



Maximus Resources Limited

ABN 74 111 977 354

Financial report

for the Half-Year ended 31 December 2017

Maximus Resources Limited ABN 74 111 977 354
Financial report - 31 December 2017

Contents

	Page
Directors' Report	1
Auditor's Independence Declaration	4
Financial Statements	
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' Declaration	18

These financial statements cover the consolidated financial statements for 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, 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

The financial statements were authorised for issue by the directors on 15 March 2018. 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.

Directors' report

Your Directors present their report on the consolidated entity consisting of Maximus Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

The following persons were Directors of Maximus Resources Limited during the whole of the half-year and up to the date of this report:

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

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations and Financial Results

1. Operating Results and Financial Position

The net result of operations of the Company for the half year was a loss of \$406,052 (2016: \$3,361,304 loss). This loss includes exploration expenditure impairment of \$1,420 which is mainly derived from impairing exploration and evaluation costs relating to the Narndee and Millers Creek project.

The net assets of the Company have decreased by \$208,415 during the half year from \$3,579,422 at 30 June 2017 to \$3,371,007 at 31 December 2017.

2. Review of Operations

WESTERN AUSTRALIA

Burbanks

The refurbishment works at the Burbanks mill have been completed and commercial Toll milling operations commenced on 7th of October. The commencement of mill production represents a significant milestone for the company, having acquired the Spargoville Project in August 2015, and the Burbanks Mill in August 2016, to now being in production.

Following completion of the plant refurbishment in September, commission of the facility commenced. The commissioning process involved introducing low grade feed to the processing circuit to achieve the required operating densities in the Leach and Adsorption tanks. Once the required densities were achieved, cyanide and lime were introduced to the circuit.

Minor plant interruptions were anticipated, and occurred during the commissioning phase, with steady state conditions achieved in early October. Toll milling of low grade ore supplied by Empire Resources Limited (Empire) commenced on a commercial basis on 7 October 2017. The process water for the Burbanks plant was historically supplied via two underground sources; Main shaft and Burbanks Underground. During recent mining operations conducted at the Burbanks underground project, the main borehole and pump were damaged and unable to be resurrected. During commissioning at the Burbanks processing plant, water was sourced from the main shaft supply line under an extraction agreement with Barra Resources Limited. Once processing commenced, the second source of process water was from a disused open pit under agreement with Kidman Resources Ltd. The open pit water source was depleted whilst a new water bore was being developed, resulting in reduced production in late October and early November.

The new water supply bore into the Burbanks underground workings was commissioned in early November and continues to supply excess process water for the mill.

The supply of ore from Empire ran precariously low in November and the group was not able to recover ore stocks at the Burbanks plant, resulting in milling operations ceasing on 3 December 2017. The company notified Empire that Stand-down charges applied from the 4th December during the unplanned closure, resulting in Empire issuing a notice of termination of the Toll Milling Agreement on 5th December. The 30 day termination period required Empire to supply ore through to the 4th January 2018. However, with ongoing issues with the continuous supply of ore, agreement was reached to cease the Agreement early, and processing of Empire ore was finalised on 21 December 2017. A final Gold in Circuit (GIC) calculation was still in progress at the end of the quarter. The GIC calculation forms part of the final reconciliation and financial settlement process.

Maximus immediately recommenced sourcing ore stocks to feed the plant through the remainder of December and early 2018 to fill the gap left by the premature completion of the Empire feed. Maximus was able to secure 1,540 tonnes of ore to continue processing up to 25th December, before ceasing processing until early January, when a 6,000 tonne parcel of ore was due to be delivered to site for Toll milling.

Additional small parcels of ore may be secured for processing in January and February and negotiations on commercial terms continue. Discussions are continuing with ASX listed companies for the ongoing supply of ore from April 2018 onwards, the original timeframe for ore to replace Empire prior to its supply issues.

Incremental and capital responsible improvements were identified during the refurbishment process, and have been scheduled into the works program. These improvements allow increased reliability, lower production costs and contribute to improving the safety at site. Two significant improvements were made during the quarter.

Modification to the cyanide handling facility to enable liquid cyanide to be used is expected to marginally lower processing costs and improve safety.

A production water bore has been successfully drilled and commissioned, allowing reliable and significant water supply for potential throughput increases.

Spargoville - Gold

The Company continues to focus on conversion of the five Mineral Resources estimates to Reserve category, conducting metallurgical recovery trials, undertaking initial pit optimization analysis and higher level economic analysis to determine the optimum mining schedule. Following economic analysis of each project, permitting requirements and project development scheduling can be evaluated, which will determine potential mine development sequencing. All resources are situated on granted Mining Leases so the lead time to production is expected to be short.

Spargoville – Lithium

The Moriarty Lithium Project includes approximately 15km strike length of mafic-ultramafic rocks of the Norseman-Wiluna greenstone belt, situated 20 km south of the Mt Marion Lithium Mine. The presence of notable lithium micas within the Moriarty pegmatites give rise to the potential for Lithium mics resources that may be ideally suited for processing employing Lepidico's proprietary L-Max® technology.

Following the signing of a binding term sheet for an earn-in agreement covering the Spargoville Lithium rights in August 2017, Joint Venture party Lepidico commenced exploration at the Moriarty Lithium Project in December 2017. Field work at Moriarty included a soil geochemical sampling program over three areas prospective for lithium mica pegmatites, Lefroy, Sherlock and West Larkinville prospects.

The Company received \$80,000 worth of Lepidico shares for the disposal of Lithium Rights.

SOUTH AUSTRALIA

Adelaide Hills

Bird in Hand Project

Terramin is;

- Processing a Mining Lease Application to facilitate mining approval for the Bird in Hand project,
- Seeking expressions of interest for the acquisition of the BinH project. MXR contingent payments and royalty are protected under the Share Sale Agreement and Royalty Agreement.

CORPORATE

On 6 September 2017 the Company issued 173,032,308 fully paid ordinary shares to Sophisticated and Professional Investors under a placement to raise \$200,000.

In the Half Year ended 31 December 2017, the Company received Director and related party loans totaling \$90,000. These loans are interest bearing.

3. Significant changes in the state of affairs

There have been no other significant changes in the state of affairs from the 2017 financial year to the 2018 half year.

4. Events arising since the end of the reporting period

There are no other events or circumstances that have occurred subsequent to the end of the reporting period that have or will significantly affect the operations of the Group.

Auditors Independence Declaration

The lead Auditor's independence declaration for the half year ended 31 December 2017 has been received and can be found on page 4.

Dated at Adelaide this 15th day of March 2018 and signed in accordance with a resolution of the Directors.


Ewan Vickery
Director

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Auditor's Independence Declaration To the Directors of Maximus Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Maximus Resources Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 15 March 2018

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Maximus Resources Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017

		Consolidated	
		31 December 2017	31 December 2016
		\$	\$
REVENUE		1,600,368	35,970
Other income	2	1,001	26,844
Burbanks mill expenses		(1,755,014)	(163,755)
Marketing expense		(2,901)	(3,483)
Administration expense		(205,579)	(278,945)
Other expenses	6	-	(79,425)
Finance Costs		(31,408)	-
Impairment of exploration assets	5	(1,420)	(2,898,510)
Gain/(loss) on sale of shares		(11,099)	-
Profit/(Loss) before income tax		(406,052)	(3,361,304)
Income tax (expense)/benefit		-	-
Profit/(Loss) from continuing operations		(406,052)	(3,361,304)
Profit/(Loss) for the half-year		(406,052)	(3,361,304)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the half-year		(406,052)	(3,361,304)
		Cents	Cents
Earnings per share for Profit/(loss) from continuing operations attributable to ordinary equity holders of the parent entity			
Basic earnings per share		(0.035)	(0.166)
Diluted earnings per share		(0.035)	(0.166)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Maximus Resources Limited
Consolidated statement of financial position
As at 31 December 2017

		Consolidated	
		31 December	30 June
		2017	2017
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		253,506	229,813
Trade and other receivables		240,814	35,199
Inventories		18,368	18,368
Other current assets	3	59,888	9,719
Total current assets		572,576	293,099
Non-current assets			
Property, plant and equipment	4	3,915,574	3,834,306
Exploration and evaluation assets	5	2,570,340	2,467,297
Other non-current assets		-	-
Total non-current assets		6,485,914	6,301,603
Total Assets		7,058,490	6,594,702
LIABILITIES			
Current Liabilities			
Trade and other payables	9	957,103	407,505
Financial Liability	10	1,616,728	415,402
Provisions	11	50,449	43,008
Total current liabilities		2,624,280	875,191
Non-current liabilities			
Financial Liability	12	232,613	1,342,433
Provisions	13	830,590	797,656
Total non-current liabilities		1,063,203	2,140,089
Total Liabilities		3,687,483	3,015,280
Net Assets		3,371,007	3,579,422
EQUITY			
Contributed equity	14	40,186,534	39,988,897
Retained losses		(36,815,527)	(36,409,475)
Total Equity		3,371,007	3,579,422

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

Maximus Resources Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2017

Consolidated	Contributed Equity	Retained Losses	Total Equity
	\$	\$	\$
Balance at 1 July 2017	39,988,897	(36,409,475)	3,579,422
Profit/(Loss) for the period	-	(406,052)	(406,052)
Other Comprehensive Income	-	(406,052)	(406,052)
Transactions with owners in their capacity as owners			
Shares issued during the period	197,637		197,637
	197,637		197,637
Balance at 31 December 2017	40,186,534	(36,815,527)	3,371,007

Consolidated	Contributed Equity	Retained Losses	Total Equity
	\$	\$	\$
Balance at 1 July 2016	37,943,923	(32,516,336)	5,427,587
Profit/(Loss) for the period	-	(3,361,304)	(3,361,304)
Other Comprehensive Income	-	(35,877,640)	2,066,283
Transactions with owners in their capacity as owners			
Shares issued during the period	1,541,862	-	1,541,862
	1,541,862	-	1,541,862
Balance at 31 December 2016	39,485,785	(35,877,640)	3,608,145

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

Maximus Resources Limited
Consolidated statement of cash flow
For the half-year ended 31 December 2017

Notes	Consolidated 31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities		
Receipts from customers	1,394,753	35,970
Interest received	1,001	15,080
Payments to suppliers and employees	(1,411,798)	(470,122)
Interest expense	(1,469)	-
Net cash (outflows)/inflows from operating activities	<u>(17,513)</u>	<u>(419,072)</u>
Cash flows from investing activities		
Payments for purchase of Eastern Goldfields Millings Services Pty Ltd	-	(579,425)
Payments for property, plant and equipment	(130,869)	(5,091)
Payments for exploration and evaluation	(184,463)	(558,905)
Proceeds from sale of shares	68,901	-
Net cash inflows/(outflows) from investing activities	<u>(246,431)</u>	<u>(1,143,421)</u>
Cash flows from financing activities		
Proceeds from issue of shares and other equity securities	200,000	1,491,862
Transactions costs associated with equity issues	(2,363)	-
Proceeds from director and related party loans	90,000	-
Net cash inflows/(outflows) from financing activities	<u>287,637</u>	<u>1,491,862</u>
Net increase in cash and cash equivalents	23,693	(70,631)
Cash and cash equivalents at the beginning of the half year	229,813	1,443,300
Cash and cash equivalents at the end of the half year	<u>253,506</u>	<u>1,372,669</u>

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

1 Summary of significant accounting policies

Basis of preparation of half-year financial report

Reporting entity

Maximus Resources Limited (the “Company”) is a company domiciled in Australia. The consolidated financial report of the Company as at and for the half year ended 31 December 2017 comprises the Company and its subsidiaries (together referred to as the “consolidated entity”) and the consolidated entity’s interests in associates and jointly controlled entities.

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2017 is available upon request from the Company’s registered office at Level 3, 100 Pirie Street Adelaide SA 5000 or at www.maximusresources.com.

Statement of compliance

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Maximus Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies applied by the entities in the consolidated group in this half-year financial report are consistent with those applied by the consolidated financial report for the year ended 30 June 2017.

The interim financial statements have been approved and authorised for issue by the Board on 15 March 2018.

Reporting Basis and Conventions

The half year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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 cashflows from additional capital for continued operations.

The Company incurred a loss of \$406,052 (2016: \$3,361,304) with negative operating and investing cashflows of \$263,944. The operations were funded by the raising of funds through equity issues during the half 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 and as a result 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.

2 Other income

	Consolidated	
	31 December 2017	31 December 2016
Interest received	1,001	15,080
Discount interest	-	11,764
	<u>1,001</u>	<u>26,844</u>

3 Current Assets – Other current assets

	Consolidated	
	31 December 2017	30 June 2017
Prepayments	59,888	9,719
	<u>59,888</u>	<u>9,719</u>

4 Property, plant and equipment

Consolidated	Other plant and equipment \$	Burbanks plant & equipment \$	Burbanks Office equipment & furniture \$	Total \$
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	<u>2,742</u>	<u>3,815,333</u>	<u>16,231</u>	<u>3,834,306</u>
Period ended 31 December 2017				
Opening net book amount	2,742	3,815,333	16,231	3,834,306
Assets purchased	-	150,387	1,688	152,075
Depreciation charge	(881)	(69,247)	(679)	(70,807)
Closing net book amount	<u>1,861</u>	<u>3,896,473</u>	<u>17,240</u>	<u>3,915,574</u>
At 31 December 2017				
Cost or fair value	22,222	3,965,720	17,919	4,005,861
Accumulated depreciation	(20,361)	(69,247)	(679)	(90,287)
Net book amount	<u>1,861</u>	<u>3,896,473</u>	<u>17,240</u>	<u>3,915,574</u>
Consolidated	Other plant and equipment \$	Burbanks plant & equipment \$	Burbanks Office equipment & furniture \$	Total \$
Year ended 30 June 2017				
Opening net book amount	4,107	-	-	4,107
Assets purchased	1,755	626,016	5,091	632,862
Assets purchased (fair value)	-	3,225,121	12,345	3,237,466
Depreciation charge	(3,120)	(35,804)	(1,205)	(40,129)
Closing net book amount	<u>2,742</u>	<u>3,815,333</u>	<u>16,231</u>	<u>3,834,306</u>
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	<u>2,742</u>	<u>3,815,333</u>	<u>16,231</u>	<u>3,834,306</u>

5 Non-current assets – Exploration and evaluation assets

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
<i>Exploration and evaluation</i>		
Movement:		
Opening balance	2,467,297	4,220,642
Expenditure incurred	184,463	1,166,330
Sale of Lithium rights	(80,000)	-
Impairment of capitalised expenditure	(1,420)	(2,919,675)
Closing balance	2,570,340	2,467,297
Closing balance comprises:		
Exploration and evaluation - 100% owned	-	-
Exploration and evaluation phases - joint ventures	2,570,340	2,467,297
	2,570,340	2,467,297

6 Other expenses

	Consolidated	
	31 December 2017	31 December 2016
Burbanks acquisition costs	-	79,425

7 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 10)

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.

Subsequent to the initial agreement 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 10)

Total purchase consideration was therefore \$2,522,613.

7 Business Combination (continued)

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	<hr/> 3,258,206
LIABILITIES	
Rehabilitation provision	758,206
TOTAL LIABILITIES	<hr/> 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. Nil payments were made to Ramelius in the half year ended 31 December 2017.

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

8 Segment information

(a) Description of segments

Identification of reportable segments

Management has determined the operating segments based on the reports reviewed and used by the Board of Directors (the chief operating decision makers) that are used to make strategic decisions. Maximus Resources Limited is managed primarily on the basis of geographical area of interest, since the diversification of Maximus Resources Limited operations' inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

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

- External regulatory requirements
- geographical and geological styles

Accounting policies developed

Unless stated otherwise, all amounts reported to the Board of Directors 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 Maximus Resources Limited.

Period ending 31 December 2017	Spargoville \$	Burbanks \$	Other \$	Total \$
Segment revenue	6,597	1,593,771	-	1,600,368
Adjusted EBITDA	6,597	(192,651)	(1,420)	(187,474)
Segment assets for the period ending 31 December 2017	2,570,340	4,066,791	-	6,637,131
Total	2,570,340	4,066,791	-	6,637,131
Segment asset movements for the period				
Capital expenditure	183,044	181,763	1,420	366,227
Sale of interest	(80,000)	-	-	(80,000)
Impairment	-	-	(1,420)	(1,420)
Total movement for the year	103,044	181,763	-	284,807
Total segment assets				6,637,131
Unallocated assets				421,359
Total assets				7,058,490
Segment liabilities for the period ending 31 December 2017				
Segment liabilities	-	3,260,135	-	3,260,135
Unallocated liabilities				427,348
Total liabilities				3,687,483

8 Segment information (continued)

(a) Business segments

Period ending 30 June 2017	Spargoville	Burbanks Mill	Other	Total
	\$	\$	\$	\$
Segment revenue	45,653	5,000	-	50,653
Adjusted EBITDA	45,653	(475,866)	(2,919,675)	(3,349,888)
Segment assets for the period ending 30 June 2017	2,467,297	3,885,028	-	6,352,325
Segment asset movements for the period				
Capital expenditure	1,099,285	625,271	79,686	1,804,242
Impairment			(2,919,675)	(2,919,675)
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
Segment liabilities for the period ending 30 June 2017				
Segment liabilities	-	2,744,564	-	2,744,564
Unallocated liabilities				270,716
Total liabilities				3,015,280

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

	31 December 2017	31 December 2016
	\$	\$
Allocated:		
Adjusted EBITDA	(187,474)	(3,026,295)
Unallocated:		
Other income	1,001	26,844
Administration expense	(205,579)	(278,945)
Other expenses	-	(79,425)
Marketing expense	(2,901)	(3,483)
Impairment of financial assets	-	-
Gain on sale of available for sale financial assets	(11,099)	-
Profit before income tax from continuing operations	(406,052)	(3,361,304)

9 Current liabilities – Trade & other payables

	Consolidated	
	31 December	30 June
	2017	2017
	\$	\$
Trade creditors	878,551	407,505
Other payable	78,552	-
	957,103	407,505

10 Current liabilities – Financial liabilities

	Consolidated	
	31 December	30 June
	2017	2017
	\$	\$
Other payable – Director loans	91,506	-
Other payable – Ramelius Resources Limited (Royalty)	540,000	415,402
Other payable – Ramelius Resources Limited	985,222	-
	1,616,728	415,402

During the year ended 30 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 \$540,000 Financial Liability above represents the current portion of the royalty payable to RMS based on current projection for the toll treatment operations at the Burbanks Mill.

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

During the Half year ended 31 December 2017, Mandurang Pty Ltd, of which Mr Robert Kennedy is a Director of, loaned the Company \$50,000. The loan is interest bearing at 6%pa and is required to be repaid upon completion of a successful capital raise.

During the half year ended 31 December 2017, Mrs Gwen Malaxos, spouse of Mr Kevin Malaxos, loaned the Company \$40,000. The loan is interest bearing at 6%pa and is required to be repaid upon completion of a successful capital raise.

11 Current liabilities – Provisions

	Consolidated	
	31 December	30 June
	2017	2017
	\$	\$
Provision – Employee benefits	50,449	43,008
	50,449	43,008

12 Non-current liabilities – Financial liabilities

	Consolidated	
	31 December	30 June
	2017	2017
	\$	\$
Other payable – Ramelius Resources Limited (Royalty)	232,613	357,211
Other payable – Ramelius Resources Limited	-	985,222
	232,613	1,342,433

13 Non-current liabilities – Provisions

	Consolidated 31 December 2017 \$	30 June 2017 \$
Long service leave	43,950	39,449
Rehabilitation provision	786,640	758,207
	<u>830,590</u>	<u>797,656</u>

The rehabilitation provision relates to the Burbanks Processing Facility.

14 Contributed equity

	Consolidated 31 December 2017 Shares	30 June 2017 Shares	Consolidated 31 December 2017 \$	30 June 2017 \$
(a) Share capital				
Ordinary shares Fully paid	3,027,301,940	2,854,269,632	40,186,534	39,988,897

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$
1 July 2016	Opening 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	50,000
26 June 2017	Issue of Shares – placement	300,000,000	\$0.001	300,000
				<u>2,176,500</u>
	Less: Transaction costs arising on share issues			(131,526)
30 June 2017	Balance	2,854,269,632		39,988,897
6 September 2017	Issue of Shares – placement	83,140,002	\$0.001	83,140
6 September 2017	Issue of Shares – placement	89,892,306	\$0.0013	116,860
		<u>173,032,308</u>		<u>200,000</u>
	Less: Transaction costs arising on share issues			(2,363)
31 December 2017	Balance	3,027,301,940		40,186,534

15 Contingencies

Contingent Liabilities

There have been no changes in contingent liabilities since the last reporting date.

Contingent Assets

During the 2014 financial year the Adelaide Hills tenement package was reduced to 4 tenements during the period, following the sale of 5 tenements, including the Bird in Hand project to Terramin Australia Limited ("Terramin"). The consideration included the following contingent payments 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 on bullion production in excess of 50,000 ozs.


16 Events occurring after the reporting period

There are no other events or circumstances that have occurred subsequent to the end of the reporting period that have or will significantly affect the operations of the Group.

In the Directors' opinion:

- a) The consolidated financial statements and notes set out on pages 5 to 17 are in accordance with the *Corporations Act 2001*, including:
 - i. Complying with the Accounting Standard AASB 134: Interim Financial Reporting, and
 - ii. Giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2017 and of its performance for the half-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

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


Ewan Vickery
Director

Adelaide 15 March 2018

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Independent Auditor's Review Report To the Members of Maximus Resources Limited Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Maximus Resources Limited (the Company) which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Maximus Resources Limited does not give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$406,052 and a net cash outflow of \$263,944 from operating and investing activities during the half year ended 31 December 2017. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

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Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Maximus Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 15 March 2018