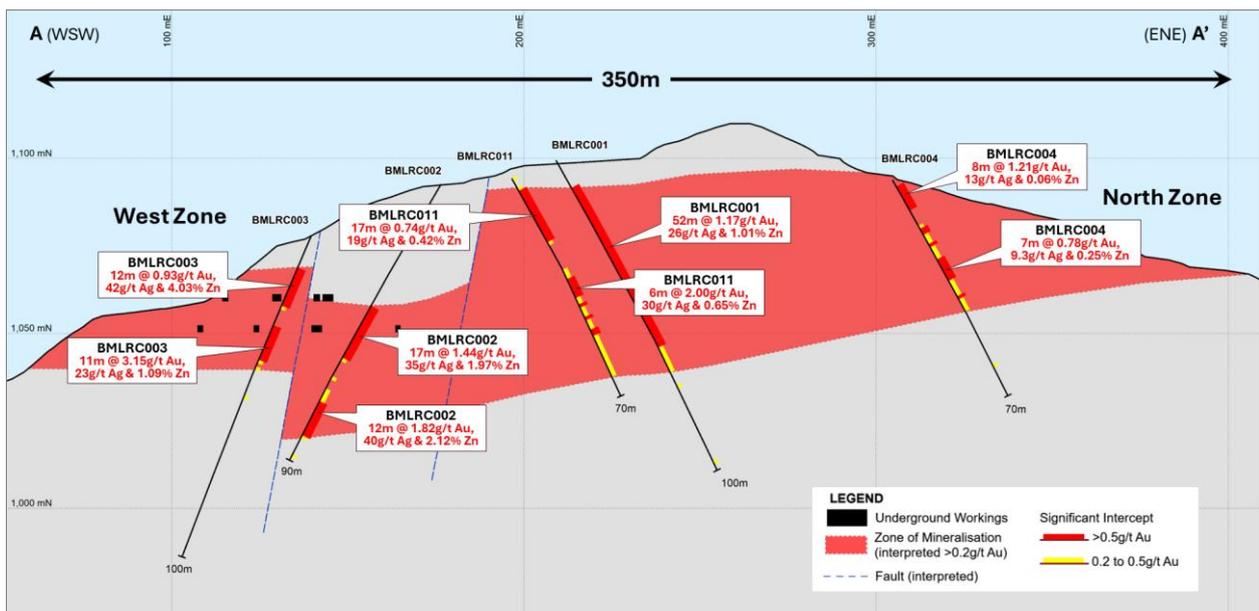


Figure 3: Bobija mine area - Schematic cross section AA' – showing location of phase 1 drill holes and significant intercepts.

As well as the RC drilling campaign, channel sampling was completed in the historic open pit mine area for a total of 157m of sampling across four separate channels (Figure 2). Assay results confirmed the presence of widespread precious and base metal mineralisation across the sample area (Figure 4) including:

- **BMLCH001 – 46.0m @ 1.07g/t Au, 91.5g/t Ag, 0.57% Cu, 2.08% Pb & 2.03% Zn**
- **BMLCH002 – 47.0m @ 1.90g/t Au, 228.8g/t Ag, 0.56% Cu, 2.18% Pb & 2.99% Zn**
- **BMLCH003 – 21.0m @ 0.63g/t Au, 36.5g/t Ag, 0.08% Cu, 1.43% Pb & 0.49% Zn**
- **BMLCH004 – 38.0m @ 1.78g/t Au, 119.1g/t Ag, 0.23% Cu, 2.73% Pb & 2.73% Zn**

More than 10% of the channel sample assay results received recorded barium values greater than 1.0% Ba (the upper detection limit of the analytical technique applied). These samples will be subject to re-assay using an alternative analytical method with a higher detection limit.

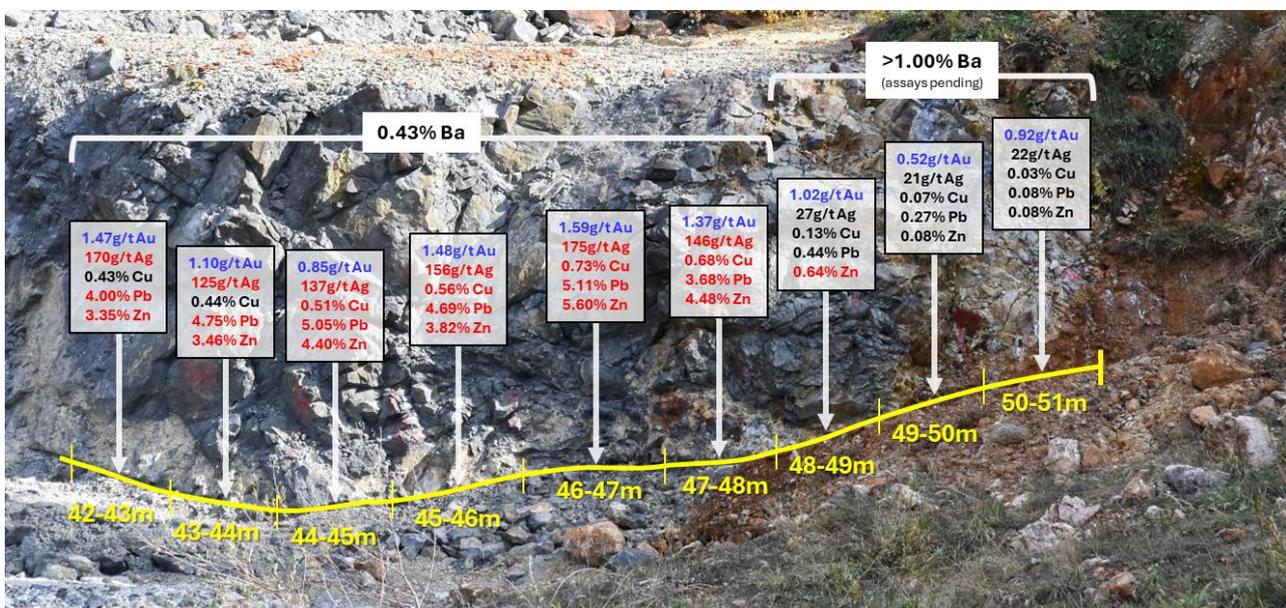


Figure 4: Bobija mine area – Showing location of selected 1m channel sample assay results from channel BMLCH001.

Bobija Project – Significant soil anomaly at Tisovik target

As reported both before, and shortly after the end of the half-year, the Company's soil sampling program in the Tisovik area, located 4km north-east of the Bobija Mine, recorded widespread silver, lead, zinc, and antimony soil anomalism (up to 7.1g/t Ag, 4,685ppm Pb, 969ppm Zn and 1,049ppm Sb).

The program comprised 333 samples completed on relatively broad-spaced, north-south oriented sample lines, with a 400m spacing between lines and a 100m spacing between samples along each line. Anomalism has been recognised across multiple target areas over an approximate 5km east-west strike length, including the Tisovik, Crvene Stene (Red Rock) and Kozila target areas, reinforcing the prospectivity and multi-element nature of the mineral system (Figure 5).

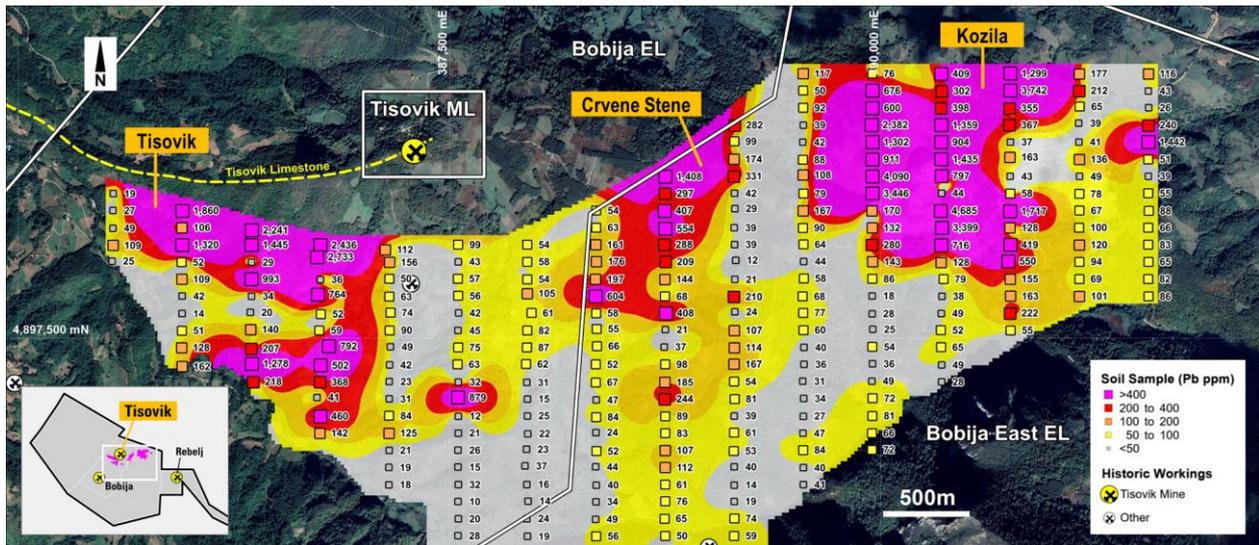


Figure 5: Lead soil sample results in the Tisovik area.

The soil anomalism remains open-ended at the limits of the current survey area, particularly to the north where prospective limestone lithologies are interpreted to continue. These areas have seen little to no modern exploration and represent a clear focus for the next phase of systematic fieldwork.

Priboj soil sampling program

Middle Island conducted soil sampling programs at its Priboj Project area licence during the period (and announced findings post the half-year). These programs were designed to target the discovery of large-scale volcanogenic massive sulphide (VMS)-style copper deposits across three target areas, the Jelaca, Oglavak and Lunicki Prospects (Figure 6).

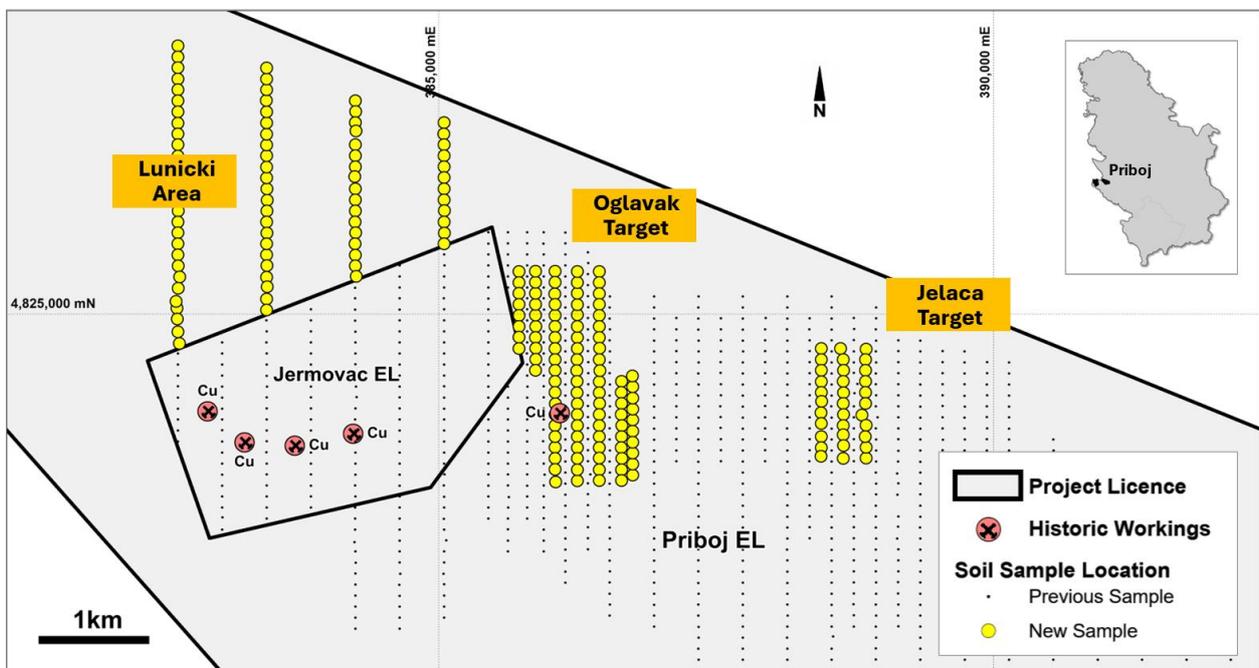


Figure 6: Central Priboj Project area showing location of new soil samples.

The assay results confirm significant zones of copper-in-soil anomalism at both the Jelaca and Oglavak Prospects. In addition, the wide-spaced soil sample lines in the Lunicki area extended the broader zone of +75ppm Cu anomalism across the sample area and recorded several discrete soil anomalies exceeding 100ppm Cu that warrant infill sampling (Figure 7).

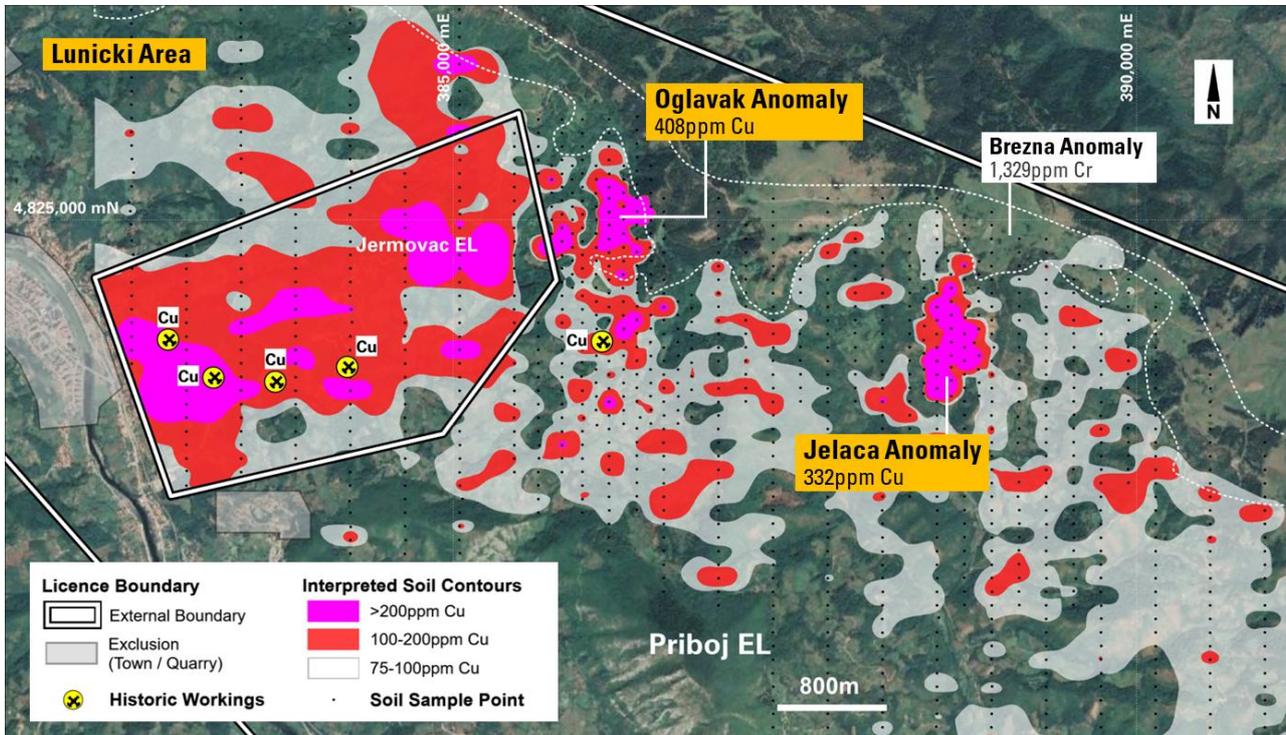


Figure 7: Central Priboj Project area showing copper-in-soil anomalism (including new assay results).

The Company is very encouraged by the significant exploration results received to date from the historically unexplored Priboj Project area. Planning is now underway for an initial drilling program at the Jelaca Target, scheduled for Q2 2026, and subject to land access approvals. In parallel, the Company is planning additional soil sampling across the Jermovac exploration licence.

Timok Project - Soil sampling over Brodica Gold Targets

During the period, the Company completed infill soil sampling in the Brodica exploration licence located at the northern end of the Company's Timok Project area. Assays are awaited. The Brodica licence includes Proterozoic-age lithologies that host multiple historic high-grade gold and silver mines and workings.

The soil sample program focussed on an area of historic gold workings where a 3km long +10ppb gold-in-soil anomaly has previously been defined associated with grab/float sample results up to 134g/t Au and 315g/t Ag, and outcrop sample results up to 40.7g/t Au & 550g/t Ag.

Australian Exploration Projects

During the half year, the Company commenced a detailed review of its portfolio of Australian copper-gold exploration projects. The review is focussed on defining priority exploration targets within the various licence areas and determining the most efficient way to advance such targets.

Initial results of the review indicate that the Queensland (QLD) assets will likely be progressed in priority to the Northern Territory (NT) exploration assets as the QLD projects offer more immediate potential for discovery of gold and copper mineralisation and generally lack the thick (multi-hundred metre) and barren cover sequences present over much of the NT licence areas.

During the reporting period, exploration activities on the QLD and NT exploration projects focussed on desktop modelling of project data and collation of historic third-party exploration data.

Board and Management Changes

Middle Island announced several board and management changes over the period:

- Mr Daniel Raihani was appointed as Non-Executive Chairman of the Company. Mr Raihani first joined the board in April 2025 and has a wide range of business experience across several industry sectors and jurisdictions, with a strong background in business development, operational strategy, and stakeholder engagement.
- Mr David A-Izzeddin was appointed as a Non-Executive Director. Mr A-Izzeddin was the founder of Konstantin Resources and is a geologist with over 30 years' experience across a broad range of commodities and geographies, including Serbia. David has a strong track record of project generation, discovery, project evaluation, resource assessment and management.
- Mr Peter Spiers was appointed as Chief Executive Officer (CEO). Mr Spiers previously served as Executive Chairman of Konstantin Resources for four years, prior to its acquisition by Middle Island Resources. He brings a deep knowledge of the Company's Serbian asset portfolio, together with more than 30 years' experience across exploration, mine development and operations.

The Company would like to take this opportunity to again thank Mr Brad Marwood who retired as Non-executive Director, and Mr Roland Bartsch who resigned from his position as CEO by mutual consent.

EVENTS SUBSEQUENT TO END OF PERIOD

No matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Company in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

This Directors' Report is made in accordance with a resolution of directors.



Daniel Raihani
Chairman
Perth, 13 March 2026

Auditor's Independence Declaration

To those charged with governance of Middle Island Resources Limited

As auditor for the review of the financial report of Middle Island Resources Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Middle Island Resources Limited and the entities it controlled during the period.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Sajjad Cheema

Director

13 March 2026

Perth

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2025

	31 December 2025 \$	31 December 2024 \$	
CONTINUED OPERATIONS			
REVENUE			
Other income	3	31,074	103,925
Fair value increase on financial assets		719,979	10,999
OPERATING EXPENDITURE			
Administration expenses		(278,036)	(226,269)
Depreciation expense		(10,353)	(20,028)
Exploration and evaluation expenses		(461,403)	(895,504)
Share based payment expense		(259,496)	-
Salaries and employee benefits expense		(544,609)	(363,915)
LOSS BEFORE INCOME TAX		(802,844)	(1,390,792)
Income tax		-	-
LOSS FOR THE PERIOD from Continuing Operations		(802,844)	(1,390,792)
OTHER COMPREHENSIVE LOSS			
Other comprehensive Loss for the period, net of tax		(19,260)	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF MIDDLE ISLAND RESOURCES LIMITED		(822,104)	(1,390,792)
Basic and diluted loss per share (cents) from continuing operations		(0.16)	(0.57)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2025

	31 December 2025 \$	30 June 2025 \$
Note		
Note		
CURRENT ASSETS		
Cash and cash equivalents	3,468,729	2,124,951
Trade and other receivables	141,085	102,682
Financial assets	4 1,239,701	272,425
TOTAL CURRENT ASSETS	4,849,515	2,500,058
NON-CURRENT ASSETS		
Plant and equipment	41,781	39,256
Tenement acquisition costs	5 17,438,576	638,400
TOTAL NON-CURRENT ASSETS	17,480,356	677,656
TOTAL ASSETS	22,329,871	3,177,714
CURRENT LIABILITIES		
Trade and other payables	6 330,965	153,172
Employee benefit obligations	18,401	24,256
TOTAL CURRENT LIABILITIES	349,366	177,428
TOTAL LIABILITIES	349,366	177,428
NET ASSETS	21,980,506	3,000,286
EQUITY		
Contributed equity	7 68,590,855	51,339,932
Reserves	2,614,980	82,839
Accumulated losses	(49,225,329)	(48,422,485)
TOTAL EQUITY	21,980,506	3,000,286

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2025

	Contributed Equity	Share-based Payments Reserve	FX Reserve	Accumulated Losses	Total
Note	\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2024	50,332,408	43,013	-	(46,403,265)	3,972,156
Shares issued for acquisition of strategic project	819,002	-	-	-	819,002
Capital raising costs	11,078	-	-	-	11,078
Share based payments	(50,368)	-	-	-	(50,368)
Loss for the period	-	-	-	(1,390,792)	(1,390,792)
BALANCE AT 31 DECEMBER 2024	51,112,120	43,013	-	(47,794,058)	3,361,075
BALANCE AT 1 JULY 2025	51,339,932	82,839	-	(48,422,485)	3,000,286
Shares issued pursuant to placement	3,400,000	-	-	-	3,400,000
Options exercised	-	-	-	-	-
Capital raising costs	(652,827)	400,626	-	-	(252,201)
Share Based Payments	14,503,750	2,150,775	-	-	16,654,525
Loss for the period	-	-	-	(802,844)	(802,844)
FX movement during the period	-	-	(19,260)	-	(19,260)
BALANCE AT 31 DECEMBER 2025	68,590,855	2,634,240	(19,260)	(49,225,329)	21,980,506

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2025

	Half-year Ended:	
	31 December 2025 \$	31 December 2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	56,818
Interest received	31,074	24,449
Expenditure on mining interests	(586,403)	(934,756)
Payments to suppliers and employees	(1,080,577)	(565,627)
Net cash outflow from operating activities	(1,635,906)	(1,419,116)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of available-for-sale assets	-	1,440,000
Purchase of available for sale assets	(247,297)	(83,330)
Purchase of plant and equipment	(1,829)	(51,655)
Payment for tenement bonds	-	(33,977)
KRL Acquisition – Net of Option fee paid	80,810	-
Net cash (outflow)/inflow from investing activities	(168,316)	1,271,038
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of securities	3,400,000	830,081
Share issue expenses	(252,000)	(50,369)
Net cash inflow from financing activities	3,148,000	779,712
Net decrease in cash and cash equivalents	1,343,778	631,634
Cash and cash equivalents at the beginning of the period	2,124,951	1,702,171
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,468,729	2,333,805

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This consolidated interim financial report for the half-year reporting period ended 31 December 2025 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by Middle Island Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This consolidated interim financial report has been prepared on an accruals and historical cost basis.

This consolidated interim financial report has been prepared on the going concern basis that contemplates normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

This consolidated interim financial report was approved by the Board of Directors on 13 March 2026.

Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2025. As a result of this review the Directors have determined that there is no impact, material or otherwise, of these new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Going Concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the normal course of business.

As at the reporting date of this half-year financial report, the Group has approximately \$3.46M in cash and cash equivalents for continuing operations, and an additional \$1.23M in financial assets. The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate. The directors believe that they will continue to be successful in securing additional funds as and when the need to raise working capital arises.

NOTE 2: SEGMENT INFORMATION

For management purposes, the Group has identified one reportable segment, being exploration activities undertaken in Australia and Serbia. This segment includes activities associated with the determination and assessment of the existence of commercial economic reserves from the Group's mineral assets in this geographic location. The comparative period segment was Australia only.

	Australia \$	Serbia \$	Total
31 December 2025			
Interest income	31,074	-	31,074
Exploration Expense	(310,906)	(159,497)	(461,403)
Sub-Total	(279,832)	(159,497)	(430,329)
Unallocated Income	31,074	31,074	719,979
Unallocated Expense			(1,092,494)
Total – Group loss			(802,844)
31 December 2025			
Assets	5,418,356	16,911,515	22,329,871
Liabilities	176,398	172,968	349,366

NOTE 3: REVENUE AND OTHER INCOME

	31 December 2025 \$	31 December 2024 \$
Interest income	31,074	24,449
Government exploration grants	-	56,818
Profit on sale of available-for sale shares	-	22,658
Total	31,074	103,925

NOTE 4: FINANCIAL ASSETS

	31 December 2025 \$	30 June 2025 \$
Investment in Canadian listed equity securities	845,745	212,427
Investment in Aurumin Limited - Options	247,297	-
Investment in Emu NL	146,659	59,998
Total	1,239,701	272,425

Investment in Canadian listed equity securities:

The fair value of the equity investment has been calculated by reference to the most recent quoted market closing price on the TSX at the respective reporting dates with the gain or loss in the fair value being recorded through profit or loss. This investment is classified as a Level 1 financial instrument.

Investment in Aurumin Limited:

The fair value of the residual options held in Aurumin have been calculated using the purchase value. This sold post year end at a higher value.

Investment in Emu NL:

The fair value of the equity investment in Emu NL has been calculated by reference to the most recent quoted market closing price on the ASX at the respective reporting dates with the gain or loss in the fair value being recorded through profit or loss. This investment is classified as a Level 1 financial instrument.

NOTE 5: TENEMENT ACQUISITION COSTS

	31 December 2025 \$	30 June 2025 \$
Tenement Costs - East Tennant Project	638,400	638,400
Konstantin Resources Acquisition ¹	16,800,176	-
Total	17,438,576	638,400

¹During the year Middle Island Resources Limited had acquired Konstantin Resources Limited for 100% of its issued capital.

Konstantin Resources Limited holds (via its wholly owned subsidiary incorporated in Serbia, Konstantin Resources d.o.o) a 100% interest in the Konstantin project areas.

The Company paid the following consideration for 100% of the issued capital in Konstantin:

- (i) 475,000,000 Shares ('Consideration Shares');
- (ii) (ii) 60,000,000 options with an exercise price of \$0.04 each and an expiry date 3 years after the date of issue ('Consideration Options'); and
- (iii) (iii) 40,000,000 options with an exercise price of \$0.06 each and an expiry date 3 years after the date of issue, (together, the 'Consideration Securities').

A total of 40% of the Consideration Shares will be subject to voluntary escrow for a period of 6 months from the date of issue, subject to customary exceptions.

As part of a corporate advisory mandate, Cygnet Capital received 23,750,000 shares as part of their services to formulate the acquisition strategy and assist with the introduction of Konstantin Resources and their management.

It was determined that all the conditions precedents were met as at 3 November 2025. The Company had acquired the following as at acquisition date.

	3 November 2025 \$
Konstantin Resources Acquisition	
Cash	130,810
Receivables and other Assets	57,938
Exploration Assets	3,119,566
Property Plant and Equipment	11,200
Total Assets	3,319,514
Trade and Other Payables	(555,458)
Net Assets Acquired	2,764,056
Consideration Paid	
Option Fee	50,000
Consideration Shares	13,775,000
Consideration Options	1,930,919
Facilitator share fees to the deal	688,750
	16,444,669
Exploration Uplift	13,680,613
Total Acquisition exploration Recognised	16,800,716

The acquired entity does not constitute a business as defined under AASB 3, as it lacks substantive processes and the ability to produce outputs. Substantially all of the fair value is concentrated in exploration tenements, which represent identifiable intangible assets arising from contractual rights. Accordingly, the transaction is accounted for as an asset acquisition.

NOTE 6: CURRENT LIABILITIES

	31 December 2025 \$	30 June 2025 \$
Trade payables	282,291	107,752
Other payables and accruals	48,674	45,420
Total	330,965	153,172

NOTE 7: EQUITY

Issues of ordinary shares during the period

	Half-year Ended:			
	31 December 2025		31 December 2024	
	Shares	\$	Shares	\$
Opening balance	293,233,971	51,339,932	217,854,020	50,332,408
Issue of fully paid ordinary shares for acquisition of Konstantin	475,000,000	13,775,000	-	-
Facilitator Fee for Konstantin	23,750,000	688,750	-	-
Issue of shares pursuant to a placement	200,000,000	3,400,000	54,600,172	819,002
Exercise of options at \$0.015 each	-	-	738,533	11,078
Director Fee – Settlement	1,337,792	40,000	-	-
Share issue costs	-	(652,827)	-	(50,368)
Closing balance	993,321,763	68,590,855	273,192,725	51,112,120

Movements of options during the period

	Number of Options	
	31 December 2025	31 December 2024
Opening Balance	15,920,034	92,250,735
Konstantin Consideration Options \$0.04	60,000,000	-
Konstantin Consideration Options \$0.06	40,000,000	-
Broker Options - \$0.04 each	20,000,000	-
Other Consultants and Directors Options - \$0.06 each	10,500,000	-
Exercise of options at \$0.015 each	-	(738,533)
Closing Balance	146,420,034	91,512,202

Movements of Performance rights during the period

	Number of Performance rights	
	31 December 2025	31 December 2024
Opening Balance	-	-
Performance rights to Board	27,000,000	-
Performance rights to CEO	6,000,000	-
Closing Balance	33,000,000	-

Share Based Payments Option Reserve

	31 December 2025 \$	30 June 2025 \$
Opening Balance	82,839	43,013
Share based payment expense – Options	2,522,918	72,686
Share based payment expense – Performance Rights	28,483	-
Expiry of share-based payment expense	-	(32,860)
Closing Balance	2,634,240	82,839

(a) Options issued to employees, contractors, consultants and suppliers

The Group may provide benefits to employees (including directors if supported by shareholders), contractors, consultants and suppliers of the Group in the form of share/equity-based payment transactions, whereby ordinary shares or options to acquire ordinary shares are issued as an incentive to improve employee and shareholder goal congruence and to facilitate the provision of competitive packages.

The share based payments expense recognised through profit and loss arising from the issue of these options are as follows:

Directors	127,582
Others	63,791
Total	\$191,373

The share based payments expense recognised through equity arising from the issue of these options are as follows:

Broker	\$400,625
Total	\$400,625

The share based payments expense recognised through assets arising from the issue of these options are as follows:

Konstantin	\$1,201,877
Konstantin	\$729,042
Total	\$1,930,919

The options issued during the year were valued using the Black-Scholes European Option Pricing Model which is the form recommended under IFRS guidelines using the following option valuation input factors:

Options issued to Konstantin and broker expiring 3.11.2028:

Volume Weighted Share price for underlying fully paid ordinary Shares – \$0.013

Exercise price – \$0.040

Term – 3 years

Risk free rate – 4.04%

Annualised Volatility – 124.71%

Grant Date – 3/11/2025

Value per Option – \$0.020

Options issued to Konstantin, Directors and Consultants expiring 3.11.2028:

Volume Weighted Share price for underlying fully paid ordinary Shares – \$0.013

Exercise price – \$0.060

Term – 3 years

Risk free rate – 4.04%

Annualised Volatility – 124.71%

Grant Date – 3/11/2025

Value per Option – \$0.018

The share based payments expense recognised through profit and loss arising from the issue of these performance rights are as follows:

Directors	14,261
Others	14,223
Total	<u>\$28,424</u>

The performance rights issued during the year were valued using the monte carlo simulation model which is the form recommended under IFRS guidelines using the following valuation input factors:

Performance Rights issued to Directors and Consultants expiring 28.11.2028:

Volume Weighted Share price for underlying fully paid ordinary Shares – \$0.013

Price Target – \$0.070 (T1), \$0.115(T2), \$0.170(T3)

Term – 3 years

Risk free rate – 3.80%

Annualised Volatility – 114.40%

Grant Date – 28/11/2025

Value per PR Tranche 1– \$0.0263

Value per PR Tranche 2– \$0.0243

Value per PR Tranche 3– \$0.0222

Performance Rights issued to CEO expiring 17.12.2028:

Volume Weighted Share price for underlying fully paid ordinary Shares – \$0.013

Price Target – \$0.070 (T1), \$0.115(T2), \$0.170(T3)

Term – 3 years

Risk free rate – 4.04%

Annualised Volatility – 115.10%

Grant Date – 17/12/2025

Tranche 1 (T1) - The daily volume weighted average price per Share traded on the ASX (VWAP) being at least \$0.070 over 20 consecutive days on which the Shares have traded on the ASX

Tranche 2 (T2)- The Company's VWAP being at least \$0.115 over 20 consecutive days on which the Shares have traded on the ASX.

Tranche 3- The Company's VWAP being at least \$0.17 over 20 consecutive days on which the Shares have traded on the ASX.

NOTE 8: CONTINGENCIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 9: TENEMENT EXPENDITURE and OTHER COMMITMENTS

The minimum statutory expenditure requirements on granted tenements for the next twelve months amounts to \$1,479,762.

NOTE 10: SUBSEQUENT EVENTS

No other matter or circumstance has arisen since 31 December 2025 which has significantly affected, or may significantly affect, the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

In the directors' opinion:

1. the financial statements and notes set out on pages 13 to 24 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Middle Island Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Daniel Raihani
Chairman
Perth, 13 March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Middle Island Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Middle Island Resources Limited (the 'Company') and its controlled entities (Collectively referred to as 'the Group'), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the director's declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Director's Responsibilities for the Half-Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Sajjad Cheema

Director

13 March 2026

Perth