



ASX Announcement

30 July 2020

Commencement of Drilling at Spargoville

- **Drilling program has commenced at Spargoville**
 - **Initial drilling of the S5 and S13 exploration targets along strike from Wattle Dam gold mine**
 - **Drilling to also cover Eagle's Nest and Larkinvile subject to the Program of Works being approved.**
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Maximus Resources Limited (ASX:MXR) is pleased to announce that drilling has commenced at the Spargoville gold targets in the Eastern Goldfields region of Western Australia. Approximately 2,200m of RC (reverse circulation) drilling will be completed at the S5 and S13 targets.

"S" Series Gold Targets

The Spargoville Shear hosted the high-grade Wattle Dam Gold Mine and Maximus believes there is excellent potential for further "Wattle Dams" to be discovered.

During its life, the Wattle Dam Gold Mine was the highest-grade producing gold mine in Australia. It produced over 286,000oz of gold at an average grade of 10.1g/t gold. At today's gold price, it is estimated that the mine would have generated life of mine free cash of around AUD\$470 Million.

Despite the very high grades encountered during mining, the Wattle Dam Gold Mine started out as a small 14,000oz, low-grade 3.6g/t orebody. A trial parcel of 5,000t was processed through a third-party mill before the presence of large gold nuggets became evident.

As an exploration target, Wattle Dam Gold Mine was initially quite small, but included a high-grade core >50g/t of 20-30m in strike length, a width of 9m and a vertical extent of >300m. While extensive exploration was conducted along the entire tenement package, very limited exploration efforts were directed within a 1km radius of Wattle Dam Gold Mine itself.

Maximus has identified potential blind, short strike length high grade Wattle Dam-type gold deposits close to the historic high grade Wattle Dam Gold Mine. The S5 and S13 gold targets lie along the prospective Spargoville Shear and are located immediately north and south of the Wattle Dam Gold Mine (Figure 1). These targets have similar geophysical characteristics to Wattle Dam, occurring within flexures in the Spargoville Shear and associated with conductive sediments lying either above or on the flanks of gravity lows.

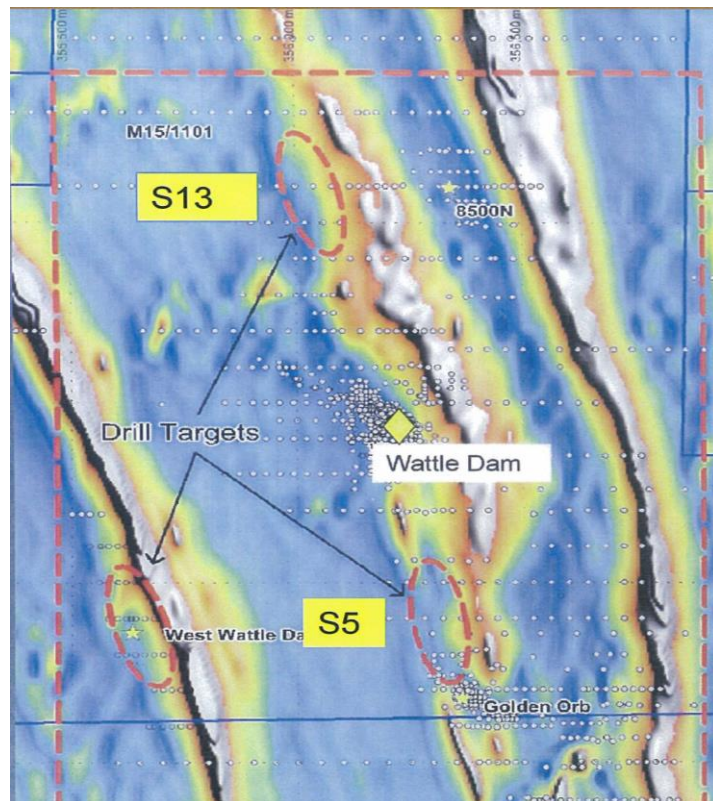


Figure 1: Wattle Dam high priority drill targets, background image is processed magnetics. The S13 and S5 targets referred to in this figure are located 700m north and 400m south respectively of the Wattle Dam gold mine

Surface soil and Lag sampling conducted by MXR at S13 returned an Arsenic (gold indicator/ pathfinder) anomaly in lag samples, while a strong gold-in soils-anomaly of >80 ppb occurs at the S5 target. (ASX announcement dated 16 October 2016 - Maximus confirms multiple significant new gold anomalies adjacent to Wattle Dam mine at Spargoville Gold Project in WA's Eastern Goldfields). The original soil anomaly that lead to the discovery of Wattle Dam gold mine was >100ppb by comparison.

The geochemical and geophysical vectors are further supported from the interpretation of a Sub Audio Magnetic (SAM) Survey conducted immediately to the north of the Wattle Dam Gold Mine. SAM geophysical surveys are ground based electrical surveys that measure two separate output responses: Total Magnetic Intensity (TMI) which measures the magnetic response of the underlying rocks, and Equivalent Magnetometric Resistivity (EQMMR) which measures the pseudo-magnetic response when electrified. SAM is a patented technique useful in locating shears associated with shear hosted gold deposits, detecting strong conductors, as well as detecting more subtle conductors associated with disseminated sulphides.

The S13 geochemical anomaly is coincident with a SAM target, adding confidence to the Maximus' plans to test the target. The S5 drilling will consist of nine RC drill holes drilled on two northing section lines at 40m drill spacings for an aggregate 720m of drilling. The S13 drilling will consist of 25 drill holes drilled on six 50m – 100m spaced northing section lines with holes spaced at 20m intervals for an aggregate 1,500m of drilling.

Eagle's Nest and Larkinville Drilling

The total JORC 2012 Mineral Resource Estimate for the Spargoville Project is currently 1,448,100 tonnes @ 2.41g/t for 112,280oz of contained gold (Table 1). (Source 2019 AGM Managing Director's Presentation 22 November 2019). The Resource estimates used a gold price of AUD\$1,600/oz.

Project	Tonnes	Au (g/t)	Ounces
Eagles Nest			
Main Lode	662,400	1.95	41,550
FW Zone	17,500	1.89	1,050
Larkinville	119,700	3.02	11,600
5B	75,300	3.07	7,700
Redback	441,200	3.02	42,900
Hilditch	132,000	1.77	7,480
Total	1,448,100	2.41	112,280

Table 1: Spargoville Project Mineral Resource inventory

With the burgeoning gold price, Maximus has re-commissioned pit optimisation studies of the Eagle's Nest and Larkinville Gold Resources using a range of gold prices from AUD\$2,500 to \$3,000/oz. The previous Eagle's Nest pit optimisation was run using a gold price of AUD\$1,700/oz. The Company anticipates that the increased gold price will result in larger and deeper pit designs and that drilling will be required to increase the confidence of the expected larger gold resource to achieve a JORC 2012 Indicated Resource. The drilling will be subject to receiving an approved Program of Works and will be undertaken either at the end of the S series drilling or in a separate drilling program soon after the S series drilling has been completed.

Maximus has a 100% interest in the Eagle's Nest gold resource which is located on Spargoville Shear ~7km south of Wattle Dam Gold Mine. The gold resource consists of a Main Lode and Footwall Lode that both dip steeply to the east steep. Mining will be via simple open pit with gold from surface.

The gold mineralisation at Eagle's Nest typically exhibits high nugget variance with free gold being reported in drill cuttings. Previous metallurgical test results have reported excellent gold recoveries exceeding 94%.

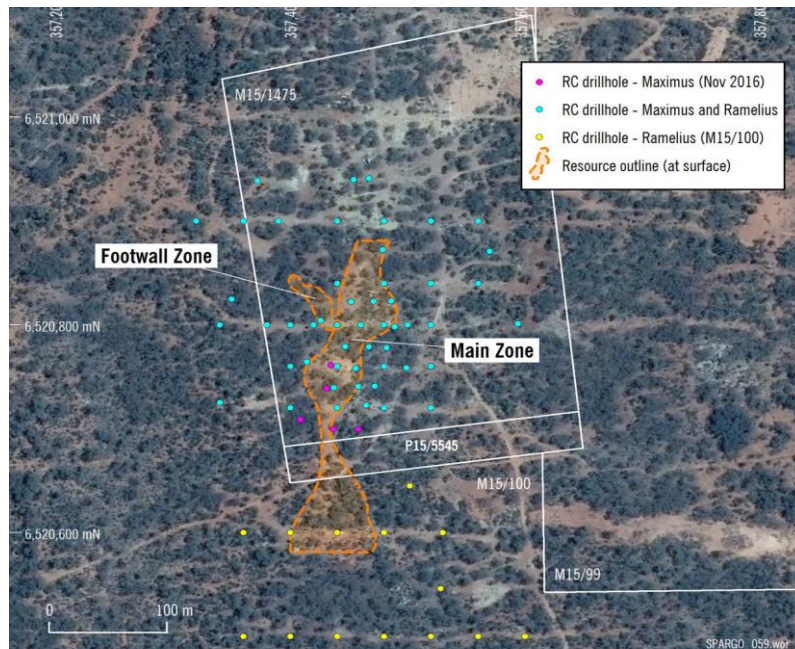


Figure 2: Eagle's Nest gold resource outline

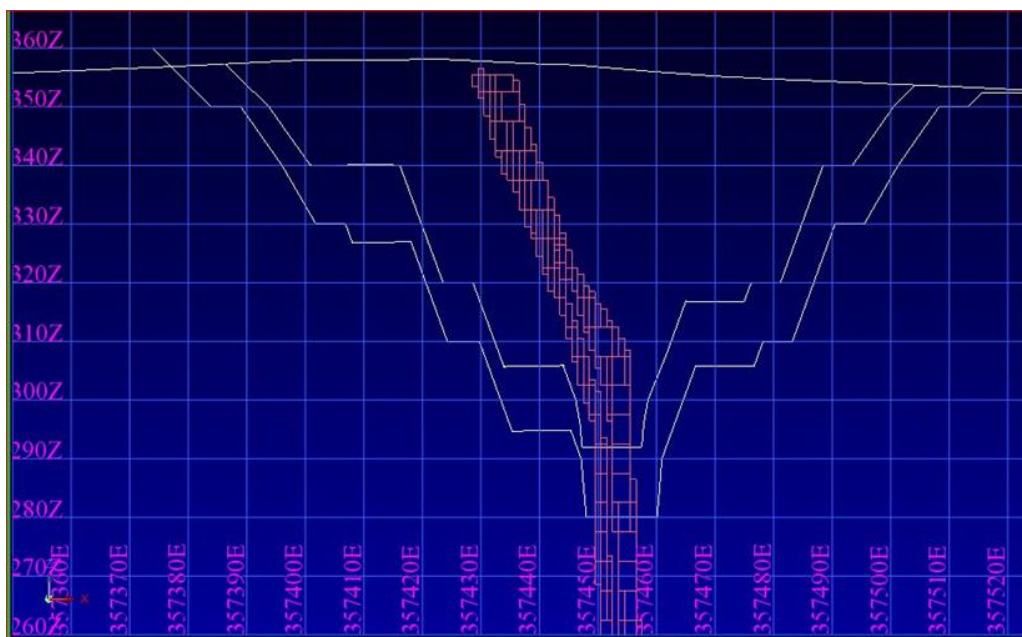


Figure 3: Eagle's Nest gold resource cross section 6520775

Larkinville is owned MXR 75% interest – Pioneer Minerals 25%. Larkinville is located on the Kunanalling Shear, approximately 5km south-west of the Wattle Dam Gold Mine and 4km from Eagle's Nest.

The current Mineral Resource is 119,700 tonnes @ 3.02 g/t for 11,600oz. The deposit is open to the north and at depth which is planned to be tested in the next round of exploration drilling. The last round of drilling included an intercept of 13m @ 5.0 g/t Au with samples containing abundant fine free gold. Historically the Larkinville area was a source of large gold nuggets.

As with Eagle's Nest, Larkinville exhibits excellent metallurgical recoveries of 97%.

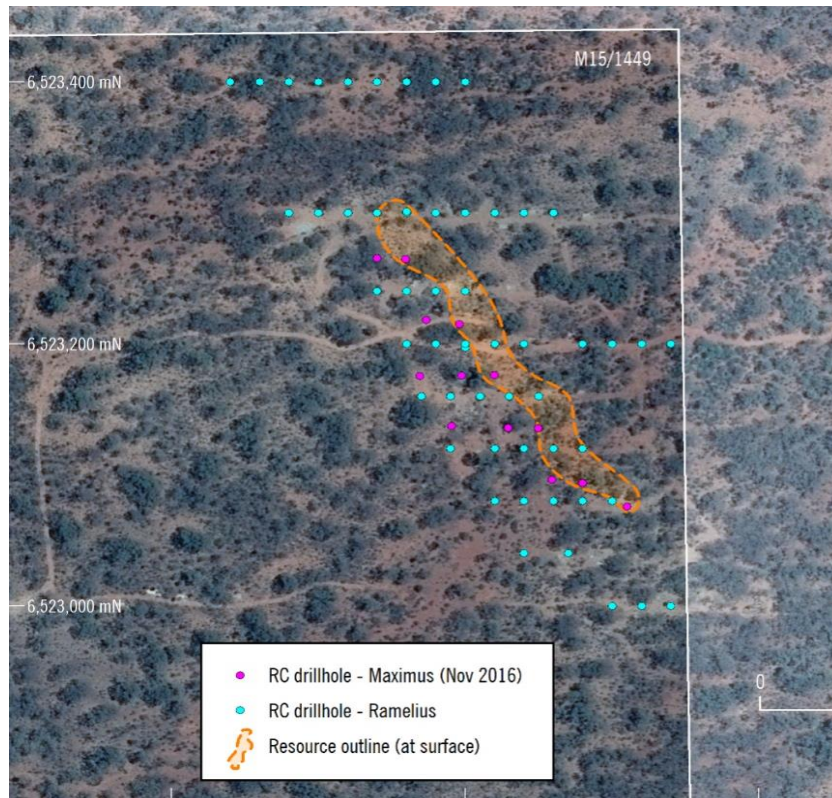


Figure 4: Larkinvile gold resource open to the north and at depth

This announcement was authorised for release by the Directors of Maximus Resources Ltd.

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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.

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Stephen Hogan who is a Member of the Australasian Institute of Mining and Metallurgy, and who 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 Person 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 Person.