ASX Announcement

31/05/2018

New WA nickel discovery southwest Kambalda

HIGHLIGHTS

- Drilling by lithium-focused Joint venturer on Maximus' Spargoville project, southwest Kambalda in WA, intersects significant nickel sulphide mineralisation in shallow drilling
- Drill intercepts returned include 1m @ 1.87% Nickel, and 6m @ 0.6% Nickel in separate drill traverses
- Drilling conducted beneath surface gossan, and near coincident electromagnetic conductor of 220m strike length
- Nickel mineralisation remains open at depth and along strike with new near-term exploration planned
- Maximus holds 80% nickel rights to the discovery

Maximus Resources Limited (ASX:MXR) is pleased to advise of a new nickel discovery on parts of the Company's Spargoville gold and base metals project southwest of Kambalda in WA.

The discovery is confirmed in new drill results from a shallow Reverse Circulation (RC) drilling program conducted by Lepidico as part of that company's earn-in for lithium-only rights on the Company's Spargoville tenements. Lepidico notified Maximus of significant Nickel (Ni) and Copper (Cu) intersections at Sherlock.

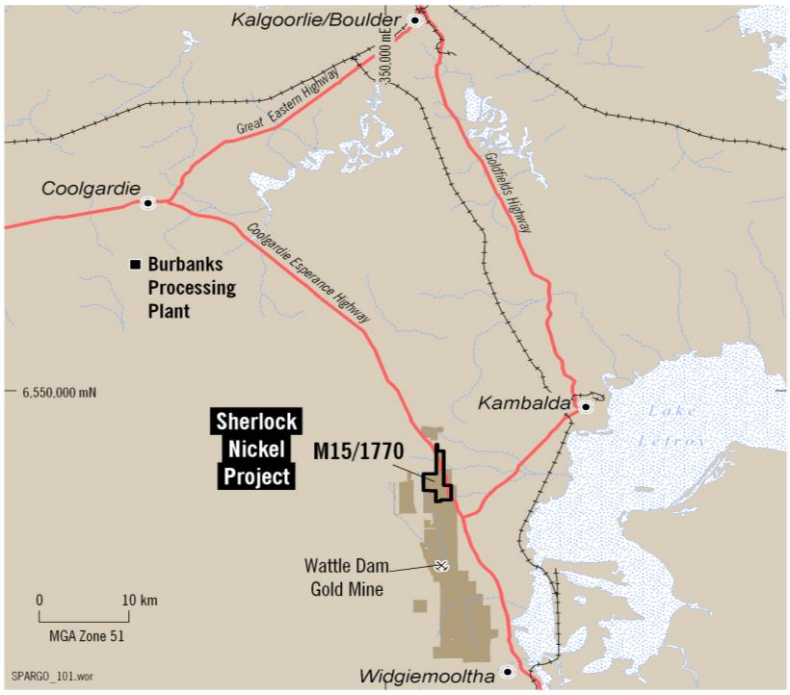

Figure 1: Location of the Sherlock Nickel Project and Spargoville Project relative to the Burbanks Processing Plant.

M15/1770 MXR 100%, (Nickel 80%)

As previously reported by Lepidico on 30 April 2018 to the ASX, 13 shallow RC holes were drilled for 600m at the Moriarty lithium project as an initial follow-up to encouraging lithium surface sampling results. Lepidico reported two distinct pegmatites were intersected in drilling, within the mafic and ultramafic greenstone sequences. Lepidico undertook multi-element geochemistry of the drill samples and notified Maximus of significant Ni and Cu intersections within the greenstone sequences. Refer to Table 1.

Hole ID	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Length	Ni %	Cu %
MSC010	356540	6537540	340	-60	270	30	0	10	10	0.36	0.007
including							3	4	1	0.52	0.013
MSC008	356462	6537520	340	-60	270	60	12	18	6	0.85	0.04
including							***17***	***18***	***1***	***1.87***	***0.17***
MSC011	356600	6537500	340	-60	270	41	34	40	6	0.60	0.12

Table 1: Significant nickel intersections from Reverse Circulation drilling at Sherlock nickel prospect. Table shows intersections above 0.3 % Ni.

The drilling was conducted along three east west traverses, some 20m apart. All Ni intersections were located on the eastern limit of each drill traverse, indicating that the mineralisation is open at depth. See drill location plan, Figure 2 and drilling cross sections, Figure 3.

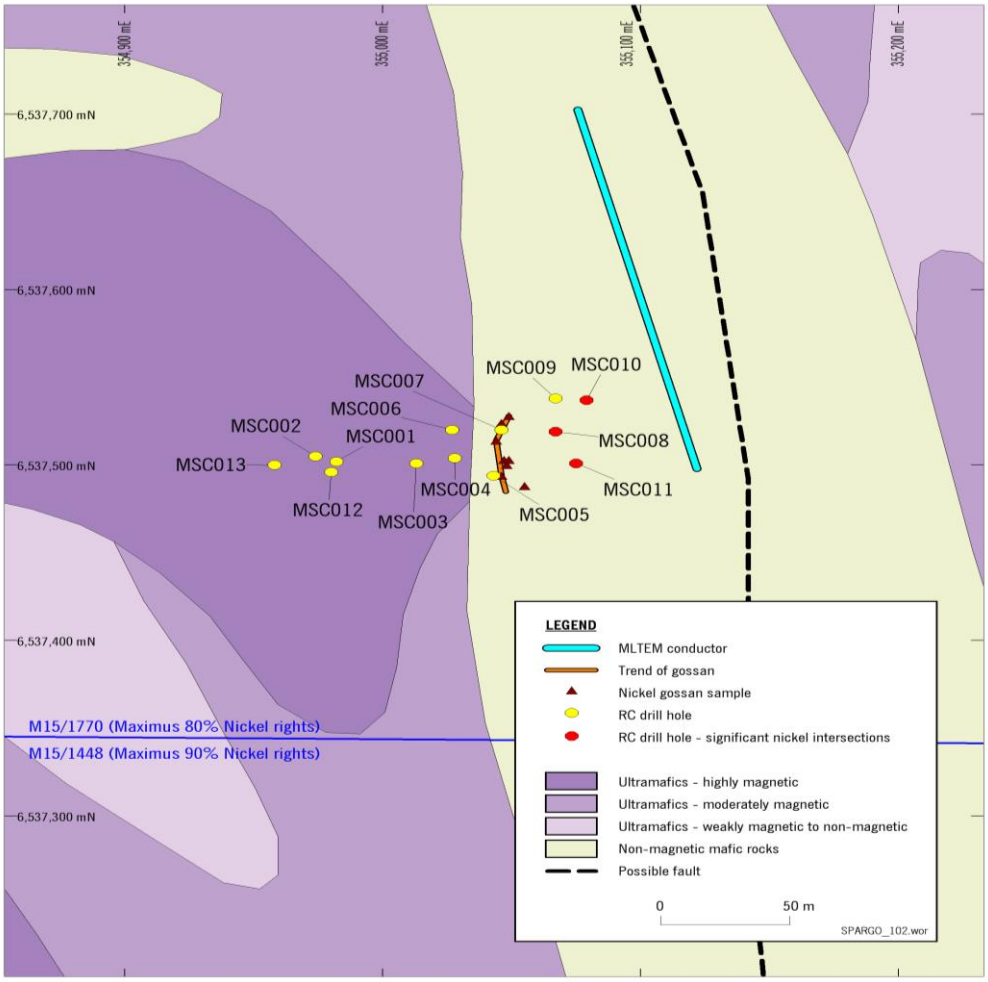

Figure 2: Sherlock Nickel Project: Drillhole location, trend of Ni gossans and untested WDC_21 conductor to the east.

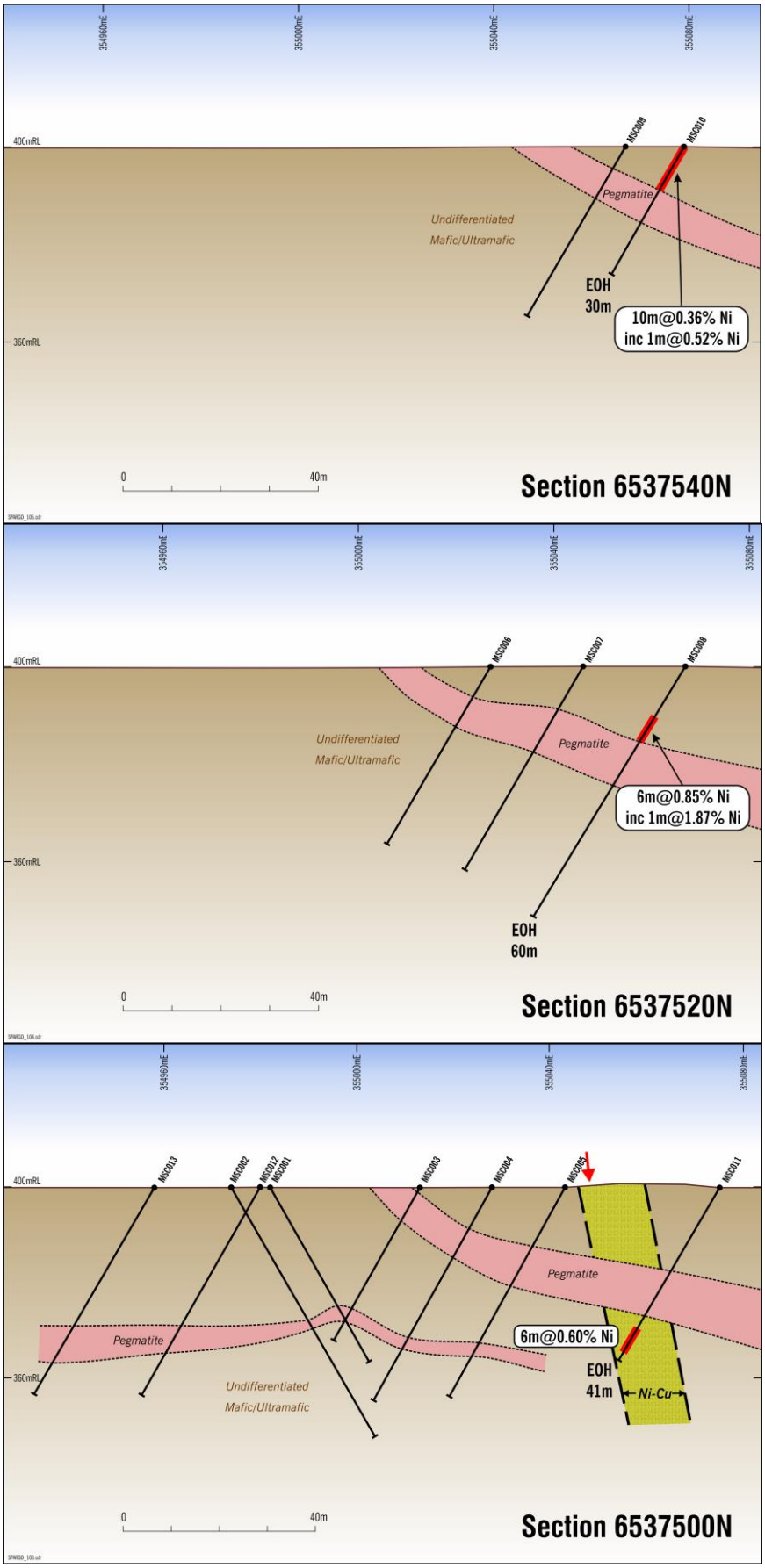

Figure 3: Sherlock Nickel Prospect: Drill sections with Ni >0.3% intercepts, and interpreted Ni-Cu zone shown. Red arrow on section 6537500N signifies the location of surface gossan (outcrop)

Significance of Results

An initial review of the previous nickel-based work in the area determined that the intersections reported in today's announcement are within the 1M Nickel Prospect identified by Pioneer Nickel Limited (Pioneer) in 2004 (Davy, C., 2005). Pioneer was drawn to the area by the discovery of a surface gossan (outcrop) returning 0.45% Ni, 0.24% Cu and 80ppb Pt + Pd (PGM). (Pioneer ASX announcement 26/07/2004, Quarterly Report for the Period Ending 30th of June 2004).

In addition, along strike to the south, Ramelius Resources (Ramelius) reported a drill intersection of 1m @ 3.9% Ni and 0.5% Cu from 74m, in drill hole HRC025 at the Hilditch Ni prospect.

Pioneer conducted a Moving Loop Electro Magnetic (MLTEM) survey on its tenure on the northern extension of Hilditch and defined three conductors. Conductor WDC-21, a 220m long, north-south striking feature was identified along strike from Hilditch. Soil sampling and drilling highlighted this area as highly anomalous, with soils results returning >1500 ppm Ni over approximately 450m of strike. However, it was concluded that while the drilling had tested the general area, this drilling had not identified the source of the WDC 21 target.

It was recommended that a Fixed Loop EM (FLEM) survey be undertaken to position drillhole collars to investigate the WDC-21 conductor.

In 2006, a local prospector discovered further nickel gossan outcrops in the highly geochemically anomalous soil area some 60m west, and parallel to the untested WDC-21 conductor.

This is the gossan that was intersected in the recent drilling by Lepidico, and reported here today.

Maximus considers that the surface gossan may be related to the WDC-21 conductor to the east, which may represent a fresh sulphide body at depth.

Future Activities

The mineralisation in the Spargoville area is comparable to that of other komatiite-hosted nickel sulphide deposits located around the Kambalda Dome to the east and the Widgiemooltha Dome to the south. Several nickel-sulphide deposits were discovered and subsequently mined, notably 1A, 5A, 5B and 5D deposits. Total historical nickel production from the Spargoville area is 845,000 tonnes at 2.54% Nickel. Davy 2005. See Figure 4.

Maximus considers the results obtained from the recent drilling program are significant and warrant further detailed exploration. A Program of Works is currently being prepared for submission to the WA DMIRS. It proposes FLEM and Induced Polarisation (IP) geophysical surveys along the length of the WDC-21 conductor and outcropping gossan. The resultant data is expected to provide detailed data to pinpoint drillhole collars to test all anomalies. Drilling of identified conductors would then proceed.

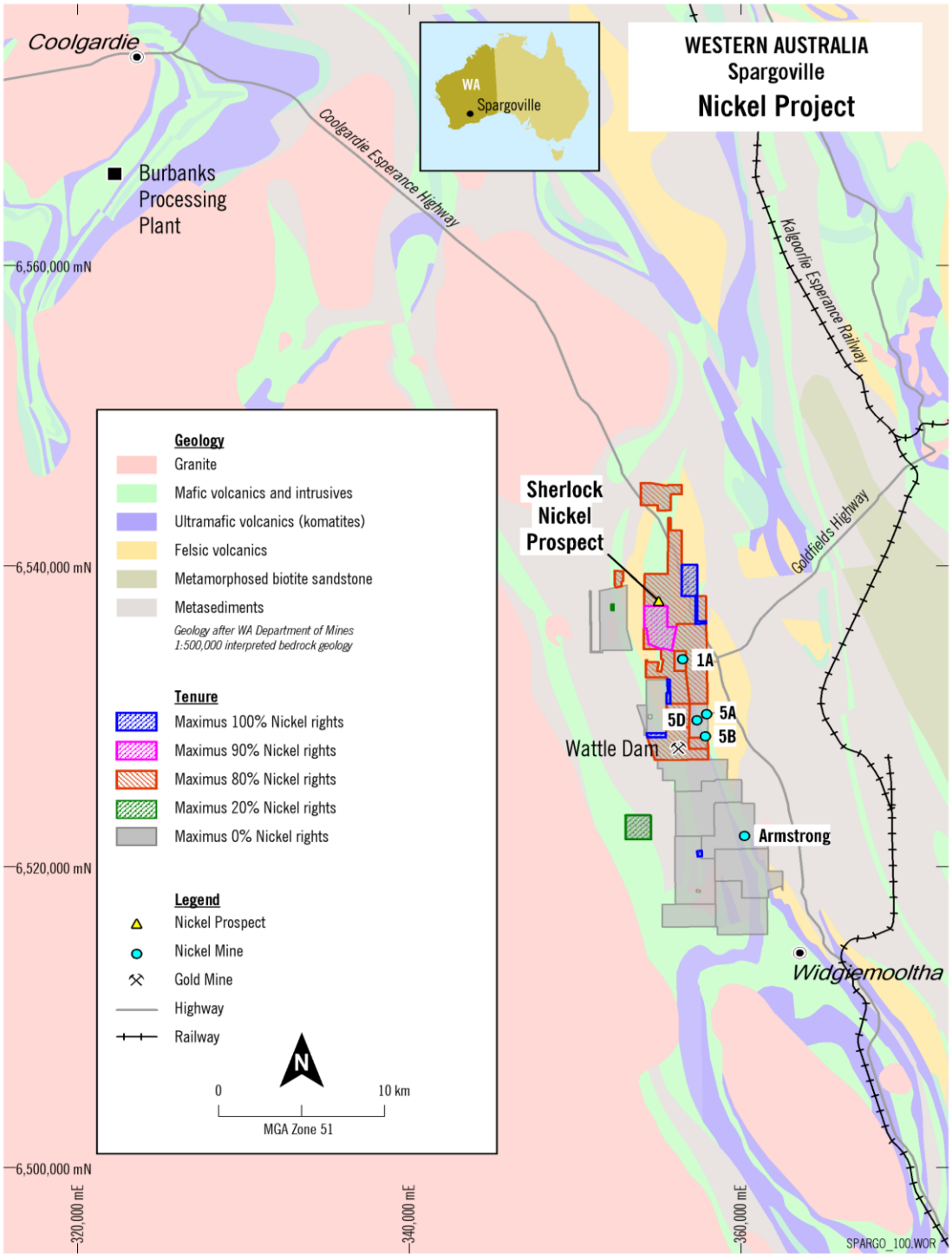

Figure 4: Maximus tenure, with nickel deposits and Sherlock prospect shown. See legend for MXR Nickel Rights %

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Further information relating to Maximus Resources Limited and its diversified exploration projects will be found on Maximus' website: *www.maximusresources.com*

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Stephen Hogan who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hogan has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration, and the activities being undertaking, to qualify as a Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (the JORC Code). This report is issued in the form and context in which it appears with the written consent of the Competent Persons

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The sampling has been carried out using Reverse Circulation (**RC**) Drilling. All RC drill holes had samples collected on the drilling rig via a mounted cyclone.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	All sampling was undertaken as per industry best practice.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	All RC holes were drilled with a 4.75 inch face-sampling bit. RC samples were collected over 1m intervals through a cyclone and rotary splitter, to form a 2-5kg sample. All samples were fully pulverized to produce a 250g charge, ALS Method ME-MS89L, Na202 fusion for multi-elements including Nickel and Copper by ICP-MS
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	RC face sampling drilling techniques were used to collect all samples.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Sample recoveries were visually estimated for each metre. All recovery estimates are noted in the logs. The majority of sample recoveries were >90%.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC face-sample bits and dust suppression were used to minimise sample loss. RC samples were collected through a cyclone and rotary

Criteria	JORC Code explanation	Commentary
		splitter at the rig, the rejects deposited in a plastic bag.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No apparent sample bias or material loss was documented to have taken place during drilling activities.
	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	All chips were geologically logged by Lepidico geologists using company specific logging schemes. RC samples were logged at 1m intervals. No geotechnical logging was undertaken.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of RC chips records litho logy, mineralogy, mineralisation, weathering, colour and other features of the samples. All samples are wet-sieved and stored in a chip tray for future reference.
Logging	*The total length and percentage of the relevant intersections logged.*	All holes were logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No core was collected.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	All RC drill samples were drilled on behalf of Lepidico and collected from a rig mounted cyclone passed through a rotary splitter, and an average 2-5kg sample collected in a pre numbered calico bag. All samples were collected dry
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All samples were prepared at the ALS Laboratory in Kalgoorlie. Samples were dried, and the whole sample pulverised to >85% passing 75um. The procedures are commonly used within the industry for this type of mineralisation.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples	For the RC drilling duplicate field sample were inserted routinely in the sample batches. No apparent issues were reported.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Sample collection from the cyclone is routinely monitored by the rig geologist. Samples for the laboratory are collected to weigh less than 5kg to ensure total preparation at the pulverisation stage. No significant issues were identified.

Criteria	JORC Code explanation	Commentary
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Therefore the sample sizes are considered appropriate given the particle size.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	RC samples were collected over 1m intervals through a cyclone and rotary splitter, to form a 2-5kg sample. All samples were fully pulverized to produce a 250g charge, ALS Method ME-MS89L, Na202 fusion for multi-elements including Nickel and Copper by ICP-MS. The method is total and considered to be appropriate for the material and mineralisation.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not Applicable.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Field duplicates and standards were inserted routinely in the sample run. Analysis of field duplicate assay data and standards suggests appropriate levels of sampling precision.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant results have been checked and verified by the Maximus Exploration Manager, from data as supplied by Lepidico
	The use of twinned holes.	No twin holes were drilled
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All field logging is entered into directly into a spreadsheet, then electronically to the Database Geologist in the office. Assay files are received electronically from the Laboratory. All data is stored in a Access database system, and maintained by the Database Manager. The data in the database, including assays, has been verified against primary digital files.
	Discuss any adjustment to assay data.	No assay data was adjusted.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	All drill hole collar locations were determined by hand held GPS. Downhole and end of hole surveys for the RC drilling were obtained via single shot camera, recording dip and azimuth.

Criteria	JORC Code explanation	Commentary
	Specification of the grid system used.	Grid projection is GDA94, MGA Zone 51.
	Quality and adequacy of topographic control.	RL's for holes were determined with the aid of a hand held GPS.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drillholes are spaced at approximately 20m intervals along traverses approximately 20m apart.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The spacing and distribution is considered sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.
	Whether sample compositing has been applied.	All RC sample intervals are 1m and no sample compositing has been applied..
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of the drill lines (270°azimuth) is approximately perpendicular to the strike of the regional geology and mineralisation. All holes relevant to this release were drilled at approximately -60° angled to the west.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	It is considered that the majority of holes have been drilled approximately perpendicular to the regional geology and as such are not to introduced a sampling bias.
Sample security	*The measures taken to ensure sample security.*	Pre-numbered calico sample bags were collected and transported by company transport to the ALS in Kalgoorlie for preparation and assay.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sampling and assaying techniques are industry standard. No specific audits or reviews have been undertaken at this stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The RC drilling is located within tenement M15/1770, which is owned 100% by Maximus Resources. Maximus Resources has 80% of the Nickel rights, with the remaining, owned by 20% Pioneer Nickel
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area	The tenement is in good standing with the WA Department of Mines, Industry Regulation and Safety
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The ML and surrounding area has been subject to historical nickel exploration with several deposits located and mined within the region. Since the mid 2000's numerous companies including Pioneer Minerals and Ramelius Resources have undertaken nickel exploration in the area.
Geology	*Deposit type, geological setting and style of mineralisation.*	The geology is dominated by Archean mafic/ultramafic and sedimentary lithologies intruded by granites and pegmatite dykes.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	A total of 13 RC were drilled by Lepidico for a total of 600m. Hole locations are shown in Figure 2 of the release and details of all drilling have been included within this Figure and in the text. RC holes were drilled to a planned depth.
Data	*In reporting Exploration Results, weighting averaging techniques,*	Grades are reported as down-hole length-weighted averages of Ni

Criteria	JORC Code explanation	Commentary
aggregation methods	*maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	grades above 0.3% Ni, with maximum internal dilution of 2 metres. No top cuts have been applied to the reporting of the assay results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Higher grade intervals are included in the reported grade intervals. All RC sample intervals are 1m in length and as such all intervals and grades are considered equally. All Ni intervals are reported above 0. 3%.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The geometry and continuity of the mineralisation intersected is unclear at this stage. As such the reported intersection lengths represent down hole lengths only and the true width of the mineralisation is unknown.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate diagrams are included as part of the accompanying release, including a plan of drill hole collar locations.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Significant intersections are shown in the results table. All of these results are for intersections above 0.3 % Ni. All other results are below this cut-off value and have not been included as discussed in the text.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density,*	Not Applicable.

Criteria	JORC Code explanation	Commentary
	groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Extensive further works are planned, including petrology of the gossan on surface, a FLEM and IP geophysical survey along the length of the WDC-21 conductor and outcropping gossan, leading to drill hole targeting.