Maximus Resources Limited
ABN 74 111 977 354

Financial report
for the Half-Year ended 31 December 2018

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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
246 Angas Street
Adelaide
SA 5000

The financial statements were authorised for issue by the directors on 15 March 2019. 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 2018.

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:

Kevin John Malaxos (Managing Director)
Ewan John Vickery (Non-Executive Director) - resigned on 30 November 2018
Leigh Carol McClusky (Non-Executive Director)
Gerard Anderson (Non-Executive Director) – appointed 1 November 2018

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

The net result of operations of the Company for the half year was a loss of $1,311,236 (2017: $406,052 loss).

The net assets of the Company have decreased by $1,028,438 during the half year from $2,504,990 at 30 June 2018 to $1,476,552 at 31 December 2018.

The decrease in net assets is predominantly a function of;

- $500,000 Option fee payment for GBF option to acquire 50% of Burbanks mill included as a current liability. Upon completion of the 50% sale transaction, this amount will be reversed and appear as proceeds from Asset sales.
- The $250,000 pre-payment for Toll milling to commence in December 2018 for GBF included as a current liability. This amount will be offset by revenue received in January 2019 when the Toll campaign was completed.

WESTERN AUSTRALIA

BURBANKS MILL

Burbanks Mill was shut in late August 2018 and re-commenced milling on 21 December 2018.

The company announced in December 2018 that it had negotiated a Binding Term Sheet with private Mining Services Group, GBF Mining Pty Limited (GBF) for a 12-month lease of the Burbanks processing plant (Burbanks) with an option to purchase 50% equity in Eastern Goldfields Milling Services Pty Ltd (EGMS) for a transaction valued up to $3.2 Million. The mill Lease is planned to commence from March 2019 through to February 2020.

Should GBFexercise of the option to purchase 50% equity in EGMS, GBF will assume all outstanding MXR liabilities to Ramelius Resources Ltd for the original acquisition of Burbanks mill in 2016 plus pay an additional $1.5 million to MXR, less the option pre-payment of $500,000 which was received during December 2018.

Exercising the option to acquire 50% of Burbanks by GBF will result in MXR having no debt, a retained interest of50% of Burbanks mill, with an implied value of $3.2 million plus an estimated income stream through 2019/20 in excess of $1 million.

Operations at Burbanks Mill were suspended in late August 2018 due to limited ore supplies to toll treat and re-commenced processing third party ore on a Toll treatment basis in December 2018. An additional Toll Milling Agreement was signed with a privately owned mining company to process up to 20,000 tonnes of gold ore from January 2019, which should be completed prior inMarch 2019, when the GBF 12 month lease is planned to commence.

The Lease Option includes a further 12-month renewal option subject to agreement of both parties, or re-instatement of the existing Toll Agreement with GBF, extended to a life of mine term for the current project.

Post the 12 month GBF lease of Burbanks, should GBF exercise the option to acquire 50% of EGMS, both MXR and GBF will operate the mill as joint owners of EGMS, sharing both costs and profits, with EGMS determining what material is treated through the mill from March 2020 onwards.

SPARGOVILLE PROJECT – GOLD RESOURCE DEVELOPMENT

Maximus 90-100% (Larkinville 75%)

The Company continues to focus on converting the five Mineral Resource estimates to Reserve category, undertaking initial pit optimisation 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.

SPARGOVILLE PROJECT – GOLD EXPLORATION

Maximus 90%-100% (Larkinville 75%)

During the period, the review of potential blind, short strike length high grade Wattle Dam type gold deposits was completed. The review involved the analysis of several target areas that lie along the prospective Spargoville Shear and are located immediately north and south of the Wattle Dam goldmine. These targets were identified as they displayed similar geophysical characteristics to the Wattle Dam gold mine. Specifically these targets occur within flexures in the Spargoville Shear, and are associated with conductive sediments lying either above, or on the flanks of gravity lows.

CORPORATE

On 6 September 2018 the Company issued 304,095,000 fully paid ordinary shares to Sophisticated and Professional Investors under a placement to raise $304,095.

Following negotiations of the Binding Term sheet with GBF Mining to lease the Burbanks mill for 12 months with an option to acquire 50% equity, the company terminated the Convertible Note with Taylor Collison and Adelaide Equity Partners announced in September 2018. The board elected to pursue the lease / purchase option with GBF on the basis that it did not dilute shareholder equity in MXR, resulted in the company being debt free and secured a guaranteed income stream in 2019/20.

Trading in the securities of Maximus Resources Limited (‘MXR ’) resumed in December following the release of the announcement in relation to a binding term sheet signed for a 12 month lease of Burbanks Mill with GBF.

Following the approval of the consolidation of capital by shareholders at the Annual General Meeting in November, the consolidation process was completed in December. The consolidation metric of 1 new share for every 115 existing MXR shares, resulted in a reduction in total shares on issue from 3,481,396,940 shares to approximately 30,274,248 shares at a post consolidation.

Mr Ewan Vickery resigned as a Non-executive Director of MXR at the completion of the Company’s Annual General Meeting on 30th November 2018 after 14 years on the board.

Mr Gerard Anderson was appointed as a Non-executive Director of the company on 1 November 2018.

The Company continued to evaluate projects to for potential acquisition or Joint Venture during the term, with two projects advancing to detailed review. However, no agreements had been signed at the date of this report.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs from the 2018 financial year to the 2019 half year.

Events arising since the end of the reporting period

Ongoing discussions with Empire Resources Ltd relating to the Toll milling campaign in H2 2017, failed to resolve the dispute, and the parties agreed to the appointment of an independent arbitrator. An arbitrator has been agreed and the first preliminary meeting was held in March 2019.

There are no 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 2018 has been received and can be found on page 4.

Dated at Adelaide this 15th day of March 2019 and signed in accordance with a resolution of the Directors.

Kevin J Malaxos
Director

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Auditor's Independence Declaration

To the Directors of Maximus Resources Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Maximus Resources Limited for the half-year ended 31 December 2018. 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 review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 15 March 2019

	Note	Consolidated 31 December 2018	31 December 2017
		$	$
Revenue			
Gold Sales - Spargoville		2,100	6,597
Gold Sales - Burbanks		61,579	59,763
Silver Sales - Burbanks		3,554	-
Processing Sales - Burbanks		544,500	1,534,008
Gross Profit		611,733	1,600,368
Other income		8,884	1,001
Expenses			
Burbanks mill expenses		(1,400,889)	(1,755,014)
Marketing expenses		(1,944)	(2,901)
Administration expenses		(327,407)	(205,579)
Finance Costs		(40,257)	(31,408)
Impairment of exploration assets	5	(161,356)	(1,420)
Gain/(loss) on sale of shares		-	(11,099)
Profit/(Loss) before income tax		(1,311,236)	(406,052)
Income tax expense		-	-
(Loss) for the half-year		(1,311,236)	(406,052)
Other comprehensive income		-	-
Total comprehensive (loss) for the half-year		(1,311,236)	(406,052)
		Cents	Cents
Earnings per share from continuing operations attributable to ordinary equity holders of the parent entity			
Basic earnings per share		(4.331)	(4.025)*
Diluted earnings per share		(4.331)	(4.025)*

*adjusted for the share consolidation which occurred during 2018

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

	Notes	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents		161,481	28,823
Trade and other receivables		691	342,987
Inventories	2	620,735	18,368
Other current assets	3	87,396	146,865
Total current assets		870,303	537,043
Non-current assets			
Property, plant and equipment	4	3,573,279	3,997,596
Exploration and evaluation assets	5	2,558,008	2,622,942
Total non-current assets		6,131,287	6,620,538
Total Assets		7,001,590	7,157,581
LIABILITIES			
Current Liabilities			
Trade and other payables	7	2,212,683	1,892,756
Option payment received for the 50% sale of Eastern Goldfields Milling Service Pty Ltd		500,000	-
Financial Liabilities	8	1,809,763	1,806,899
Provisions	9	155,909	136,819
Total current liabilities		4,678,355	3,836,474
Non-current liabilities			
Provisions	10	846,683	816,117
Total non-current liabilities		846,683	816,117
Total Liabilities		5,525,038	4,652,592
Net Assets		**1,476,552**	**2,504,990**
EQUITY			
Contributed equity	11	40,608,107	40,325,309
Retained losses		(39,131,555)	(37,820,319)
Total Equity		**1,476,552**	**2,504,990**

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

Consolidated	Contributed Equity $	Retained Losses $	Total Equity $
Balance at 1 July 2018	40,325,309	(37,820,319)	2,504,990
(Loss) for the period	-	(1,311,236)	(1,311,236)
Other Comprehensive Income	-	-	-
Transactions with owners in their capacity as owners			
Shares issued during the period	282,798	-	282,798
	282,798	-	282,798
Balance at 31 December 2018	40,608,107	(39,131,555)	1,476,552

Consolidated	Contributed Equity $	Retained Losses $	Total Equity $
Balance at 1 July 2017	39,988,897	(36,409,475)	3,579,422
(Loss) for the period	-	(406,052)	(406,052)
Other Comprehensive Income	-	-	-
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

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

	Consolidated	
	31 December 2018	**31 December 2017**
	$	**$**
Cash flows from operating activities		
Receipts from customers	1,036,123	1,394,753
Interest received	639	1,001
Payments to suppliers and employees	(1,537,038)	(1,411,798)
Interest expense	(2,302)	(1,469)
Net cash (outflows)/inflows from operating activities	(502,578)	(17,513)
Cash flows from investing activities		
Proceeds received from the option to sell 50% of Eastern Goldfields Millings Services Pty Ltd	500,000	-
Payments for property, plant and equipment	(123,440)	(130,869)
Payments for exploration and evaluation	(25,767)	(184,463)
Proceeds from sale of property, plant and equipment	1,650	68,901
Net cash inflows/(outflows) from investing activities	352,433	(246,431)
Cash flows from financing activities		
Proceeds from issue of shares and other equity securities	304,095	200,000
Transactions costs associated with equity issues	(21,297)	(2,363)
Proceeds from director and related party loans	-	90,000
Net cash inflows/(outflows) from financing activities	282,798	287,637
Net increase in cash and cash equivalents	132,658	23,693
Cash and cash equivalents at the beginning of the half year	28,823	229,813
Cash and cash equivalents at the end of the half year	161,481	253,506

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 2018 comprises the Company and its subsidiaries (together referred to as the “consolidated entity”).

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2018 is available upon request from the Company’s registered office at 246 Angas 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 2018 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 2018.

The interim financial statements have been approved and authorised for issue by the Board on 15 March 2019.

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.

Significant accounting policies
The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Company’s last annual financial statements for the year ended 30 June 2018, except as described below. Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the Company’s last annual financial statements for the year ended 30 June 2018 are the relevant policies for the purposes of comparatives.

AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* (2014) became effective for periods beginning on or after 1 January 2018. Accordingly, the Company applied AASB 15 and AASB 9 for the first time to the interim period ended 31 December 2018. Changes to the Company’s accounting policies arising from these standards are summarised below:

Summary of significant accounting policies (continued)

New standards adopted as at 1 July 2018

AASB 15 *Revenue from Contracts with Customers*
AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts and several revenue-related Interpretations*. The new Standard has been applied as at 1 July 2018. The Company primarily generates revenue from milling services. Revenue from milling services is recognised upon the completion of toll milling campaign.

AASB 9 *Financial Instruments*
AASB 9 *Financial Instruments* replaces AASB 139's *'Financial Instruments: Recognition and Measurement'* requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The Company has adopted AASB 9 as at 1 July 2018, and the group's management has assessed the classification and measurement of the Company's financial assets and no change has been required.

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Financial assets are classified according to their business model and the characteristics of their contractual cash flows.

Subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses. Currently the Company only holds financial assets at amortised cost.

Financial assets at amortised cost
Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Company's trade and most other receivables fall into this category of financial instruments.

Summary of significant accounting policies (continued)

AASB 9 *Financial Instruments*

Impairment of financial assets

AASB 9's new forward looking impairment model applies to Company's investments at amortised cost and debt instruments at FVTOCI. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements 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 of economic data, obtained both externally and within the Company.

Key estimates – 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.

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Key judgements - exploration and evaluation expenditure

The entity capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

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 are reliant on completion of the sale of a 50% interest of Eastern Goldfields Milling Services Pty Ltd and and/or a capital raising. .

The Company incurred a loss of $1,3411,236 (2017: $406,052) with operating and investing cash outflows of $150,140. 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 completion of the sale of the 50% interest of Eastern Goldfields Milling Services Pty Ltd, obtaining additional capital and/or generating positive cashflows from operations, in particular operations at the Burbanks Processing Facility. If the sales does not proceed and/or 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 Inventory

	Consolidated	
	31 December 2018	30 June 2018
Consumable stores	18,368	18,368
Gold in circuit	597 557	-
Gold Bullion	4 830	-
	620,735	18,368

3 Current Assets – Other current assets

	Consolidated	
	31 December 2018	30 June 2018
Prepayments	87,396	18,615
Accrued revenue	-	128,250
	87,396	146,865

4 Property, plant and equipment

Consolidated	Other plant and equipment $	Burbanks plant & equipment $	Burbanks Office equipment & furniture $	Total $
At 30 June 2018				
Cost or fair value	22,222	4,200,364	24,356	4,246,942
Accumulated depreciation	(21,121)	(225,379)	(2,846)	(249,346)
Net book amount	1,101	3,974,985	21,510	3,997,596
Period ended 31 December 2018				
Opening net book amount	1,101	3,974,985	21,510	3,997,596
Spare parts previously recognised as plant consumed	-	(297,223)	-	(297,223)
Depreciation charge	(501)	(125,126)	(1,467)	(127,094)
Closing net book amount	**600**	**3,552,636**	**20,043**	**3,573,279**
At 31 December 2018				
Cost or fair value	22,222	3,903,140	24,356	3,949,718
Accumulated depreciation	(21,622)	(350,504)	(4,313)	(376,439)
Net book amount	**600**	**3,552,636**	**20,043**	**3,573,279**

Consolidated	Other plant and equipment $	Burbanks plant & equipment $	Burbanks Office equipment & furniture $	Total $
Year ended 30 June 2018				
Opening net book amount	2,742	3,815,333	16,231	3,834,306
Assets purchased	-	349,227	6,920	356,147
Depreciation charge	(1,641)	(189,575)	(1,641)	(192,857)
Closing net book amount	1,101	3,974,985	21,510	3,997,596
At 30 June 2018				
Cost or fair value	22,222	4,200,364	24,356	4,246,942
Accumulated depreciation	(21,121)	(225,379)	(2,846)	(249,346)
Net book amount	1,101	3,974,985	21,510	3,997,596

5 Non-current assets – Exploration and evaluation assets

	Consolidated	
	31 December 2018 $	30 June 2018 $
Exploration and evaluation		
Movement:		
Opening balance	2,622,942	2,467,297
Expenditure incurred	96,422	356,160
Sale of Lithium rights	-	(200,000)
Impairment of capitalised expenditure	(161,356)	(515)
Closing balance	2,558,008	2,622,942
Closing balance comprises:		
Exploration and evaluation - 100% owned	2,558,008	2,622,942
Exploration and evaluation phases - joint ventures	-	-
	2,558,008	2,622,942

6 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 2018	**Exploration $**	**Burbanks Mill $**	**Other $**	**Total $**
Segment revenue	2,100	609,633	-	611,733
Adjusted EBITDA	2,100	(994,164)	1,296	(990,768)
Segment assets for the period ending 31 December 2018	2,558,008	4,345,992	-	6,904,000
Segment asset movements for the period				
Capital expenditure	97,718	(165,351)	(1,296)	68,929
Impairment	(162,652)	-	1,296	(161,356)
Total movement for the year	(64,934)	(165,351)	-	(230,285)
Total segment assets				6,904,000
Unallocated assets				97,590
Total assets				7,001,590

6 Segment information (continued)

(a) Business segments

Period ending 30 June 2018	Exploration $	Burbanks Mill $	Other $	Total $
Segment revenue	6,597	3,717,522	-	3,724,119
Adjusted EBITDA	6,597	(1,216,803)	(515)	(1,210,721)
Segment assets for the period ending 30 June 2018	3,622,942	4,511,343	-	7,134,285
Segment asset movements for the period				
Capital expenditure	355,646	339,456	515	695,617
Impairment	-	-	(515)	(515)
Total movement for the year	355,646	339,456	-	695,102
Total segment assets				7,134,285
Unallocated assets				23,295
Total assets				7,157,582

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

	31 December 2018 $	31 December 2017 $
Allocated:		
Adjusted EBITDA	(990,768)	(187,474)
Unallocated:		
Other income	8,884	1,001
Administration expense	(327,408)	(205,579)
Marketing expense	(1,944)	(2,901)
Gain on sale of available for sale financial assets	-	(11,099)
Profit before income tax from continuing operations	(1,311,236)	(406,052)

7 Current liabilities – Trade & other payables

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
Trade creditors	**1,207,044**	1,159,160
Prepaid revenue	**430,000**	205,000
Other payable	**575,639**	528,596
	2,212,683	1,892,756

8 Current liabilities – Financial liabilities

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
Loans from related parties	**97,150**	94,286
Other payable – Ramelius Resources Limited (Royalty)	**1,712,613**	1,712,613
	1,809,763	1,806,899

During the year ended 30 June 2018, Mandurang Pty Ltd, of which the late Mr Robert Kennedy was 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. Interest has been capitalised into the total loan payable.

During the year ended 30 June 2018, Mrs G 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. Interest has been capitalised into the total loan payable.

During the period ended 31 December 2018 the Company converted the remaining amounts payable to Ramelius Resources Limited to a royalty agreement that would be repaid at a rate of $3.00 per tonne of ore processed through the Burbanks Processing facility.

9 Current liabilities – Provisions

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
Provision – Employee benefits	**155,909**	136,819
	155,909	136,819

10 Non-current liabilities – Provisions

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
Long service leave	**1,045**	1,045
Rehabilitation provision	**845,638**	815,072
	846,683	816,117

The rehabilitation provision relates to the Burbanks Processing Facility.

11 Contributed equity

	Consolidated		Consolidated	
	31 December 2018 Shares	30 June 2018 Shares	**31 December 2018 $**	30 June 2018 $
(a) Share capital				
Ordinary shares				
Fully paid	**30,274,248**	3,177,301,940	**40,608,107**	40,325,309

The Company received approval of the consolidation of capital by shareholders at the 2018 Annual General Meeting. The approved consolidation metric is 1 new share for every 115 MXR shares. The consolidation was finalised on 20 December 2018.

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	$
1 July 2017	Opening 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
26 April 2018	Issue of Shares – placement	150,000,000	$0.001	150,000
	Less: Transaction costs arising on share issues			13,588
30 June 2018	**Balance**	**3,177,301,940**		**40,325,309**
6 September 2018	Issue of Shares – placement	304,095,000	$0.001	304,095
20 December 2018	Consolidation (1:115)	(3,451,122,692)		-
	Less: Transaction costs arising on share issues			21,297
31 December 2018	**Balance**	**30,274,248**		**40,608,107**

12 Contingencies

Contingent Liabilities

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

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.

The Flushing Meadows tenement package was sold to Orex Mining Pty Ltd (now Yandal Resources Ltd) in October 2010. Maximus is entitled to a gold royalty in respect of gold produced from any part of the tenement area of $40 per ounce on the first 50,000 ounces of gold generated, with the first $200,000 to be pre-paid upon commencement of gold production and $20 per ounce of gold produced in excess of 50,000 ounces and less than 150,000 ounces to a maximum of $4 million royalty revenue being received by Maximus.

Additionally, there is a 3% net smelter return for any gold by-products or co-products from the tenement area.

13 Events occurring after the reporting period

There are no 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 18 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 2018 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.

Kevin J Malaxos

Director

Adelaide 15 March 2019

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Independent Auditor's Review Report

To the Members of Maximus Resources Ltd

Report on the review of the half year financial report

Disclaimer of Conclusion

We have reviewed the accompanying half year financial report of Maximus Resources Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018 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.

We do not express a conclusion on the accompanying half year financial report of the Group. Because of the significance of the matter described in the *Basis for Disclaimer* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for a review conclusion on this half year financial report.

Basis for Disclaimer Conclusion

The half year financial report has been prepared on a going concern basis, however the directors have not been able to provide sufficient evidence to support their assessment of the consolidated entity's ability to pay their debts as and when they fall due. The director's assessment includes the requirement for exercise of the option relating to the sale of a 50% interest of Eastern Goldfields Milling Services Pty Ltd and a capital raising either through the issue of equity instruments and/or a debt facility.

The consolidated entity has reported a loss before tax of $1,311,236 for the half year ended 31 December 2018 and has a current asset deficiency of $3,808,052 as at that date.

We have been unable to obtain sufficient evidence as to whether the consolidated entity may be able to realise assets through sales or raise additional equity. As a result there is material uncertainty about the ability to continue as a going concern for a period of 12 months from the date of this report.

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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on conducting the review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Because of the matters described in the *Basis for Disclaimer of Conclusion* paragraph, however, we were not able to obtain sufficient appropriate evidence to provide a basis for a review conclusion.

Independence

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 15 March 2019