

ASX Announcement

26/10/2018

\$3 Million Convertible Note Package

KEY POINTS

- **\$3 Million Convertible Note mandate signed**
- **Convertible Note Terms are subject to approval by MXR shareholders at AGM**
- **Funds to reduce debt and secure full ownership of Burbanks mill**
- **Rights Issue to shareholders planned following the AGM**
- **Progress on an additional significant Toll Milling Agreement to underpin Burbanks ongoing operations**

Maximus Resources Limited (ASX: MXR or the “Company”) wishes to advise shareholders that the company has signed a Mandate for a \$3 million Convertible Note (Note) with Adelaide based Taylor Collison Limited. Taylor Collison will act as Joint lead manager to raise funds for the Note. The mandate is the culmination of extended negotiations to secure a suitable funding arrangement that addresses the current capital requirements of MXR’s subsidiary Eastern Goldfields Milling Services Limited (EGMS), pay out the total remaining agreed debt on the Burbanks gold processing plant to previous owner, WA based Ramelius Resources Ltd and for capital works to raise the tailings dam walls at the Burbanks Processing plant in the WA Goldfields.

A fee of 6% of the funds raised plus incentive shares to underpin current and future support of the Company is payable. The Note matures in 3 years, with 10% interest per annum payable in MXR shares, with the option to convert any unpaid portion to shares during the term.

The Company also intends undertaking a Rights Issue to shareholders post AGM to ensure Shareholders have the opportunity to participate in the capital raise.

The Company will seek shareholder approval for the Convertible Note transaction at the Annual General Meeting planned for 30 November 2018.

The Company is currently negotiating a significant Toll Milling Agreement (TMA) with an ASX listed gold producer focussed in the Eastern Goldfields region of Western Australia. The TMA includes the supply of 100,000 tonnes of ore, commencing in November 2018, to be processed through the

Burbanks gold processing plant. This volume of ore will enable continuous operation of Burbanks for more than 6 months at name-plate capacity. The TMA includes the option to extend the term for an additional 200,000 tonnes, equating to a further 12 – 13 months continuous operation of the mill at name-plate capacity.

The TMA once signed should ensure the continuous operation of the Burbanks processing plant which will underpin future revenue for the next 6 – 18 months. Existing 3rd party Toll Milling Agreements will extend this period of continuous operations.

The Company's shares remain in suspension awaiting a review of responses to enquiries made by the ASX following submission of the company accounts on Friday 5th October. We anticipate the suspension of trading in the Company shares will be lifted upon review of the Company's response.

Maximus appreciates the continued support of its shareholders as we work towards completing the refinancing of the Company and recommence Toll Milling operations at Burbanks to underpin future revenue.

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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