Maximus resources

ABN 74 111 977 354

ANNUAL REPORT 2017

Maximus Resources Limited ABN 74 111 977 354

Corporate Directory

Directors
Robert Kennedy (Non-executive Chairman)
Kevin Malaxos (Managing Director)
Leigh McClusky (Non-executive Director)
Ewan Vickery (Non-executive Director)
Nicholas Smart (Alternate for Mr Vickery)

Company Secretary
Rajita Alwis

Registered Office
Level 3, 100 Pirie Street
Adelaide, South Australia 5000

Principal Office
Level 3, 100 Pirie Street
Adelaide, South Australia 5000
Telephone +61 8 7324 3172
Facsimile +61 8 8312 5501

Postal Address
GPO Box 1167
Adelaide SA 5001

Share Registry
Computershare Investor Services
Level 5, 115 Grenfell Street
Adelaide, South Australia 5000
Telephone +61 8 8236 2300
Facsimile +61 8 8236 2305

Solicitors
DMAW Lawyers
Level 3, 80 King William Street
Adelaide, South Australia 5000
Telephone +61 8 8210 2222
Facsimile +61 8 8210 2233

Minter Ellison Lawyers
Level 10, 25 Grenfell Street
Adelaide, South Australia 5000
Telephone +61 8 8233 5555
Facsimile +61 8 8233 5556

Auditor
Grant Thornton
Level 3, 170 Frome Street
Adelaide, South Australia 5000

Banker
National Australia Bank
48 Greenhill Road
Wayville, South Australia 5034

Stock Exchange Listing
Australian Securities Exchange
Maximus Resources Limited shares are listed on the
Australian Securities Exchange
ASX code: MXR

Website
www.maximusresources.com
The website includes information about the Company, its strategies, projects, reports and ASX announcements.

Maximus Resources Limited ABN 74 111 977 354
Financial report - 30 June 2017

Contents

These financial statements are the consolidated financial statements of the consolidated entity consisting of Maximus Resources Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Maximus Resources Limited is a company limited by shares, is listed on the Australian Securities Exchange (ASX) under the code "MXR" and is incorporated and domiciled in Australia. The registered office and principal place of business is:

Maximus Resources Limited
Level 3, 100 Pirie Street
Adelaide
SA 5000

Registered postal address is:

Maximus Resources Limited
GPO Box 1167
Adelaide
SA 5001

A description of the nature of the Company's operations and its principal activities is included in the directors' report on pages 2 to 8.

The financial statements were authorised for issue by the directors on 29/09/2017. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: www.maximusresources.com.

Maximus Resources Limited ABN 74 111 977 354
Chairman's Letter

Dear Fellow Shareholders

It is with a degree of satisfaction that I present the significant advances made by the Company during the financial year. These advances have not been without their challenges, but I can confidently state that your company is now is a significantly more robust position than it was in mid-2016.

As a small exploration focused Company, we have held our nerve and remained predominantly focused on our gold assets, whilst our peers have chased the latest commodity of the day. We investigated various mineral commodities located on our tenements early in the year, including lithium with limited success. Therefore, with limited funds and our continued commitment to prudent exploration expenditure, we remained focused on our gold assets in what has been a year of growth for the gold industry and the gold price. We continued to undertake targeted exploration on our Spargoville tenements, and we have proven a modest resource base of 1.45 million tonnes for 112,000 ounces.

Where assets did not present a reasonable return or potential return to the Company, the decision was made to either offer these assets for joint venture or sale. This allowed the Company to focus on what we considered our better opportunities for growth.

The exploration team has continued to work diligently throughout the year assessing the significant database of information acquired with our purchase of the Spargoville tenement package in 2015. This database included in excess of 65 gold targets, with some 50 targets still to be investigated.

With success from our exploration drilling programs undertaken during the year, we now have 5 Joint Ore Reserve Committee, or JORC compliant resources, representing 5 potential future mining operations. These resources may be extracted from either open pit or underground mining methods, and evaluations will be undertaken in the near future.

As I have mentioned previously, the total of these 5 resources represent 1.45 million tonnes of ore for 112,000 ounces. We continue to build on this resource base with the intention of process our own gold ore through the recently acquired Burbanks treatment plant.

The acquisition of the Burbanks gold treatment plant was agreed in August 2016, and represented a cornerstone asset acquisition for your Company’s transition from an explorer to a producer. The transaction was finalised in October 2016 and work commenced on refurbishing the plant. This work has recently been completed with Toll milling commenced generating revenue for the Company.

We have secured ore feed to the Burbanks mill from two sources which should provide continuous feed through to June 30, 2018. We have also fielded numerous enquiries from developers and producers to secure throughput capacity in the mill to process gold ore on a Toll basis. We will continue to progress these discussions with a view to ensuring the supply of continuous mill feed to the plant through 2018, until such time as Maximus has secured approval to mine ore from its Spargoville resources.

The Company continues to review mining projects for acquisition as they become available, with a view to progressing from explorer and toll mill operator to an owner miner in our own right. These opportunities are becoming scarcer as the gold industry continues to improve, but small projects do occasionally present and we will assess each opportunity as and when they arise.

We continue to operate on minimal budget overheads in order to conserve our capital for the Burbanks plant refurbishment, whilst meeting an acceptable standard for a listed company. Our Managing Director has successfully achieved significant growth in our resources portfolio whilst acquiring and refurbishing the Burbanks gold treatment plant. I commend his report to you which will expand on our projects.

It remains for me to thank shareholders, my fellow Directors, staff and contractors for their assistance and support during the past year. I look forward to further exploration success, growth from our toll milling operation and your continued support for Maximus in the coming year.

Bob Kennedy
CHAIRMAN

Maximus Resources Limited ABN 74 111 977 354
Managing Director's Report

Burbanks Mill

The Burbanks gold treatment facility was acquired in August 2016 from Ramelius Resources Limited for $2.5 million. The Processing plant was purchased as it presented a significant opportunity for the Company to generate early cashflows via the treatment of 3rd party ore feed on a Toll treatment basis, whilst enabling the Company to focus on project generation and mining approvals of its Spargoville gold projects. Acquisition of the Burbanks facility also eliminates the significant restraint on timing and costs of processing ore produced through other 3rd part treatment plants in the area.

Several parties have shown interest in securing milling capacity to Toll treat ore through the Burbank facility in 2017 with Toll Treatment agreements signed with Empire Resources Ltd and Lloyd George Mining Pty Ltd. Discussions have commenced with several other parties regarding Toll treatment services throughout 2018.

Refurbishment plans and works commenced in November 2016. The major mechanical refurbishments were finalised in June 2017 with electrical upgrades and refurbishment of the crushing and screening circuit completed in August 2017. Commissioning of the processing plant commenced in September with crushing of gold ore from Empire Resources. Processing of gold ore through Burbanks commenced in September 2017 and nameplate capacity achieved in early October.

Recruitment of operational personnel also commenced during June to ensure sufficient trained personnel were available during the final refurbishment program and commissioning phase.

During the refurbishment process many additional improvements were identified and incorporated into the works schedule to prevent future downtime whilst significantly improving the safety systems throughout the plant. One such improvement is the move to a liquid cyanide storage and distribution system, eliminating the manual mixing of dry cyanide.

Spargoville

Following the initial acquisition of 25% interest in the Spargoville tenement package near Coolgardie in the Eastern Goldfields of Western Australia on 5 August 2015, Maximus quickly moved to 90% equity under the terms of the Sale Agreement with Tychean Resources Limited (TYK). The acquisition provided an interest in, and access to 36 tenements totalling approximately 11,485 hectares. The Company subsequently negotiated a second Sale Agreement with TYK securing the final remaining 10% equity in the Spargoville project for 25 million MXR shares. This final share issue was completed in October 2016 extinguishing all remaining TYK equity in the Spargoville tenement package and cancels the gold royalty applicable under the first Sale Agreement.

The Company continued to progress exploration drilling and analysis on two main gold targets, Eagles Nest and West Larkinville during the year, resulting in preliminary ore resource estimates being generated. Efforts continued with the review of the extensive package of exploration data, acquired as part of the Spargoville tenement acquisition.

Infill drilling completed at Eagles Nest confirmed that the orebody appears to plunge to the south and off the Maximus tenement, prompting the Company to acquire the adjoining southern tenement. A further extensional drill program was undertaken in November to test for strike extensions to the south, across the recently acquired adjoining tenement, and depth extensions. The results were very positive allowing a reinterpretation of the ore block model resulting in an extension to the overall strike length of Eagles nest, and thickening of the middle section of the ore zone. A revised mineral resource estimate compliant with the JORC 2012 guidelines was completed resulting in a significant increase in the contained ore tonnes to 679,600 tonnes at 1.95 g/t for 42,600 ounces, representing a 59% increase in contained ounces.

Initial drilling on the West Larkinville gold project identified a small shallow deposit. Infill drilling undertaken in November, concurrent with the Eagles Nest drill program, resulted in a thickening of the central ore zone, with a significant lift in the overall model grade to above 3.0 g/t. The JORC 2012 revised mineral resource estimate now totals 119,700T at 3.02 g/t for 11,600 ounces of contained gold. The orebody remains open to the north and at depth to the south, indicating potential future increases to the resource model tonnes.

Work continued on evaluating the historic production data from the Wattle Dam High Grade underground mine to determine the potential volume of remaining gold ore and the economics of extracting this ore. During this evaluation work, an area east of the main Wattle Dam open pit outline was identified as an exploration target, as it appeared to be under-explored. A preliminary aircore (AC) and reverse circulation (RC) drill program totaling 3,334 metres was undertaken at the east Wattle Dam site to identify potential parallel structures to the main Wattle dam mineralized lode and test for continuation of the structure hosting the Redback prospect to the south of Wattle dam. Several encouraging results were return from the drill program, Further drilling is planned to be undertaken in 2017/18 between the Redback project and Wattle dam east project to confirm the intrusive contact is continuous between the two sites, which may indicate the potential for additional mineralisation along this contact trend.

With success from our exploration drilling programs undertaken during the year, we now have 5 Joint Ore Reserve Committee, or JORC compliant resources, representing 5 potential future mining operations. These resources may be extracted from either open pit or underground mining methods, and evaluations will be undertaken in the near future.

The 5 resources contain a total of 1.45 million tonnes of ore for 112,000 ounces. We continue to build on this resource base with the intention of process our own gold ore through the recently acquired Burbanks treatment plant.

Minimal field exploration was undertaken during the second half of the year, due to capital being invested in the Burbanks refurbishment. However, exploration would shall re-commence in early 2018 as the mill becomes cash positive.

With limited exploration success from our lithium exploration activities, a binding term sheet was signed with Lepidico Ltd (a pure lithium explorer) in August 2017 under which Lepidico can earn a 75% interest in the Company's lithium rights located on the Spargoville Project through staged payments totaling $350,000. The initial payment of $80,000 in Lepidico shares at a 5 day VWAP issue price was received in August 2017. At any time within the three years, and after the third payment detailed above, Lepidico can secure 100% of the Lithium Rights by making a payment of $400,000 as either cash, or 50% cash and Lepidco shares at a 5 day VWAP issue price.

Narndee

A total of 6 tenements were held in the Narndee package at the beginning of the financial year containing 2 Electro-magnetic (EM) targets showing a potentially similar structure to the Nova Nickel deposit in the Fraser Range south of Perth. A ground EM survey commenced in July 2016 to investigate and test MG 03 and MG 24. The survey of MG03 was completed in July, with rain delaying completion of MG24 until August 2016. No significant target identified. The remaining six tenements were relinquished by the end of the year.

Millers Creek

No on-ground activities were conducted during the year. No interest was shown by third parties in acquiring an interest in the tenement package and all tenements were relinquished during the financial year.

Adelaide Hills

Maximus retains entitlement to two contingent $1 million payments (totalling $2 million) in accordance with the Bird in Hand Sale Agreement which are dependent on Environmental approval to mine (PEPR) from the Department for State Development (DSD, formerly DMITRE) and the commencement of bullion production from the site. Maximus retains a 0.5% gross royalty on gold produced in excess of 50,000 Oz mined and continues to liaise with Terramin and monitor progress of the project feasibility study and approval process.

Corporate

During August 2017, Maximus acquired Ramelius Milling Services Pty Ltd, the holding company for the Burbanks Treatment facility owned by ASX listed Ramelius Resources Ltd. Upon signing of a Sale Agreement, the Company prepared a detailed refurbishment plan and commenced a mid-level refurbishment in November 2016. The treatment plant has an annual capacity of 180,000 tonnes per annum, and is particularly suited to high grade, course gold style mineralisation. The Burbanks plant provides MXR with a cash generating asset to fund future operational and exploration capital costs. The plant was recommissioned in September 2017 with first commercial gold poured expected during late October 2017.

Summary

The Company shall continue to review potential gold projects and advance exploration targets held by other companies or individuals, within an economic trucking distance to Coolgardie, to build upon the exploration asset base at Spargoville and grow future gold resources. These additional 3rd party targets may be acquired or accessed through joint ventures or other commercial agreements.

Kevin Malaxos
MANAGING DIRECTOR

MAXIMUS RESOURCES LIMITED - TENEMENT SCHEDULE

Tenement Number	Tenement Name	Registered Holder/Applicant	Maximus Resources interest 30/06/2017
	WESTERN AUSTRALIA		
	SPARGOVILLE PROJECT		
M15/1475	Eagles Nest	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
P15/5545	Eagles Nest	Maximus Resources Ltd	100.00%
E15/967	Kambalda West	Tychean Resources Ltd	100.00%
E15/968	Kambalda West	Tychean Resources Ltd	100.00%
L15/128	Kambalda West	Tychean Resources Ltd	100.00%
L15/255	Kambalda West	Tychean Resources Ltd	100.00%
M15/395	Kambalda West	Tychean Resources Ltd	100.00%
M15/703	Kambalda West	Tychean Resources Ltd	100.00%
P15/5860	Kambalda West	Tychean Resources Ltd	100.00%
P15/5953	Kambalda West	Tychean Resources Ltd	100.00%
M15/1448	Hilditch	Maximus Resources Ltd, Tychean Resources Ltd & Bullabulling Pty Ltd	90.00%
M15/1449	Larkinville	Maximus Resources Ltd, Tychean Resources Ltd & Pioneer Resources Ltd	75.00%
P15/5912	Larkinville	Maximus Resources Ltd, Tychean Resources Ltd & Pioneer Resources Ltd	75.00%
M15/1101	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1263	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1264	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1323	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1338	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1474	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1769	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1770	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1771	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1772	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1773	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1774	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1775	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1776	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
	BURBANKS PROJECT		
G15/10	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/11	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/12	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/13	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/25	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/109	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/110	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/189	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/234	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/284	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
M15/1273	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
M15/1369	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
M15/1370	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%

Directors' report

Your directors present their report on Maximus Resources Limited (referred to hereafter as the Company) at the end of, or during, the year ended 30 June 2017

Directors
The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Robert Michael Kennedy (Non-executive chairman)
Kevin John Malaxos (Managing Director)
Leigh Carol McClusky (Non-executive director)
Ewan John Vickery (Non-executive director)
Nicholas John Smart (Alternate director for E J Vickery)

Principal activities
During the year the principal activities of the Company consisted of the refurbishment of the Burbanks Mill, natural resources exploration and development.

Dividends

There were no dividends declared or paid during the year (2016: Nil).

OPERATIONAL AND FINANCIAL REVIEW

1. Operating results and financial position

The net result of operations of the Company for the financial year was a loss of $3,893,139 (2016: $681,865). The loss includes exploration impairment of $2,919,675 which is mainly derived from impairing exploration and evaluation costs relation to the Narndee project.

The net assets of the Company have decreased by $1,848,165 during the financial year from $5,427,587 at 30 June 2016 to $3,579,422 at 30 June 2017. While the tangible assets of the Company have increased as a result of the acquisition of Eastern Goldfields Milling Services Pty Ltd, the overall net assets have decreased due to the impairment of exploration and evaluation assets in relation to the Narndee project during the year.

2. Review of Operations

Burbanks Mill

The Burbanks gold treatment facility was acquired in August 2016 from Ramelius Resources Limited for $2.5 million. The Processing plant was purchased as it presented a significant opportunity for the Company to generate early cashflows via the treatment of 3rd party ore feed on a Toll treatment basis, whilst enabling the Company to focus on project generation and mining approvals of its Spargoville gold projects. Acquisition of the Burbanks facility also eliminates the significant restraint on timing and costs of processing ore produced through other 3rd part treatment plants in the area.

Refurbishment plans and works commenced in December 2016. The mechanical refurbishment was finalized in June 2017 with electrical upgrades and refurbishment of the crushing and screening circuit completed in July 2017. Several parties have shown interest to secure capacity to Toll treat ore through the Burbank facility in 2017 with Toll Treatment agreements signed with Empire Resources Ltd and Lloyd George mining. Discussions have commenced with several other parties regarding Toll treatment agreements.

Recruitment of operational personnel also commenced during June to ensure sufficient trained personnel were available during the final refurbishment program and commissioning phase.

Processing ore through Burbanks commenced during late September 2017.

Spargoville

The Company continued to progress exploration drilling and analysis on two main gold targets, Eagles Nest and West Larkinville during the period, resulting in preliminary ore resource estimates being generated. Efforts continued with the review of exploration data, acquired as part of the Spargoville tenement acquisition in August 2015, with additional targets identified for further interrogation.

Infill drilling completed at Eagles Nest confirmed that the orebody appears to plunge to the south and off the Maximus tenement, which resulted in MXR acquiring the adjoining southern tenement. A further extensional drill program was undertaken in November to test for strike extensions to the south, across the recently acquired adjoining tenement, and depth extensions. The results were very positive allowing a reinterpretation of the ore block model resulting in an extension to the overall strike length of Eagles nest, and thickening of the middle section of the ore zone. A revised mineral resource estimate compliant with the JORC 2012 guidelines was being prepared and should see a significant increase in the contained ore tonnes and resultant ounces.

Initial drilling on the West Larkinville gold project identified a small shallow deposit. Infill drilling undertaken in November, concurrent with the Eagles Nest drill program, resulted in a thickening of the central ore zone, with a significant lift in the overall model grade to above 3.0 g/t. The JORC 2012 revised mineral resource estimate now totals 119,700T at 3.02 g/t for 11,600 ounces of contained gold. The orebody remains open to the north and at depth to the south, indicating potential future increases to the resource model tonnes.

Work continued on evaluating the historic production data from the Wattle Dam High Grade underground mine to determine the potential volume of remaining gold ore and the economics of extracting this ore. During this evaluation work, an area east of the main Wattle Dam open pit outline was identified as an exploration target, as it appeared to be under-explored. A preliminary aircore (AC) and reverse circulation (RC) drill program was undertaken at the east Wattle Dam site to identify potential parallel structures to the main Wattle dam mineralized lode and test for continuation of the structure hosting the Redback prospect to the south of Wattle dam. A total of 4 RC and 60 AC holes were completed for a total of 3,334 metres. Several encouraging results were return from the drill program, The ultramafic/felsic intrusive contact identified in several drill holes is a similar setting to the mineralisation at the Redback deposit, some 500m to the south, and directly along strike.

Further drilling is planned tol be undertaken in 2017/18 between the Redback and Wattle dam east projects to confirm the intrusive contact is continuous between the two sites.

Narndee

A total of 6 tenements were held in the Narndee package at the beginning of the financial year. Within these tenements were 2 high priority EM targets (MG 03 and MG24) showing a potentially similar structure to the Nova Nickel deposit in the Fraser Range south of Perth.

A ground EM survey commenced in July 2016 to investigate and test MG 03 and MG 24. The survey was rained out after completing the review of MG03, with no significant anomaly identified. The EM survey of EM 24 was completed in August 2016 with no significant target identified.

The remaining six tenements were relinquished by the end of the year.

Adelaide Hills

The remaining 2 tenements in the Adelaide Hills tenement package were surrendered during the financial year.

Following the Sale Agreement with Terramin Exploration Pty Ltd in November 2013, two contingent $1 million payments (totalling $2 million) remain outstanding and are dependent on Environmental approval to mine (PEPR) from the Department for State Development (DSD) and the commencement of bullion production from the site. A 0.5% gold royalty is also applicable to all ounces produced from the Bird in Hand project in excess of 50,000 ounces.

Millers Creek

No on-ground activities were conducted during the year. The tenement package was posted on a web-based minerals industry notice board seeking a Joint Venture party of buyer to progress exploration on the targets. No interest was shown and all tenements were relinquished during the financial year.

Northern Gawler Craton

Maximus held one tenement, the Welbourn Hill tenement, in the Northern Gawler Craton region at the beginning of the financial year. The Company continued to search for a Joint Venture party to conduct further exploration on this tenement, however due to no interest shown the tenement was relinquished during the financial year.

Corporate

During the 2017 financial year the following securities were issued:

- 533,000,000 ordinary shares and 533,000,000 unlisted options were issued to sophisticated and professional investors following a General Meeting of shareholders on 16 September 2016. The shares were offered at an issue price of $0.003 per share raising $1.6 million before costs. 500,000,000 ordinary shares and unlisted options were issued on 27 September 2016. The remaining 33,000,000 ordinary shares and unlisted options were issued on 4 October 2016.
- On 18 October 2016 the Company issued 25,000,000 fully paid ordinary shares to Tychean Resources Limited (ASX: TYK). These shares were issued under the terms of the Second Sale Agreement with TYK for consideration of full ownership of TYK's interest in the Spargoville gold project. The Agreement also removed all earn-in obligations required by the Company and cancelled any gold royalty to TYK.
- 113,250,000 ordinary shares were issued to shareholders on 31 May 2017 who participated in the Share Purchase Plan. The shares were offered at an issue price of $0.002 per share raising $226,500 before costs.
- 300,000,000 ordinary shares were issued to sophisticated and professional on 26 June 2017. The shares were offered at an issue price of $0.001 per share raising $300,000 before costs.

3. Significant changes in the state of affairs

During the year the Company acquired Eastern Goldfields Milling Services Pty Ltd (formerly Ramelius Milling Services Pty Ltd) from Ramelius Resources Limited (ASX:RMS). The transaction with RMS resulted in the Company acquiring the Burbanks Processing Facility located in Coolgardie, Western Australia. While the Company has been effecting exploration activities on its key project areas, it has also undertaken the refurbishment of the Burbanks Mill and plans to commence operations during September 2017 on a toll treatment basis

There have been no other significant changes in the state of affairs from the 2016 financial year to 2017.

4. Events arising since the end of the reporting period

On 3 July 2017 the Company signed a Toll Treatment Agreement with Empire Resources Limited for the supply of up to 150,000 tonne of ore from the Penny's Find gold project to the Burbanks Treatment Facility which commenced during mid-September 2017. The Agreement also allows Empire Resources to extend the agreement for up to an additional 150,000 tonnes of ore from the Penny's Find underground resource should this project proceed.

During August 2017 the Company signed a Binding Term Sheet with Lepidico Ltd (Lepidico) under which Lepidico can earn a 75% interest in the Company's lithium rights located on the Spargoville Project. Lepidico must meet the following terms to earn the 75% interest in the lithium rights:

On execution of the term sheet, payment to the Company of $80,000 Lepidico shares, at a 5 day VWAP issue price (issued 21 August 2017);

Six months after execution, payment to the Company of $120,000 in cash or Lepidico shares at a 5 day VWAP issue price; and

12 months after execution, payment to the Company of $150,000 in cash or Lepdico shares at a 5 day VWAP issue price.

At anytime within the three years, and after the third payment detailed above, Lepidico can secure 100% of the Lithium Rights by making a payment of $400,000 as either cash, or a combination of 50% cash and 50% Lepidco shares at a

5 day VWAP issue price.

On 6 September 2017 the Company completed a placement by issuing 173,032,308 ordinary shares to sophisticated and professional investors to raise $200,000 before costs.

There has been no other transaction or event of a material or unusual nature that has arisen in the interval between the end of the financial year and the date of this report that is likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

5. Future business developments, prospects and business strategies

The Company is poised to progress from a pure explorer to a producer in the near future, should continued exploration success be achieved. The acquisition of the Spargoville tenements has presented several advanced gold exploration targets. The Company plans to pursue the gold potential of the Spargoville tenements.

In addition to exploration on the Spargoville tenements, the Company shall continue to review potential gold projects and advance exploration targets held by other companies or individuals, within an economic trucking distance to Coolgardie, to build upon the exploration asset base at Spargoville and grow future gold resources. These additional 3rd party targets may be acquired or accessed through joint ventures or other agreements.

The Company acquired the Burbanks gold ore processing facility in August 2016. The ultimate plan is to refurbish the treatment facility and process Maximus owned or controlled ore sources. The Company completed refurbishment of the mill during August 2017 enabling the facility to Toll treat gold ore from 3rd parties located within an economic trucking distance to the facility. This process will enable the Company to continue exploration activities at Spargoville with the aim of generating MXR owned mineable gold ore resources. Once regulatory approval is received for each project, the Company aims to process the ore through the Burbanks processing plant. Agreement has been secured with third parties to toll treat gold ore and discussions are ongoing with several additional parties to ensure Toll treatment ore is available to treat through the plant until mining commences at the company owned resources.

6. Environmental regulation

The Company's operations are subject to significant environmental regulation under both Commonwealth and State legislation in relation to discharge of hazardous waste and materials arising from any exploration or mining activities and development conducted by the Company on any of its tenements. The Company believes it is not in breach of any environmental obligation.

Information on directors

Robert Michael Kennedy KSJ, ASAIT, Grad Dip (Systems Analysis), Dip Financial Planning, Dip Financial Services, FCA, CTA, AGIA, Life Member AIM, FAICD.
Non-executive Chairman

Experience and expertise
Mr Kennedy, a Chartered Accountant, has been non-executive chairman of Maximus Resources Limited since 2004.

Mr Kennedy brings to the Board his expertise and extensive experience as Chairman and non-executive director of a range of listed public companies in the resources sector. He conducts the review of the Board including the Managing Director in his executive role.

Apart from his attendance at Board and Committee meetings, Mr Kennedy leads the development of strategies for the development and future growth of the Company.

Independence
Whilst Mr Kennedy has been appointed to a number of Resource Industry Boards, due to his knowledge of the industry and the companies all operating domestically, the time required across these companies in no way impedes on his dedication to his role as Chairman of the Board. In taking all of these issues into account, the Board (excluding Mr Kennedy), were unanimous in declaring Mr Kennedy as independent.

Other current directorships
Mr Kennedy is a director of ASX listed companies Ramelius Resources Limited (since listing in March 2003), Flinders Mines Limited (since December 2001), Monax Mining Limited (since 2004), and Tychean Resources Limited (since 2006).

Former directorships in the last 3 years
He was appointed the Chairman of the University of Adelaide's Institute of Minerals and Energy Resources in 2008 and his term ended early in 2014. Formerly he was a director of Crestal Petroleum Limited (formerly Tellus Resources Limited from 2013 to February 2015) and Marmota Energy Limited (from April 2006 to April 2015).

Special responsibilities
Chairman of the Board.
Member of the Audit, Risk & Corporate Governance Committee.

Interests in shares and options
91,500,000 ordinary shares in Maximus Resources Limited.

Kevin John Malaxos BSc Mining Engineering.
Managing Director

Experience and expertise
A director since 13 December 2010, Mr Malaxos has 30 years' experience in the resources sector in senior management and executive roles across a suite of commodities including gold, nickel, iron ore, silver, lead, zinc and chromium. He has managed surface and underground mining operations and brings a wealth of experience in project evaluation and development, project approval and Government liaison.

Mr Malaxos' previous roles include CEO for Mt Gibson Mining (MGX) and COO of listed iron ore developer Centrex Metals Limited (CXM), where he was responsible for project development, project approvals and community and government consultation.

Other current directorships
Mr Malaxos was a non-executive director of ASX-listed company Flinders Mines Limited (from December 2010 to October 2016).

Special responsibilities
Managing Director.

Interests in shares, options and rights
46,000,000 ordinary shares in Maximus Resources Limited.

Leigh Carol McClusky
Non-executive Director

Experience and expertise
Appointed as a director on 1 September 2010, Ms McClusky is the Managing Director of the McCo GROUP, a strategic communications company with offices in Adelaide, Melbourne and Geelong.

After more than 30 years in key media roles across Melbourne, Sydney and Adelaide, Ms McClusky now works closely with a range of organisations and industries to develop proactive communication campaigns and to deflect potentially damaging impacts on corporate reputations. Her role also includes stakeholder engagement and management, client advocacy and crisis communications.

Special responsibilities
Member of the Audit, Risk & Corporate Governance Committee.

Interests in shares, options and rights
7,939,338 ordinary shares in Maximus Resources Limited.

Ewan John Vickery LLB
Non-executive Director

Experience and expertise
A director since incorporation 17 December 2004, Mr Vickery is a corporate and business lawyer with over 30 years' experience in private practice in Adelaide. He has acted as an advisor to companies on a variety of corporate and business issues including capital and corporate restructuring, native title and land access issues, and as lead native title advisor and negotiator for numerous mining and petroleum companies.

He is a member of the Exploration Committee of the South Australian Chamber of Mines and Energy Inc, the International Bar Association Energy and Resources Law Section, the Australian Institute of Company Directors and is a past national president of Australian Mining and Petroleum Law Association (AMPLA Limited).

Other current directorships
Mr Vickery is also a non-executive director of Tychean Resources Limited (Appointed May 2013).
Mr Vickery was a non-executive director of Flinders Mines Limited (from 2000 to October 2016).

Special responsibilities
Chairman of the Audit, Risk & Corporate Governance Committee.

Interests in shares and options
42,500,003 ordinary shares in Maximus Resources Limited.

Nicholas John Smart
Alternate director for E J Vickery.

Experience and expertise
An alternate director since 9 May 2005, Mr Smart has held positions as a general manager in Australia and internationally. Previously a full Associate Member of the Sydney Futures Exchange and adviser with a national share broking firm, with over 25 years' experience in the corporate arena including capital raising for private and listed companies. Other experience includes startup companies in technology development including commercialisation of the Synroc process for safe storage of high level nuclear waste, controlled temperature and atmosphere transport systems and the beneficiation of low rank coals. He is an alternate director for Maximus Resources Limited (since May 2005) and an alternate director for Flinders Mines Ltd (since 2009 to 2016). Mr Smart currently consults to various public and private companies.

Interests in shares and options
37,500 ordinary shares in Maximus Resources Limited.

Company Secretary
Rajita Shamani Alwis LLB BCom, CA.

Experience and expertise
Ms Alwis has been the Company Secretary since 30 June 2011 to the date of this report. Ms Alwis has over 15 years' experience in public practice and commerce and has been a Chief Financial Officer and Company Secretary of numerous listed and proprietary companies.

Meetings of directors
The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Full meetings of directors		Audit & Risk Committee meetings	
	A	B	A	B
Robert Michael Kennedy	10	10	3	3
Kevin John Malaxos	10	10	3	3
Leigh Carol McClusky	9	10	2	3
Ewan John Vickery	10	10	3	3
Nicholas John Smart	-	-	-	-

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year

Indemnification and insurance of officers
The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the *Corporations Act 2001*, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company is required to indemnify the directors and other officers of the Company against any liabilities incurred by the directors and officers that may arise from their position as directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

Insurance premiums
Since the end of the previous year the Company has paid insurance premiums of $14,648 to insure the directors and officers in respect of directors' and officers' liability and legal expenses insurance contracts.

Proceedings On Behalf of Company
No person has applied to the Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services
The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Fees for non-audit services paid or payable to the external auditors or its related practices during the year ended 30 June 2017 was $3,500 (2016: $2,000).

Remuneration report – audited
The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Voting and comments made at the Company's 2016 Annual General Meeting
C Details of remuneration
D Service agreements
E Share-based compensation

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

A. Principles used to determine the nature and amount of remuneration
The Company's policy for determining the nature and amounts of emoluments of board members and other key management personnel of the Company is as follows:

The Company's Constitution specifies that the total amount of remuneration of non-executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors has been set at $300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors. The remuneration of the Managing Director is determined by the non-executive directors on the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board.

Non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a junior listed mineral exploration entity and the current status of its activities. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Incentive Rights Plan approved by shareholders that enables the Board to offer eligible employees rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, rights to acquire ordinary fully paid shares at no cost may be offered to the Company's eligible employees as determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as a long-term incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

The employment conditions of the Managing Director were formalised in a contract of employment. The base salary as set out in the employment contract is reviewed annually. The Managing Director's contract may be terminated at any time by mutual agreement and in instances of serious misconduct the Company may terminate his agreement without notice.   No remuneration consultants were engaged for the year ending 30 June 2017 or 2016.

B. Voting and comments made at the Company's 2016 Annual General Meeting

Maximus Resources Limited received more than 90% of 'yes' votes on its remuneration report for the 2016 financial year.   The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

C. Details of remuneration

This report details the nature and amount of remuneration for each key management person of the Company.

The names and positions held by directors and key management personnel of the Company during the financial year are:

- Mr R M Kennedy - Chairman, non-executive
- Mr K J Malaxos - Managing Director
- Ms L C McClusky - Director, non-executive
- Mr E J Vickery - Director, non-executive
- Mr N J Smart - Alternate director for E J Vickery, non-executive
- Ms R S Alwis - Company Secretary

Key management personnel and other executives of the Company

2017	Short-term employee benefits			Post-employment benefits	Share-based payments		
Name	Fees $	Salary $	Bonus $	Superannuation $	Options $	Rights $	Total $
Robert M Kennedy	61,712	-	-	5,863	-	-	67,575
Kevin J Malaxos	-	188,356	-	17,894	-	-	206,250
Leigh C McClusky	40,875	-	-	-	-	-	40,875
Ewan J Vickery	37,329	-	-	3,546	-	-	40,875
Nicholas J Smart	-	-	-	-	-	-	-
Rajita S Alwis	68,175	-	-	-	-	-	68,175
Total key management personnel compensation	**208,091**	**188,356**	**-**	**27,303**	**-**	**-**	**423,750**

* Note. The Directors suspended directors' fees from 1 April 2017 to preserve cash for operational purposes

Key management personnel and other executives of the Company

2016	Short-term employee benefits			Post-employment benefits	Share-based payments		
Name	Fees $	Salary $	Bonus $	Superannuation $	Options $	Rights $	Total $
Robert M Kennedy	82,283	-	-	7,817	-	-	90,100
Kevin J Malaxos	-	251,143	-	23,857	-	-	275,000
Leigh C McClusky	54,500	-	-	-	-	-	54,500
Ewan J Vickery	49,772	-	-	4,728	-	-	54,500
Nicholas J Smart	-	-	-	-	-	-	-
Rajita S Alwis	69,225	-	-	-	-	-	69,225
Total key management personnel compensation	**255,780**	**251,143**	**-**	**36,402**	**-**	**-**	**543,325**

The relative proportions of remuneration that are fixed and those that are at risk are as follows:

	2017					
Name	**Fixed remuneration**		**At risk - STI***		**At risk - LTI****	
	2017 %	2016 %	**2017 %**	2016 %	**2017 %**	2016 %
Kevin John Malaxos	**100**	100	**-**	-	**-**	15

* Short-term incentives (STI) include cash incentive payments (bonuses) linked to Company and/or individual performance.

** Long-term incentives (LTI) include equity grants issued via the Company's Employee Share Option and Incentive Rights Plans. This plan is designed to provide long-term incentives for executives to deliver long-term shareholder returns.

D. Service agreements

The Board has negotiated a contract with Mr Malaxos with no fixed term at a salary of $275,000 per annum inclusive of superannuation guarantee contributions to be reviewed annually and with termination on three months' notice.

Messrs Kennedy and Vickery and Ms McClusky are engaged as directors with formal agreements per the ASX Corporate Governance Principles and Recommendations Third Edition.

E. Share-based compensation

Incentive rights
The Company has an Employee Incentive Rights Plan approved by shareholders that enables the Board to offer eligible employees rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, rights to acquire ordinary fully paid shares at no cost may be offered to the Company's eligible employees as determined by the Board in accordance with the terms and conditions of the Plan. No rights were issued during the year.

Options granted as remuneration
No options were granted during the year.

Shares issued on exercise of remuneration options
No shares were issued to directors as a result of the exercise of remuneration options during the financial year.
Directors' interests in shares and options

(i) Option holdings
The numbers of options over ordinary shares in the Company held during the financial year by each director of Maximus Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below.

2017

Name	**Balance at start of the year**	**Issued as remuneration**	**Exercised (expired/ purchased)**	**Acquired during the year***	**Balance at end of the year**	**Vested and exercisable**	**Unvested**
R M Kennedy	24,000,000	-	(24,000,000)	-	-	-	-
K J Malaxos	11,000,000	-	(11,000,000)	-	-	-	-
L C McClusky	1,982,670	-	(1,982,670)	-	-	-	-
E J Vickery	10,000,003	-	(10,000,003)	-	-	-	-
N J Smart	-	-	-	-	-	-	-

2016

Name	Balance at start of the year	Issued as remuneration	Exercised (expired/ purchased)	Acquired during the year*	Balance at end of the year	Vested and exercisable	Unvested
R M Kennedy	-	-	-	24,000,000	24,000,000	24,000,000	-
K J Malaxos	-	-	-	11,000,000	11,000,000	11,000,000	-
L C McClusky	-	-	-	1,982,670	1,982,670	1,983,670	-
E J Vickery	-	-	-	10,000,003	10,000,003	10,000,003	-
N J Smart	-	-	-	-	-	-	-

*The options were acquired as a result of participating in the pro-rata Entitlement Issue.

(ii) Share holdings

The numbers of shares in the Company held during the financial year by each director of Maximus Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below.

2017

Name	Balance at the start of the year	Received as compensation	Exercise of options/rights	Acquired/ (disposed)*	Balance at the end of the year
R M Kennedy	84,000,000	-	-	7,500,000	91,500,000
KJ Malaxos	38,500,000	-	-	7,500,000	46,000,000
L C McClusky	6,939,338	-	-	1,000,000	7,939,338
E J Vickery	35,000,003	-	-	7,500,000	42,500,003
N J Smart	37,500	-	-	-	37,500

*The shares were acquired as a result of participating in the Share Purchase Plan.

2016

Name	Balance at the start of the year	Received as compensation	Exercise of options/rights	Acquired/ (disposed)	Balance at the end of the year
R M Kennedy	50,000,000	-	-	34,000,000	84,000,000
KJ Malaxos	20,000,000	-	-	18,500,000	38,500,000
L C McClusky	2,456,668	-	-	4,482,670	6,939,338
E J Vickery	16,070,001	-	-	18,930,002	35,000,003
N J Smart	37,500	-	-	-	37,500

END OF AUDITED REMUNERATION REPORT

Shares under option

Unissued ordinary shares of Maximus Resources Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price	Number under option
27 September 2016	29 September 2017	$0.006	500,000,000
4 October 2016	29 September 2017	$0.006	33,333,333
			533,333,333

Auditors 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 report is signed and dated in Adelaide on this 29th day of September 2017 and made in accordance with a resolution of the directors.

Kevin J Malaxos
Director

GrantThornton

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report
To the Members of Maximus Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Maximus Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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 year then ended, and notes to the consolidated statement statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

	Notes	Consolidated 30 June 2017 $	30 June 2016 $
Revenue			
Gold Sales - Spargoville		**45,653**	16,845
Other Sales – Burbanks		**5,000**	-
Other income	4	**35,073**	11,232
Burbanks mill expenses	5	**(458,253)**	-
Administrative expenses	5	**(105,941)**	(103,325)
Compliance expenses	5	**(131,559)**	(94,485)
Depreciation expense		**(1,824)**	(1,295)
Employment benefits expense		**(253,166)**	(341,306)
Marketing expenses	5	**(6,409)**	(5,025)
Finance expense	16	**(22,613)**	-
Exploration expenditure written off	5	**(2,919,675)**	(70,904)
Other expenses	10	**(79,425)**	-
Gain/(loss) on sale of available for sale financial assets		**-**	(7,281)
Impairment of financial assets	17	**-**	(52,527)
(Loss) before income tax		**(3,893,139)**	(648,071)
Income tax expense	6	**-**	(33,794)
Loss for the year		**(3,893,139)**	(681,865)
Other comprehensive income (Items that maybe reclassified subsequently to profit or loss)			
Changes in the fair value of available-for-sale financial assets		**-**	-
Other comprehensive income for the year (net of tax)		**-**	-
Total comprehensive loss for the year		**(3,893,139)**	(681,865)
(Loss) is attributable to:			
Maximus Resources Limited		**(3,893,139)**	(681,865)
Total comprehensive loss for the year is attributable to:			
Maximus Resources Limited		**(3,893,139)**	(681,865)
		Cents	Cents
Earnings per share for (loss) from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	28	**(0.168)**	(0.07)
Diluted earnings per share	28	**(0.168)**	(0.07)

This statement should be read in conjunction with the notes to the financial statements.

	Notes	Consolidated 30 June 2017 $	30 June 2016 $
ASSETS			
Current assets			
Cash and cash equivalents	7	**229,813**	1,443,300
Trade and other receivables	8	**35,199**	455
Inventories		**18,368**	-
Other current assets	9	**9,719**	9,546
Total current assets		**293,099**	1,453,301
Non-current assets			
Plant and equipment	11	**3,834,306**	2,811
Exploration and evaluation	12	**2,467,297**	4,220,642
Total non-current assets		**6,301,603**	4,223,453
Total assets		**6,594,702**	5,676,754
LIABILITIES			
Current liabilities			
Trade and other payables	13	**407,505**	183,162
Financial liability	16	**415,402**	-
Provisions	14	**43,008**	37,023
Total current liabilities		**875,191**	220,185
Non-current liabilities			
Financial liability	17	**1,342,433**	-
Provisions	15	**797,656**	28,982
Total non-current liabilities		**2,140,089**	28,982
Total liabilities		**3,015,280**	249,167
Net assets		**3,579,422**	5,427,587
EQUITY			
Contributed equity	18	**39,988,897**	37,943,923
Accumulated losses	19	**(36,409,475)**	(32,516,336)
Total equity		**3,579,422**	5,427,587

This statement should be read in conjunction with the notes to the financial statements.

Consolidated	Notes	Contributed equity $	Accumulated losses $	Total equity $
Balance at 1 July 2016		**37,943,923**	**(32,516,336)**	**5,427,587**
Total comprehensive loss for the year:				
(Loss) for the year		**-**	**(3,893,139)**	**(3,893,139)**
Other comprehensive income	18	**-**	**-**	**-**
			(3,893,139)	**(3,893,139)**
Transactions with owners in their capacity as owners:				
Contributions of equity	19	**2,044,974**	**-**	**2,044,974**
Balance at 30 June 2017		**39,988,897**	**(36,409,475)**	**3,579,422**
Balance at 1 July 2015		**35,398,391**	**(31,834,471)**	**3,563,920**
Total comprehensive loss for the year:				
(Loss) for the year		**-**	**(681,865)**	**(681,865)**
Other comprehensive income	18	**-**	**-**	
			(681,865)	**(681,865)**
Transactions with owners in their capacity as owners:				
Contributions of equity	19	**2,545,532**	**-**	**2,545,532**
Balance at 30 June 2016		**37,943,923**	**(32,516,336)**	**5,427,587**

This statement should be read in conjunction with the notes to the financial statements.

	Notes	Consolidated 30 June 2017 $	30 June 2016 $
Cash flows from operating activities			
Receipts from customers		**51,153**	16,845
Payments to suppliers and employees		**(669,859)**	(450,172)
Interest received		**20,295**	11,232
Net cash used in operating activities	27	**(598,411)**	(422,095)
Cash flows from investing activities			
Payment for purchase of Eastern Goldfields Milling Services Pty Ltd	10	**(829,424)**	-
Payment for property, plant & equipment		**(625,271)**	-
Payments for available for sale financial assets		**-**	(1,279)
Proceeds from sale of available for sale financial assets		**-**	30,406
Payments for exploration and evaluation		**(1,205,355)**	(1,380,925)
Net cash provided by investing activities		**(2,660,050)**	(1,351,798)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**2,126,500**	2,424,384
Transactions costs associated with equity issues		**(81,526)**	(112,646)
Net cash provided by financing activities		**2,044,974**	2,311,738
Net (decrease)/increase in cash and cash equivalents		**(1,213,487)**	537,845
Cash and cash equivalents at the beginning of the financial year		**1,443,300**	905,455
Cash and cash equivalents at the end of the financial year	7	**229,813**	1,443,300

This statement should be read in conjunction with the notes to the financial statements.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Maximus Resources Limited and its subsidiaries.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.* Maximus Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS
The consolidated financial statements of the Maximus Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

(ii) Historical cost convention
These financial statements have been prepared on an accrual basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment.

(iii) Critical accounting estimates
The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Going concern

The financial report has been prepared on the basis of going concern.

The cash flow projections of the Company and consolidated entity evidence that there is a material uncertainty that the Company is a going concern and Maximus will require positive cash flows from additional capital for continued operations.

The Company incurred a loss of $3,893,139 (2016 $681,865) with negative operating and investing cashflows of $3,258,464. The operations were funded by the raising of funds through the various equity issues during the year.

The Company and consolidated entity's ability to operate as a going concern is contingent upon obtaining additional capital and generating positive cashflows from operations, in particular operations at the Burbanks Processing Facility. If additional capital is not obtained, the going concern basis of accounting may not be appropriate, as a result that the Company may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business in amounts which could be different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

b) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

c) Employee Benefits

<u>Short-term employee benefits</u>
Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds (2016: government bonds) that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Company and its subsidiaries are not part of a consolidated tax group.

f) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 12 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

i) Investments and other financial assets

Recognition and derecognition
Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held to maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the Company's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Impairment
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

If there is evidence of impairment for any of the Company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of profit or loss and other comprehensive income.

Provision for restoration and rehabilitation
The Company assesses its mill restoration and rehabilitation provision in accordance with accounting policies. Significant judgement is required in determining the provision for restoration and rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mill site. The estimate of future costs therefore requires management to make assessment of the future restoration and rehabilitation date, future environmental legislation, changes in regulations, price increases, changes in discount rates, the extent of restoration and rehabilitation activities and future removal technologies. When these factors change and become known in the future, such differences will impact the restoration and rehabilitation provision in the period in which they change or become known. At each reporting date, the rehabilitation and restoration provision is remeasured to reflect any of these changes.

j) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment
Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets’ employment and subsequent disposal. The expected net cash

flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets' carrying amount or recognised as separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for plant & equipment are from 12.5 to 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount note 1(f).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

l) Earnings per share (EPS)

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

m) Exploration and evaluation expenditure

Exploration and evaluation costs related to an area of interest are written off as incurred except they may be carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the end of each reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the asset relates.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

o) Comparative figures

Comparative figures are adjusted to conform to Accounting Standards when required.

p) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

q) Key estimates

The preparation of the financial statements requires management to make estimates and judgments. These estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment
The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Exploration and Evaluation
The Company's policy for exploration and evaluation is discussed in Note 1(m). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the statement of profit or loss and other comprehensive income.

r) New and revised standards that are effective for these financial statements

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2016. Information on these new standards is presented below.

AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2015.

The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-3 Amendments to AASB 136 – *Recoverable Amount Disclosures for Non-Financial Assets*

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to
IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of

impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2015.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

AASB 2013-5 *Amendments to Australian Accounting Standards – Investment Entities*

The amendments in AASB 2013-5 provide an exception to consolidation to investment entities and require them to measure unconsolidated subsidiaries at fair value through profit or loss in accordance with AASB 9 *Financial Instruments* (or AASB 139 *Financial Instruments*: Recognition and Measurement where AASB 9 has not yet been adopted). The amendments also introduce new disclosure requirements for investment entities that have subsidiaries.

These amendments apply to investment entities, whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Examples of entities which might qualify as investment entities would include Australian superannuation entities, listed investment companies, pooled investment trusts and Federal, State and Territory fund management authorities.

AASB 2013-5 is applicable to annual reporting periods beginning on or after 1 January 2015.

This Standard has not had any impact on the Group as it does not meet the definition of an 'investment entity' in order to apply this consolidation exception.

AASB 2015-1 *Amendments to Australian Accounting Standards* (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2015-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.*

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2010-2012 Cycle*:

clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)

amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from Annual *Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140 *Investment Property* and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2015-1 is applicable to annual reporting periods beginning on or after 1 July 2015.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

s) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the group:

The accounting standards that have not been early adopted for the year ended 30 June 2017, but will be applicable to the group in future reporting periods, are detailed below. Apart from these standards, other accounting standards that will be applicable in future periods have been reviewed, however they have been considered to be insignificant to the group.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the group. Management anticipates that all of the relevant pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the group's financial statements is provided below.

Year ended 30 June 2018: IFRS 15: Revenue from Contracts with Customers
This standard will change the timing and in some cases the quantum of revenue received from customers. IFRS 15 requires an entity to recognise revenue by identifying for each customer contract, the performance obligations in the contract and the transaction price. The transaction price is then allocated against the performance obligations in the contract with revenue recognised when (or as) the entity satisfies each performance obligation. Management are currently assessing the impact of the new standard but it is not expected to have a material impact on the financial performance or financial position of the consolidated entity.

Year ended 30 June 2019: AASB 9: Financial Instruments
This standard introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).
- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted by presenting changes in credit risk in other comprehensive income (OCI) and the remaining change in the statement of profit or loss.

This standard is not expected to result in a material change to the manner in which the Group's financial result is determined or upon the extent of disclosures included in future financial reports although the Group will quantify the effect of the application of AASB 9 when the final standard, including all phases, is issued.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by management under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, the use of financial instruments and investment of excess liquidity.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The Company holds the following financial instruments:

	Consolidated	
	30 June 2017 $	30 June 2016 $
Financial assets		
Cash and cash equivalents	**229,813**	1,443,300
Trade and other receivables	**35,199**	455
	265,012	1,443,755
Financial liabilities		
Trade and other payables	**416,781**	183,162
Financial liabilities – current	**415,402**	-
Financial liabilities – non-current	**1,342,433**	-
	2,174,616	183,162

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from foreign exchange or interest rate risk). The Company is not exposed to any material price risk.

(i) Cash flow and fair value interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted interest rates on classes of financial assets and financial liabilities. Interest rate risk is managed by the Company with the use of rolling short-term deposits.

The Company has no long term financial liabilities upon which it pays interest.

As at the end of the reporting period, Maximus Resources Limited had the following variable rate cash and cash equivalent holdings:

	30 June 2017 Weighted average interest rate %	**30 June 2017 Balance $**	30 June 2016 Weighted average interest rate %	30 June 2016 Balance $
Cash and cash equivalents	**1.95%**	**229,813**	1.95%	1,443,300
Net exposure to cashflow interest rate		**229,813**		1,443,300

Interest rate sensitivity analysis
At 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

		Interest rate risk			
		Increase 2%		Decrease 2%	
30 June 2017	Carrying amount $	Profit $	Equity $	Profit $	Equity $
Financial assets					
Cash and cash equivalents	**229,813**	**397**	**397**	**(397)**	**(397)**
Total increase/ (decrease)		**397**	**397**	**(397)**	**(397**

		Increase 2%		Decrease 2%	
30 June 2016	Carrying amount $	Profit $	Equity $	Profit $	Equity $
Financial assets					
Cash and cash equivalents	1,443,300	225	225	(225)	(225)
Total increase/ (decrease)		225	225	(225)	(225)

(b) Credit risk

Credit risk is the risk of default by borrowers and transactional counterparties as well as the loss of value of assets due to deterioration in credit quality. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in settling its debts or otherwise meeting its obligations. The Company manages liquidity risk by monitoring cash flows and ensuring that adequate funds are available to meet cash demands.

3 Segment information

(a) Description of segments

Identification of reportable segments
Management has determined the operating segments based on the reports reviewed and used by Managing Director (the chief operating decision maker) are used to make strategic decisions. The Company is managed primarily on the basis of geographical area of interest, since the diversification of the Company operations inherently has notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Following acquisition of the Burbanks Mill the operating segments have now changed. Previously the segments were separated for each exploration area. In 2017 other than Spargoville these have been consolidated into "Other".

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- external regulatory requirements
- geographical and geological styles

Accounting policies developed
Unless stated otherwise, all amounts reported to the Managing Director as chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

2017	**Spargoville**	**Burbanks Mill**	**Other**	**Total**
	$	**$**	**$**	**$**
Segment revenue	**45,653**	**5,000**	**-**	**50,653**
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	**45,653**	**(475,866)**	**(2,919,675)**	**(3,349,888)**
Impairment			**(2,919,675)**	**(2,919,675)**
Segment assets	**2,467,297**	**3,885,028**	**-**	**6,352,325**
Capital expenditure	1,099,285	625,271	79,686	1,804,242
Total movement for the year	**1,099,285**	**625,271**	**(2,839,989)**	**(1,115,433)**
Total segment assets				6,352,325
Unallocated assets				242,377
Total assets				**6,594,702**
Total segment liabilities	-	2,744,564	-	2,744,564
Unallocated liabilities				270,716
Total liabilities				**3,015,280**

3. Segment Information (cont)

2016	Millers Creek $	Spargoville $	Narndee $	Other $	Total $
Segment revenue	-	16,845	-	-	16,845
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	(30,443)	16,845	-	(40,461)	(54,059)
Impairment	(30,443)	-	-	(40,461)	(70,904)
Segment assets	-	1,368,011	2,839,836	12,795	4,220,642
Segment asset movements for the year:					
Capital expenditure	30,443	1,368,011	179,215	53,256	1,630,925
Total movement for the year	**-**	**1,368,011**	**179,215**	**12,795**	**1,560,021**
Total segment assets					4,220,642
Unallocated assets					1,456,112
Total assets					**5,676,754**
Total segment liabilities					-
Unallocated liabilities					249,167
Total liabilities					**249,167**

(ii) *Adjusted EBITDA*

A reconciliation of adjusted EBITDA to operating loss before income tax is provided as follows:

	Consolidated 30 June 2017 $	30 June 2016 $
Allocated:		
Adjusted EBITDA	**(3,349,888)**	(54,059)
Unallocated:		
Interest revenue	**35,073**	11,232
Impairment of financial assets	**-**	(52,527)
Gain/(loss) on sale of available for sale financial assets	**-**	(7,281)
Administrative expenses	**(571,915)**	(540,411)
Marketing expenses	**(6,409)**	(5,025)
Profit before income tax from continuing operations	**(3,893,139)**	(648,071)

	Consolidated 30 June 2017 $	30 June 2016 $
Allocated:		
Segment assets	**6,352,325**	4,220,642
Unallocated:		
Cash and cash equivalents	**217,688**	1,443,300
Trade and other receivables	**12,228**	455
Other assets	**9,719**	9,546
Plant and equipment	**2,742**	2,811
Total assets as per the consolidated statements of financial position	**6,594,702**	5,676,754

3. Segment Information (cont)

(iii) *Segment liabilities*
Reportable segments' liabilities are reconciled to total liabilities as follows:

	Consolidated	
	30 June 2017	30 June 2016
Allocated:		
Allocated segment liabilities	**2,744,564**	-
Unallocated:		
Trade and other payables	**188,259**	183,162
Provisions	**82,457**	66,005
Total liabilities as per the consolidated statements of financial position	**3,015,280**	249,167

4. Other income

	Consolidated	
	30 June 2017	30 June 2016
Interest received	**20,295**	11,232
Other	**14,778**	-
	35,073	11,232

5. Expenses

	Consolidated	
	30 June 2017	30 June 2016
Burbanks mill expenses		
Milling expenses – consumables etc	**91,271**	-
Personnel expenses	**248,355**	-
Insurance	**40,347**	-
Depreciation	**37,008**	-
Licences	**6,323**	-
Travel	**11,351**	-
Other mill expenses	**23,598**	-
	458,253	-
Administration		
Administration costs	**99,591**	103,325
Legal fees	**6,350**	-
	105,941	103,325
Compliance expenses		
Share registry fees	**48,288**	24,040
ASX fees	**23,100**	17,951
Audit Fees	**34,745**	25,928
Insurance	**22,978**	25,158
Other compliance expenses	**2,448**	1,408
	131,559	94,485
Marketing		
Marketing and promotion	**6,409**	5,025
	6,409	5,025
Exploration expenses		
General exploration expenditure written off	**5,650**	12,125
Capitalised exploration expenditure impaired	**2,914,025**	58,779
	2,919,675	70,904

6. Income Tax Expense

	Consolidated	
	30 June 2017 $	30 June 2016 $
(a) Income tax expense:		
Current tax	**-**	33,794
	-	33,794
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(3,893,139)**	(681,865)
Tax at the Australian tax rate of 30% (2016: 30%)	**(1,167,942)**	(204,560)
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Temporary differences not brought to account	**1,167,942**	(238,354)
Income tax expense	**-**	33,794

A deferred tax asset (DTA) has not been recognised in respect of temporary differences as they do not meet the recognition criteria as outlined in Note 1(e) of the financial statements. A DTA has not been recognised in respect of tax losses either as realisation of the benefit is not regarded as probable.

The Company has unrecognised DTAs of $7,308,420 (2016: $6,140,478) that are available indefinitely for offset against future taxable profits.

The tax rates applicable to each potential tax benefit are as follows:

- timing differences - 30%
- tax losses - 30%

7. Current assets - Cash and cash equivalents

	Consolidated	
	30 June 2017 $	30 June 2016 $
Cash at bank and in hand	**229,813**	313,300
Term deposits	**-**	1,130,000
	229,813	1,443,300

(a) Risk exposure

The Company's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(b) Deposits at call

The deposits are bearing a weighted average interest rate of 1.95% (2016: 2.05%).

8. Current assets - Trade and other receivables

	Consolidated	
	30 June 2017 $	30 June 2016 $
Net trade receivables		
Trade and other receivables	**28,833**	-
GST paid on purchases	**6,366**	455
	35,199	455

9. Current assets - Other current assets

	Consolidated	
	30 June 2017 $	30 June 2016 $
Prepayments	**9,719**	9,546

10. Business Combination

On 2 August 2016 the Company signed a Share Sale Agreement with Ramelius Resources Limited (ASX:RMS) for the purchase of the company, Eastern Goldfields Milling Services Pty Ltd (formerly Ramelius Milling Services Pty Ltd) that owns the Burbanks Processing Facility located 10km south of Coolgardie, Western Australia. The Company changed the name of the wholly-owned subsidiary shortly after acquisition from RMS. The consideration to acquire Eastern Goldfields Milling Services Pty Ltd was $2.5 million that was to be paid in staged payments over a 24 month period as outlined below:

- $50,000 deposit to secure an exclusivity period to finalise Due Diligence and negotiate Share Sale Agreement (paid July 2016).
- $200,000 upon signing of the binding Sale Agreement (paid August 2016).
- $250,000 upon transfer of all licenses and shares in Ramelius Milling Service Pty Ltd (paid 30 August 2016)
- $1,000,000 to be paid to RMS 12 months from the date of signing the Sale Agreement or commencement of commercial production, whichever occurs first; and
- $1,000,000 upon the 24 month anniversary of signing the Share Sale Agreement. (Refer Note 17)

During March 2017 the Company signed a Deed of Variation with RMS in relation to the Share Sale Agreement. The Deed of Variation changed the payment terms relating to the $1,000,000 stage payment due either 12 months from the date of signing the Sale Agreement (2 August 2017) or commencement of commercial production, whichever occurs first. The new terms for this staged payment are four instalments of $250,000 due on 1 April 2017, 1 July 2017, 1 October 2017 and 1 January 2018 with interest. A payment of $250,000 was made to RMS on 1 April 2017.

During June 2017 the Company signed a Second Deed of Variation to amend the terms of the remaining $750k owing to RMS. The Second Deed of Variation introduced a royalty payable to RMS for $772,613 ($750k plus interest) that would be repaid at a rate of $3.00 per tonne of ore processed through the Burbanks Processing Facility. (Refer Note 16)

Total purchase consideration was therefore $2,500,000. The interest on the Second Deed of Variation (royalty payable) includes interest of $22,613.

The acquisition of Eastern Goldfields Milling Services Pty Ltd will be accounted for under AASB 3 – Business Combinations. This requires the acquired assets and liabilities to be recorded at fair value. The fair values of the identifiable assets and liabilities are as follows:

ASSETS	$
Inventory:	
- Consumables	12,604
- Fuel	8,138
Property Plant & Equipment:	
- Mill Plant & Equipment	3,225,119
- Motor Vehicles	7,012
- Burbanks – Office equipment	1,505
- Burbanks – Office furniture	3,828
TOTAL ASSETS	3,258,206
LIABILITIES	
Rehabilitation provision	758,206
TOTAL LIABILITIES	758,206

The Company also entered into a Mortgage Agreement with RMS over the assets held in Eastern Goldfields Milling Services Pty Ltd. This Mortgage Agreement provides security to RMS against any default by the Company on the payment terms detailed above. Should the Company default on any future payments, RMS has the option to take possession of Eastern Goldfields Milling Services Pty Ltd.

The total cash payments made to RMS during the year was $750,000. The Company incurred costs of $79,424 which are acquisition costs in relation to the purchase of Eastern Goldfields Milling Services Pty Ltd. The total cash outflow therefore was $829,424.

Mr Kennedy is a director of Ramelius Resources Limited and abstained from any voting and discussions in relation to the acquisition (refer note 24).

11. Plant and equipment

Consolidated	Other plant and equipment $	Burbanks plant & equipment $	Burbanks Office equipment and furniture $	Total $
At 30 June 2016				
Cost or fair value	20,467	-	-	20,467
Accumulated depreciation	(17,656)	-	-	(17,656)
Net book amount	2,811	-	-	2,811
Year ended 30 June 2017				
Opening net book amount	4,107	-	-	4,107
Asset purchases	1,755	626,016	5,091	632,862
Assets transferred (fair value)	-	3,225,121	12,345	3,237,466
Depreciation charge	(3,120)	(35,804)	(1,205)	(40,129)
Closing net book amount	**2,742**	**3,815,333**	**16,231**	**3,834,306**
At 30 June 2017				
Cost or fair value	22,222	3,851,137	17,436	3,890,795
Accumulated depreciation	(19,480)	(35,804)	(1,205)	(56,489)
Net book amount	**2,742**	**3,815,333**	**16,231**	**3,834,306**

Consolidated	Other plant and equipment $	Burbanks plant & equipment $	Burbanks Office equipment and furniture $	Total $
Year ended 30 June 2016				
Opening net book amount	4,107	-	-	4,107
Depreciation charge	(1,296)	-	-	(1,296)
Closing net book amount	2,811	-	-	2,811
At 30 June 2016				
Cost or fair value	20,467	-	-	20,467
Accumulated depreciation	(17,656)	-	-	(17,656)
Net book amount	2,811	-	-	2,811

12. Non-current assets - Exploration and evaluation

	Consolidated	
	30 June 2017	30 June 2016
Exploration and evaluation		
Movement:		
Opening balance	**4,220,642**	2,660,621
Expenditure incurred	**1,166,330**	1,630,925
Impairment of capitalised expenditure	**(2,919,675)**	(70,904)
Closing balance	**2,467,297**	4,220,642
Closing balance comprises:		
Exploration and evaluation - 100% owned	**-**	2,839,836
Exploration and evaluation phases - joint ventures	**2,467,297**	1,380,806
	2,467,297	4,220,642

13. Current liabilities - Trade and other payables

	Consolidated	
	30 June 2017 $	30 June 2016 $
Trade payables	**407,505**	183,162
	407,505	183,162

14. Current liabilities – Provisions

	Consolidated	
	30 June 2017 $	30 June 2016 $
Provision – Employee benefits	**43,008**	37,023
	43,008	37,023

15. Non-current liabilities – Provisions

	Consolidated	
	30 June 2017 $	30 June 2016 $
Provision – Employee benefits	**39,449**	28,982
Restoration provision	**758,207**	-
	797,656	28,982

16. Current liabilities – Financial liabilities

	Consolidated	
	30 June 2017 $	30 June 2016 $
Financial Liability – Ramelius Resources Ltd (Royalty)	**415,402**	-
	415,402	-

During June 2017 the Company signed a Second Deed of Variation to amend the terms of the remaining $750k owing to Ramelius Resources Limited (ASX:RMS). The Second Deed of Variation introduced a royalty payable to RMS for $772,613 ($750k plus interest of $22,613) that would be repaid at a rate of $3.00 per tonne of ore processed through the Burbanks Processing Facility. The $415,402 Financial Liability above represents the current portion of the royalty payable to RMS based on current projections for the toll treatment operations at the Burbanks Mill.

17. Non-current liabilities – Financial liabilities

	Consolidated	
	30 June 2017 $	30 June 2016 $
Financial Liability – Ramelius Resources Ltd (Royalty) – refer note 16	**357,211**	-
Financial Liability – Ramelius Resources Ltd	**985,222**	
	1,342,433	-

The consideration to purchase Eastern Goldfields Milling Services Pty Ltd includes a final staged payment of $1,000,000 due on 3 August 2018 to RMS. The future payment is not subject to any interest and therefore $985,222 represents the discounted value of the future payment. (Refer Note 10)

18. Contributed equity

	Consolidated		Consolidated	
	30 June 2017	30 June 2016	**30 June 2017**	30 June 2016
(a) Share capital				
Ordinary shares				
Fully paid	**39,988,897**	1,882,686,299	**37,943,923**	870,407,498

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	$
1 July 2015	Opening balance	870,407,498		35,398,391
27 October 2015	Issue of Shares - placement	100,000,000	$0.002	200,000
11 December 2015	Issue of Shares – Share Purchase Plan	138,000,000	$0.002	276,000
17 February 2016	Issue of Shares – Tychean Resources Limited	100,000,000	$0.002	200,000
25 February 2016	Issue of Shares - placement	66,000,000	$0.001	66,000
13 April 2016	Issue of Shares - placement	70,000,000	$0.0038	266,000
16 May 2016	Issue of Shares – Entitlement Issue (Rights Issue)	530,182,388	$0.003	1,590,547
17 May 2016	Issue of Shares – Entitlement Issue Shortfall	7,580,611	$0.003	22,742
30 June 2016	Exercise of Options	515,802	$0.006	3,095
				2,624,384
	Less: Transaction costs arising on share issues			(112,646)
	Deferred tax credit recognised directly in equity			33,794
				(78,852)
30 June 2016	**Balance**	1,882,686,299		37,943,923
27 September 2016	Issue of Shares - placement	500,000,000	$0.003	1,500,000
4 October 2016	Issue of Shares – placement	33,333,333	$0.003	100,000
18 October 2016	Issue of Shares – Tychean Resources Limited	25,000,000	$0.002	50,000
31 May 2017	Issue of Shares – Share Purchase Plan	113,250,000	$0.002	226,500
26 June 2017	Issue of Shares – placement	300,000,000	$0.001	300,000
				2,176,500
	Less: Transaction costs arising on share issues			(131,526)
	Deferred tax credit recognised directly in equity			-
30 June 2017	**Balance**			39,988,897

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

At shareholders' meetings, on a show of hands every holder of ordinary shares present in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

18. Contributed equity (cont)

(d) Options and rights

There were no options and rights issued during the 2016 and 2017 year in relation to the Maximus Resources Limited Employee Share Option and Incentive Rights Plans.

(e) Capital risk management

The Company debt capital which commenced during the 2017 financial year and as such there are externally imposed capital requirements.

The Company's debt and capital includes ordinary share capital, supported by property, plant and equipment.

Management effectively manages the Company's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

During the year there was a change in the strategy adopted by management to control the capital from the acquisition of the Burbanks Mill Processing Facility.

19. Retained losses

	Consolidated	
	30 June 2017	30 June 2016
Retained Earnings		
Balance 1 July	**(32,516,336)**	(31,834,471)
Net loss for the year	**(3,893,139)**	(681,865)
Balance 30 June	**(36,409,475)**	(32,516,336)

20. Key management personnel disclosures

Key management personnel compensation

	Consolidated	
	30 June 2017 $	30 June 2016 $
Short-term employee benefits	**396,477**	506,923
Post-employment benefits	**27,303**	36,402
Share-based payments	**-**	-
	423,750	543,325

Detailed remuneration disclosures and interests held by key management personnel are provided in sections A to D of the remuneration report on pages 8 to 11.

21. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

	Consolidated	
	30 June 2017	30 June 2016
Grant Thornton		
Audit and review of financial reports	**34,745**	27,357
Taxation Services	**3,500**	2,000
Total auditors' remuneration	**38,245**	29,357

22. Contingencies

(a) Contingent liabilities

The Group had no known contingent liabilities as at 30 June 2017 (2016: $35,000).

(b) Contingent assets

The Adelaide Hills tenement package was reduced to 4 tenements following the sale of 5 tenements, including the Bird in Hand project to Terramin Australia Limited ("Terramin"). The consideration included the following contingent payment from Terramin:

- $1,000,000 payable upon approval of a Program for Environmental Protection and Rehabilitation; and
- $1,000,000 payable upon commencement of bullion production.

Maximus is also entitled to a 0.5% royalty payable upon bullion production in excess of 50,000 ozs.

23. Commitments

(a) Commitments for exploration and joint venture expenditure

In order to maintain current rights of tenure to exploration tenements the Company will be required to outlay in the year ending 30 June 2017 amounts of approximately $290,590 (2016: $1,018,400) in respect of tenement lease rentals and to meet minimum expenditure requirements pursuant to various joint venture requirements.

(b) Lease commitments : Company as lessee

The State Government departments responsible for mineral resources require performance bonds for the purposes of rehabilitation of areas disturbed by exploration activities. At 30 June 2017, the Group had no bank guarantees in place for this purpose (2016: $35,000).

24. Key management personnel

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 20.

(b) Transactions with key management personnel

The following transactions occurred with related parties:

- On 2 August 2016 the Company signed a Share Sale Agreement with Ramelius Resources Limited (ASX:RMS) for the purchase of the company, Eastern Goldfields Milling Services Pty Ltd (formerly Ramelius Milling Services Pty Ltd) that owns the Burbanks Processing Facility located 10km south of Coolgardie, Western Australia. The consideration to acquire Eastern Goldfields Milling Services Pty Ltd was $2.5 million that was to be paid in staged payments over a 24 month period. Mr Kennedy as a director of Ramelius Resources Limited abstained from any discussions and voting relating to this transaction.
- During March 2017 the Company signed a Deed of Variation with RMS in relation to the Share Sale Agreement to acquire Eastern Goldfields Milling Services Pty Ltd. The Deed of Variation changed the payment terms relating to the $1,000,000 stage payment due either 12 months from the date of signing the Sale Agreement (2 August 2017) or commencement of commercial production, whichever occurs first. The new terms for this staged payment amended to four instalments of $250,000 due on 1 April 2017, 1 July 2017, 1 October 2017 and 1 January 2018 with interest. A payment of $250,000 was made to RMS on 1 April 2017. Mr Kennedy as a director of Ramelius Resources Limited abstained from any discussions and voting relating to this transaction.
- During June 2017 the Company signed a Second Deed of Variation to amend the terms of the remaining $750k owing to RMS. The Second Deed of Variation introduced a royalty payable to RMS for $772,613 ($750k plus interest) that would be repaid at a rate of $3.00 per tonne of ore processed through the Burbanks Processing Facility. Mr Kennedy as a director of Ramelius Resources Limited abstained from any discussions and voting relating to this transaction.
- During February 2016 the Company signed a Second Sale Farm-in Agreement with Tychean to secure 100% of the Tychean equity in the Spargoville Gold Project. The consideration to acquire the 100% was fully paid ordinary shares in Maximus Resources Limited to the value of $50,000. The issue price was $0.002 per ordinary share resulting in 25,000,000 fully paid ordinary shares that were issued to Tychean on 18 October 2016. Messrs Kennedy and Vickery are directors of Tychean Resources Limited and abstained from any voting and discussions relating to this transaction.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

25. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2017 %	Equity holding 2016 %
MXR Minerals Pty Ltd	Australia	Ordinary	**100**	100
Eastern Goldfields Milling Services Pty Ltd	Australia	Ordinary	**100**	0

26. Events occurring after the reporting period

On 5 July 2017 the Company signed a Toll Treatment Agreement with Empire Resources Limited for the supply of up to 150,000 tonne of ore from the Penny's Find gold project to the Burbanks Treatment Facility which commenced during mid-September 2017.

During August 2017 the Company signed a Binding Term Sheet with Lepidico Ltd (Lepidico) under which Lepidico can earn a 75% interest in the Company's lithium rights located on the Spargoville Project. To earn the 75% interest Lepidico must meet all of the following terms:

On execution of the term sheet, payment to the Company of $80,000 Lepidico shares, at a 5 day VWAP issue price (issued 21 August 2017);

Six months after execution, payment to the Company of $120,000 in cash or Lepidico shares at a 5 day VWAP issue price; and

12 months after execution, payment to the Company of $150,000 in cash or Lepdico shares at a 5 day VWAP issue price.

At anytime within the three years, and after the third payment detailed above, Lepidico can secure 100% of the Lithium Rights by making a payment of $400,000 as either cash, or a combination of 50% cash and 50% Lepidco shares at a 5 day VWAP issue price.

On 6 September 2017 the Company completed a placement by issuing 173,032,308 ordinary shares to sophisticated and professional investors to raise $200,000 before costs.

No matter or circumstance has occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

27. Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated	
	30 June 2017 $	30 June 2016 $
(Loss) for the year	**(3,893,141)**	(681,865)
Depreciation	**38,832**	1,295
Tax effect on transaction costs	**-**	33,794
Impairment of capitalised exploration expenditure	**2,919,675**	70,904
Impairment of financial assets	**-**	52,527
(Gain)/loss on sale of financial assets	**-**	7,281
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	**(23,083)**	4,210
Decrease/(increase) in other operating assets	**(558,024)**	2,248
(Decrease)/increase in trade and other payables	**900,878**	68,510
(Decrease)/increase in provisions	**16,452**	19,001
Net cash (outflow)/inflow from operating activities	**(598,411)**	(422,095)

28. Earnings per share

	30 June 2017	30 June 2016
(a) Basic earnings per share		
Loss from continuing operations attributable to the ordinary equity holders	**(3,893,139)**	(681,865)
Weighted average number of ordinary shares outstanding during the year used to calculate basic earnings per share	**2,316,585,108**	1,014,057,771
Basic earnings per share (cents)	**(0.168)**	(0.07)
(b) Diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders	**(3,893,139)**	(681,865)
Weighted average number of options outstanding during the year used to calculate diluted earnings per share		
Weighted average number of ordinary shares outstanding during the year used to calculate diluted earnings per share	**2,316,585,108**	1,014,057,771
Diluted earnings per share (cents)	**(0.168)**	(0.07)

Options
Options granted to employees under the Maximus Resources Limited Employee Share Option Plan are typically considered to be potential ordinary shares. These may have a dilutive effect on the weighted average number of ordinary shares. As the Company has reported a loss of $3,893,139 this financial year (2016: $681,865), the options have not been included in the determination of diluted earnings per share.

29. Share-based payments

(a) Employee Option Plan

No option arrangements existed at 30 June 2017:

Fair value of options granted
No employee options were granted during the year ended 30 June 2017 (2016: Nil). Therefore no calculation of the fair value of options granted during the year was required to be made using the Black-Scholes option pricing model.

(b) Employee Incentive Rights Plan

No incentive rights arrangements existed at 30 June 2017 and 2016.

30. Parent Entity

	Parent	
Statement of financial position	**2017**	**2016**
	$	**$**
Current Assets	**240,145**	1,453,827
Non-current Assets	**4,970,039**	4,223,454
Total Assets	**5,210,184**	5,677,281
Current Liabilities	**1,003,880**	220,183
Non-Current Liabilities	**1,039,449**	28,982
Total Liabilities	**2,043,329**	249,165
Net Assets	**3,166,855**	5,428,116
Shareholder's Equity		
Contributed Equity	**39,988,897**	37,943,923
Retained Losses	**(36,822,042)**	(32,515,807)
Capital and reserves attributable to owners	**3,166,855**	5,428,116
Statement of profit or loss and other comprehensive income		
Profit for the year	**(4,306,235)**	(681,865)
Other comprehensive income	**-**	-
Total comprehensive income	**(4,306,235)**	(681,865)

Parent Entity Contingencies

Contingent liabilities

The parent entity had no known contingent liabilities as at 30 June 2017 (2016: $35,000).

Contingent assets

The Adelaide Hills tenement package was reduced to 4 tenements following the sale of 5 tenements, including the Bird in Hand project to Terramin Australia Limited ("Terramin"). The consideration included the following contingent payment from Terramin:

- $1,000,000 payable upon approval of a Program for Environmental Protection and Rehabilitation; and
- $1,000,000 payable upon commencement of bullion production.

Maximus is also entitled to a 0.5% royalty payable upon bullion production in excess of 50,000 ozs.

Parent Entity Commitments

(a) Commitments for exploration and joint venture expenditure

In order to maintain current rights of tenure to exploration tenements the Company will be required to outlay in the year ending 30 June 2017 amounts of approximately $290,590 (2016: $1,018,400) in respect of tenement lease rentals and to meet minimum expenditure requirements pursuant to various joint venture requirements.

(b) Lease commitments : Company as lessee

The State Government departments responsible for mineral resources require performance bonds for the purposes of rehabilitation of areas disturbed by exploration activities. At 30 June 2017, the Group had no bank guarantees in place for this purpose (2016: $35,000).

In the directors' opinion:

(a) the consolidated financial statements and notes set out on pages 13 to 40 are in accordance with the *Corporations Act 2001,* including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of their performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) the financial statements comply with International Financial Reporting Standards as confirmed in note 1(a).

The directors have been given the declarations by the Managing Director and Company Secretary required by section 295A of the *Corporations Act 2001.*

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

Kevin J Malaxos

Director

Adelaide
29th September 2017

Grant Thornton

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report
To the Members of Maximus Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Maximus Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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 year then ended, and notes to the consolidated statement statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

GrantThornton

Material Uncertainty Related to Going Concern

We draw attention to note 31 in the financial statements, which indicates that the Group incurred a net loss of $3,893,139 during the year ended 30 June 2017, and cash outflows from operating and investing activities of $3,258,464. As stated in Note 31, these events or conditions, along with other matters as set forth in Note 31, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Capitalised costs not recoverable (valuation)	
At 30 June 2017 the carrying value of Exploration and Evaluation Assets was $2,467,297. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This is a key audit matter due to the judgements and estimates required in determining whether indicators of impairment exist in relation to capitalised exploration and evaluation assets in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.	Our procedures included, amongst others: • Obtaining management's reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • Reviewing management's area of interest considerations against AASB 6 requirements; • Assessing the accuracy of impairment recorded for the year as it pertained to exploration interests. Conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; - Tracing material projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; - Enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's cash-flow forecast models and budgeted expenditure; - Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and • Reviewing the appropriateness of the related disclosures within the financial statements.

Acquisition of Eastern Goldfields Milling	
During the current financial year the company finalised the purchase price allocation for Eastern Goldfields Milling company acquired in accordance with AASB 3 *Business Combinations*. This area is a key audit matter due to judgements and estimates required in determining the appropriate accounting, including estimating fair values of net assets acquired and estimating fair value of the purchase consideration.	Our procedures included, amongst others: • Reading the relevant sale agreements in relation to the acquisition to determine whether the accounting for the acquisition was consistent with AASB 3. • Testing the identification and valuation of the identifiable assets and liabilities against available supporting documentation; • Assessing the competence, capability and objectivity of management's experts used in the valuation of the assets and liabilities acquired; • Testing the mathematical accuracy of the calculations prepared by management; and • Assessing the appropriateness of the relevant disclosures in the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Grant Thornton

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_filesresponsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Maximus Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J Humphrey
Partner - Audit & Assurance

Adelaide, 29 September 2017

The shareholder information set out below was applicable as at 30 September 2017.

A Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

ORDINARY SHARES

Holding	Shares
1 - 1,000	130
1,001 - 5,000	203
5,001 - 10,000	220
10,001 - 100,000	711
100,001 and over	1,461
	2,725

There were 1,882 holders of less than a marketable parcel of ordinary shares. At a share price of $0.001, an unmarketable parcel is 500,000 shares.

B Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest equity holders of quoted securities are listed below:

Rank	Name	Units	% of Units
1.	MR NICHOLAS BARADAKIS	130,000,000	4.29
2.	BRISTOL CONTRACTING PTY LTD	86,516,154	2.86
3.	MRS GWENDOLINE MALAXOS	86,516,154	2.86
4.	UBS NOMINEES PTY LTD	56,837,527	1.88
5.	MR STEPHEN RONALD O'KEEFFE	48,757,319	1.61
6.	TRIPLE EIGHT GOLD PTY LTD	48,223,482	1.59
7.	CORPORATE PROPERTY SERVICES PTY LTD	45,000,000	1.49
8.	RMK SUPER PTY LTD	43,276,518	1.43
9.	KENNY INVESTMENTS PTY LTD	41,800,000	1.38
10.	MR ALISTAIR MARK CAMERON	36,900,000	1.22
11.	MR ARCHIBALD GEOFFREY LOUDON	33,333,333	1.10
12.	DINWOODIE INVESTMENTS PTY LTD	30,000,000	0.99
13.	MR DARRYN ANTHONY	29,000,000	0.96
14.	TLG TRADING PTY LTD	27,000,000	0.89
15.	LAKE PACIFIC PTY LTD	25,000,000	0.83
16.	OCTIFIL PTY LTD	25,000,000	0.83
17.	TYCHEAN RESOURCES LIMITED	25,000,000	0.83
18.	J P MORGAN NOMINEES AUSTRALIA LIMITED	24,096,922	0.80
19.	MR MARK ANDREW TKOCZ + MS SUSAN ELIZABETH EVANS	23,000,000	0.76
20.	MR SANG WOON LEE	21,900,000	0.72
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**887,157,409**	**29.31**
Total Remaining Holders Balance		**2,140,144,531**	**70.69**

C Substantial holders

As at 30 September 2017 there were not substantial shareholders.

D Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary Shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have once vote.