

ASX Announcement

Thursday 19 April 2018

Maximus Corporate Update

Highlights

- Milling of ore supplied by Anova Metals recently commenced with further demand placing Maximus in the position of Burbanks mill running at capacity throughout 2018/19;
- MXR maintains that all gold recovered during the Empire Toll milling campaign has been accounted for in accordance with contractual requirements;
- Maximus has consulted with a senior Metallurgical industry specialist on the Empire claim to additional gold from the milling campaign;
- Maximus considers the Empire claim to additional gold is without merit and shall continue to defend its position accordingly.

The Board of Maximus Resources Limited (**Maximus** or the **Company**) wishes to update shareholders on progress of the dispute resolution procedure of its wholly owned subsidiary, Eastern Goldfields Milling Services Pty Ltd (EGMS), following completion of the milling campaign of gold ore supplied from the Penny's Find gold mine (**Empire Resources Ltd** or **Empire**) northeast of Kalgoorlie, under a Toll Treatment agreement signed in May 2017.

EGMS has consulted with a senior Metallurgical industry specialist in relation to the Empire claim for additional gold from the Penny's Find project Toll milling campaign completed between October and December 2017. Based on the information available, including consultation with the independent expert Metallurgist, EGMS maintains that the Empire claim for additional gold from the Toll milling campaign lacks merit.

The Gold in Circuit (GIC) calculation was undertaken at the completion of the Toll milling campaign and both Empire and EGMS have signed off on the contained gold owed to Empire. All gold recovered from ore supplied by Empire in the Toll milling campaign, to which Empire is entitled under the toll milling agreement has been accounted for in accordance with contractual requirements. Despite this, Empire continues to claim a significant amount of gold remains unaccounted for and seemingly seeks to look behind the agreed contractual process.

There is a further outstanding matter, being the reconciled tonnes milled following calibration of the feed conveyor into the mill by an independent contractor. Clarification has now been obtained from the independent contractor, and the final reconciled tonnes milled under the Toll milling agreement

can now be finalised. EGMS does not consider the outcome of this issue to be material under the Empire dispute.

The Company will keep shareholders updated as we continue to protect and recover outstanding shareholder funds from our Toll milling division.

Significant interest remains in the Toll Milling operations at Burbanks, with strong demand for capacity continuing.

EGMS has recently commenced Toll treatment of ore supplied by Anova Metals Australia Pty Ltd (a subsidiary of Anova Resources Ltd) following signing of a Toll Milling Agreement in January 2018 for up to 120,000 tonnes of gold ore, with the ability to extend the campaign for upto a further 150,000 tonnes.

The Company also recently signed a Toll Milling Agreement with GBF Mining Pty Ltd in March for a campaign up to 55,000 tonnes of crushed and sorted ore or 110,000 tonnes of Run of Mine ore from August 2018, with the ability to extend the campaign for a further 50,000 tonnes of crushed and sorted ore or 100,000 tonnes of Run of Mine ore. This further Toll Milling Agreement ensures Burbanks is fully committed throughout 2018/19 at the current throughput capacity.

As a result of the strong demand for Toll milling capacity, and the ongoing search and review of gold projects for acquisition in the region, the Company is reviewing the current mill capacity with a view to increasing throughput in 2019.

For further information contact

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