MAXIMUS RESOURCES LIMITED

ANNUAL REPORT

2014

Maximus resources

CORPORATE DIRECTORY

Maximus Resources Limited ABN 74 111 977 354

DIRECTORS

Robert Michael Kennedy (Non-executive Chairman)
Kevin Malaxos (Managing Director)
Leigh Carol McClusky (Non-executive Director)
Ewan John Vickery (Non-executive Director)
Nicholas John Smart (Alternate for Mr Vickery)

COMPANY SECRETARY

Rajita Alwis

REGISTERED OFFICE

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Adelaide South Australia 5000

PRINCIPAL OFFICE

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Telephone +61 8 7324 3172
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SOLICITORS

DMAW Lawyers

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SHARE REGISTRY

Computershare Investor Services

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Adelaide South Australia 5000
Telephone +61 8 8236 2300
Facsimile +61 8 8236 2305

AUDITOR

Grant Thornton

67 Greenhill Road
Wayville South Australia 5034

BANKER

National Australia Bank

48 Greenhill Road
Wayville South Australia 5034

STOCK EXCHANGE LISTING

Australia Securities Exchange (Adelaide)

Maximus Resources Limited shares are listed on the Australian Securities Exchange

ASX code: MXR

WEBSITE

www.maximusresources.com

The website includes information about the Company, its strategies, projects, reports and ASX announcements.

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COMPLIANCE STATEMENTS

Disclaimer

This Annual Report contains forward looking statements that are subject to risk factors associated with the exploration and mining industry.

It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables which could cause actual results or trends to differ materially.

Exploration Targets

Exploration Targets are reported according to Clause 18 of the JORC Code, 2004. This means that the potential quantity and grade is conceptual in nature and that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Competent Person

The information in this report relating to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Steven Cooper who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Cooper is a consultant to Maximus Resources Limited. He has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and consents to the inclusion of the information in this report in the form and context in which it appears. Mr Cooper qualifies as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

CHAIRMAN'S LETTER

Dear Fellow Shareholders

As you are aware, the past year has been a difficult one for the resources sector, with falling commodity prices, escalating costs and tight capital markets; almost the perfect storm for the resources sector. However, your company was able to progress a number of opportunities throughout the year, without the requirement to raise capital and still achieve encouraging exploration outcomes particularly from our ongoing exploration program at the highly prospective Narndee project in Western Australia.

I reported to shareholders last year that until markets improve and we can raise additional capital our strategy is to seek joint venture parties or sell projects with a view to retaining some upside for the company. Your Managing Director continued to pursue this core objective throughout the year, achieving two significant transactions.

The first of these involved the sale of five (5) of the nine (9) tenements held by Maximus in the Adelaide Hills package here in South Australia, including the Bird in Hand project to Terramin Exploration Limited, a wholly owned subsidiary of Terramin Australia Limited. This transaction was completed in October 2013 and secured a cash payment of $1.5 million plus 25 million fully paid ordinary shares in Terramin Australia Ltd, plus two further contingent payments of $1 million each and a royalty on gold production. We continue to monitor the progress of Terramin as it addresses community and environmental issues on the Bird in Hand project.

The second transaction involves the 100% interest in the Millers Creek Project (formerly Billa Kalina project) located in the Woomera Prohibited Area (or WPA) in the highly prospective Gawler Craton region in South Australia. After the termination of the Farm-in Agreement with Tychean Resources Ltd (formerly ERO Mining Ltd) in May 2013, we pursued other parties with interest in IOCGU style mineralisation.

In November last year, we announced that agreement in principle had been reached with Monax Alliance Pty Ltd (a wholly owned subsidiary of Monax Mining Ltd) and a Memorandum of Understanding (or MoU) signed that provided Monax with a six month exclusive period to conduct Due Diligence on the four (4) Millers Creek tenements held by Maximus. During the exclusivity period, Monax retained the option to enter into a Farm-in Agreement with Maximus. The Farm-in Agreement entitled Monax Alliance to earn up to 80% interest in the Millers Creek project by investing US$3 million on exploration activities on the tenements within a three year period.

In May this year, Monax exercised its option to enter into a Farm-in Agreement with Maximus, and earn up to 80% interest in the Millers Creek tenements through investing US$3 million in exploration over the next three years. Preparation of the Farm-in Agreement is progressing and I hope to be in a position to confirm the details of the transaction during this years' Annual General Meeting for Shareholders.

During the Due Diligence period, Monax undertook a detailed review of historical information and identified several IOCGU style targets before committing to a ground gravity survey in May this year. The ground gravity survey confirmed that a minimum of six targets remain to be tested on the four tenements, with the highest priority target to be drill tested as soon as the Farm-in Agreement is signed and an open access window is available to the WPA.

The Farm-in Agreement with Monax provides some certainty around the exploration expenditure commitments for the Millers Creek project for the next three years, provided we have continued exploration success, whilst retaining significant upside to Maximus shareholders as the project develops.

We continue to explore on our Narndee tenements in Western Australia, with recent drill programs targeting predominantly base metals including copper, lead and zinc in the southern tenement E59/908 located approximately 100 km south, south east of Mt Magnet and gold targets on the northern tenements east of Mt Magnet.

Results from our first two drilling programs on Narndee in 2012 and 2013 identified massive sulphide mineralisation with assays of high grade zinc and copper. An extensive soil sampling program was undertaken followed-up by an Induced Polarisation survey in January this year to identify targets for the proposed third drill program recently completed in August of this year.

Once again, the drilling intersected high massive sulphide results in several holes, along with further high grade zinc and copper intersections. In addition, significant widths of mineralisation were intersected including 10 metres of continuous anomalous copper in one hole, including anomalous zinc and lead assays.

Ongoing success with our exploration at Narndee reaffirms our views that we are on the cusp of a significant breakthrough on our tenements. With persistence and a little luck, which historically plays a part in any exploration program, we will continue to build on the significant results to-date at Narndee and eventually our persistence should pay off with a significant discovery.

Further on-ground exploration is planned in the coming months followed by a step-out RC drill program to track the extent of the sub-horizontal mineralised zones identified to-date

There remains a broad choice of gold and base metal targets across the Narndee tenement holding which we plan to explore progressively. We plan to continue to focus on this region with an Electro-magnetic (EM) survey planned later this year to identify additional drill targets, and then follow this up with the next phase of targeted RC drilling in early 2015.

Market conditions have remained extremely tight throughout 2013 and 2014 but through the process of rationalising the sizable tenement holding in both South Australia and Western Australia we have reduced the burden on the company to meet the significant tenement expenditure commitments. Further deterioration in market conditions will require us to continue to do so as we attempt to maintain a hold on the most prospective areas where we have invested significant exploration funds.

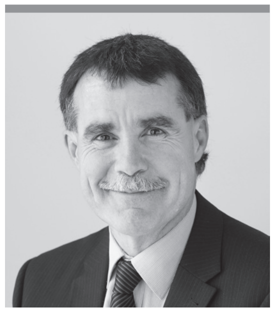
Your company continues to review opportunities that are presented to either secure a project or take an interest in worthwhile projects, but to-date none of those presented or reviewed warrant further action. We will continue to review other projects, particularly in the current environment, provided that they present a low risk production option for your company.

We continue to operate on minimal budget overheads in order to conserve our capital for exploration whilst meeting an acceptable standard for a listed company. Our Managing Director has worked diligently to progress our exploration within the capital constraints. I commend his report to you which will expand on our projects.

It remains for me to thank shareholders, my fellow Directors, staff and contractors for their assistance and support in what has been another difficult year. I look forward to further exploration success, both directly and also in collaboration with Joint Venture assets and your continued support for Maximus for the coming year.

Bob Kennedy
CHAIRMAN

MANAGING DIRECTOR'S REPORT



Review of operations

Continued progress throughout the 2013/2014 financial year was made by Maximus with two significant transactions achieved and ongoing exploration success on the Narndee poly-metallic tenements following the third Reverse Circulation (RC) drill program.

In July 2013, Maximus signed a Binding Agreement with Terramin Exploration Pty Limited (a wholly owned subsidiary of Terramin Australia Limited) (ASX:TZN) for the sale of five Adelaide Hills tenements, including the Bird in Hand project. The total transaction was valued at A$3,500,000, plus a 0.5% gross royalty on gold in excess of 50,000 Oz mined plus 25 million Terramin ordinary shares. The first payment of A$1.5 million plus the issue of 25 million TZN shares was completed in November 2013 following signing of the formal Sales Agreement and Ministerial approval for the transfer of tenements. Maximus retains four tenements in the Adelaide Hills region and continued with modest exploration on these tenements in 2014.

This transaction de-risked the company's Adelaide Hills holding by eliminating any exposure to environmental or regulatory compliance and approval issues, whilst retaining upside exposure to future production via the remaining two contingent milestone payments and the gold royalty.

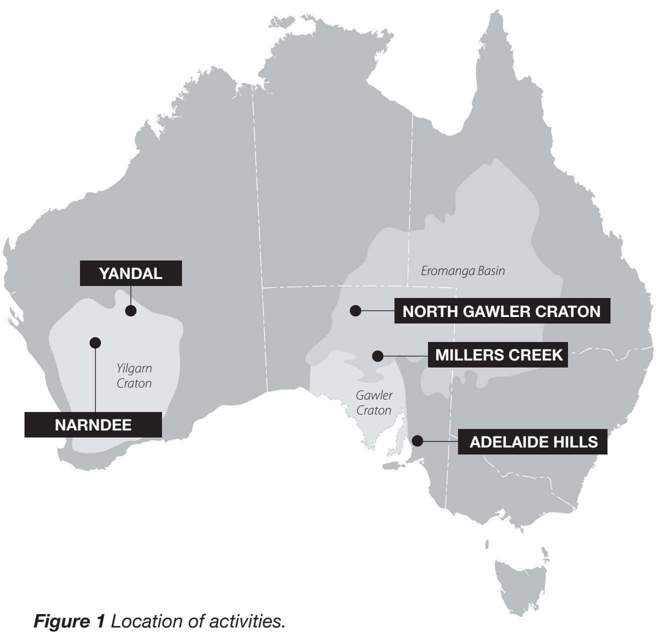


Figure 1 *Location of activities.*

The Narndee tenements located in the Murchison region in Western Australia remained as the company's primary exploration focus with a multi-electrode resistivity/Induced Polarisation survey undertaken in January 2014 followed by our third drilling campaign that commenced during June 2014, once approval was received from the Department of Mines & Petroleum (DMP).

The preliminary results from this third drilling campaign continue to provide significant confidence that the southern blocks of the Narndee tenement package have the potential to host a significant Volcanic Massive Sulphide (VMS) style Copper-Gold orebody similar to the nearby MinMetals' Golden Grove project. Assay results received post June 30 confirm the existence of at least two poly-metallic structures containing high grade copper with mineralised intersections up to 10 metres in-hole length and elevated lead and zinc intersections (see ASX announcement dated 1 September 2014).

During 2013, several tenements within the Narndee project holding were relinquished due to our inability to meet the required expenditure commitments over the exploration license term. Maximus retained the core of the tenements the subject of our recent exploration focus. Contact was established with the private group that subsequently secured the relinquished MXR tenements (G&M Resources Pty Ltd) with a view to documenting a Joint Venture agreement to progress exploration. Negotiation progressed throughout 2013/14 with MXR committing minor expenditure to the suite of JV tenements. In late 2014, G&M Resources determined that, due to the continuing deterioration in market conditions, it no longer wished to commit or contribute to ongoing JV exploration expenditures and that Maximus should acquire the tenements. Documentation including tenement transfer applications was prepared and submitted to the DMP in WA during September/ October.

The Millers Creek Project (formerly the Billa Kalina project) originally comprised of three tenements, is located northwest of Lake Torrens in the Eromanga Basin within the Woomera Prohibited Area (WPA) in central South Australia. The tenements previously formed part of a Farm-in Joint Venture Agreement with Tychean Resources Ltd (formerly ERO Mining Ltd) which was terminated in May 2013 after a ground gravity survey failed to identify a suitable anomaly over the Peeweena Dam target area.

Maximus subsequently secured the adjoining tenement to the west (EL 4898), and commenced negotiations with Monax Alliance Pty Ltd (a wholly owned subsidiary of Monax Mining Ltd) to establish a Farm-in Agreement and fund exploration activities across the four (4) tenements held by MXR. A Memorandum of Understanding (MoU) was agreed and signed with Monax Alliance in November 2013, granting a 6 month exclusive period to conduct non-invasive exploration work and technical reviews of the Millers Creek tenements. During the exclusivity period, Monax Alliance had the option to enter into a Farm-in Agreement with MXR, to earn 80% equity in the four (4) tenements by spending US$3 million over a 3 year term. Monax Alliance elected to enter into a Farm-in Agreement with MXR in May 2014, and preparation of the Farm-in Agreement documentation is progressing.

The Deed of Access (Exploration) allowing Maximus access to the Woomera Prohibited Area to conduct exploration activities on the Millers Creek tenements was also revised during the year and a Deed of Amendment issued by the Commonwealth.

Maximus continues to hold the view that the Billa Kalina tenements remains some of the most highly prospective, but under explored ground in South Australia.

Maximus secured two (2) exploration tenements located in the northern Gawler Craton (Nicholson Hill EL 5247 and Welbourn Hill EL 5248) east of Marla along the Oodnadatta track.

During an exploration program by the previous tenement holder in 2012, a gravity survey failed to produce a suitable IOCGU target of significant magnitude. However, the survey did generate targets that indicate the potential for copper targets.

The Welbourn Hill tenement hosts wide zones of anomalous copper which could extend down to the top of the basement rock, at approximately 450 metres vertical. The plan is to complete surface geophysics during H2, 2014 to test two identified targets.

The Marree tenement (EL 4913) situated along the margins of the Eromanga Basin in South Australia was not renewed in 2014 following a review of the exploration potential of this tenement, and no interest shown in a possible joint venture.

During August 2012, MXR finalised the sale of the Sellheim project in Queensland to a private consortium. All relevant tenement transfer documentation was completed, signed and submitted in August 2012. However, it has taken two years for the three EPMs forming part of the Sale Agreement to be transferred across to the new owners, due to a series of administrative oversights by the regulator. The three EPMs were finally transferred in May 2014, and MXR retains no interest or liability in the Sellheim tenement package.

In summary, 2013/2014 was a challenging but productive year for your company, with divestment of high risk assets and attracting a major international partner (through Monax Alliance) to fund exploration on the Millers Creek tenements. Securing Monax Alliance (which is funded by the large South American Explorer Antofagasta) as our Joint Venturer to continue exploring the Millers Creek project is an exciting prospect for your company. Farm-in documentation is progressing with both groups ensuring that the documentation accurately accommodates current and future outcomes, with anticipation high that all exploration preparatory work undertaken to-date should result in success at the project level.

Divesting the majority of the Adelaide Hills tenement package including the Bird in Hand project reduced the risk profile of Maximus whilst providing working capital required to continue exploring the company's other assets. Further exploration work on the Narndee tenements in Western Australia continued to produce encouraging results, including additional significant intersections of massive sulphide mineralisation, high grade copper and zinc intersections and anomalous Lead grades.

The plan for the year ahead is continued focus on progressing exploration activities on the highly prospective Narndee tenements in Western Australia, finalising the Farm-in Agreement with Monax Alliance and commencement of the proposed exploration activities on the Millers Creek tenements, initial review and preliminary exploration of the Welbourn Hill Project and continued review of other projects and opportunities as they arise.

In closing, I would like to once again thank all Maximus staff and contractors for their efforts and contributions throughout the year, and the Maximus shareholders for your ongoing support of the Board.

Kevin Malaxos
MANAGING DIRECTOR

TENEMENT SCHEDULE

For the year ended 30 June 2014

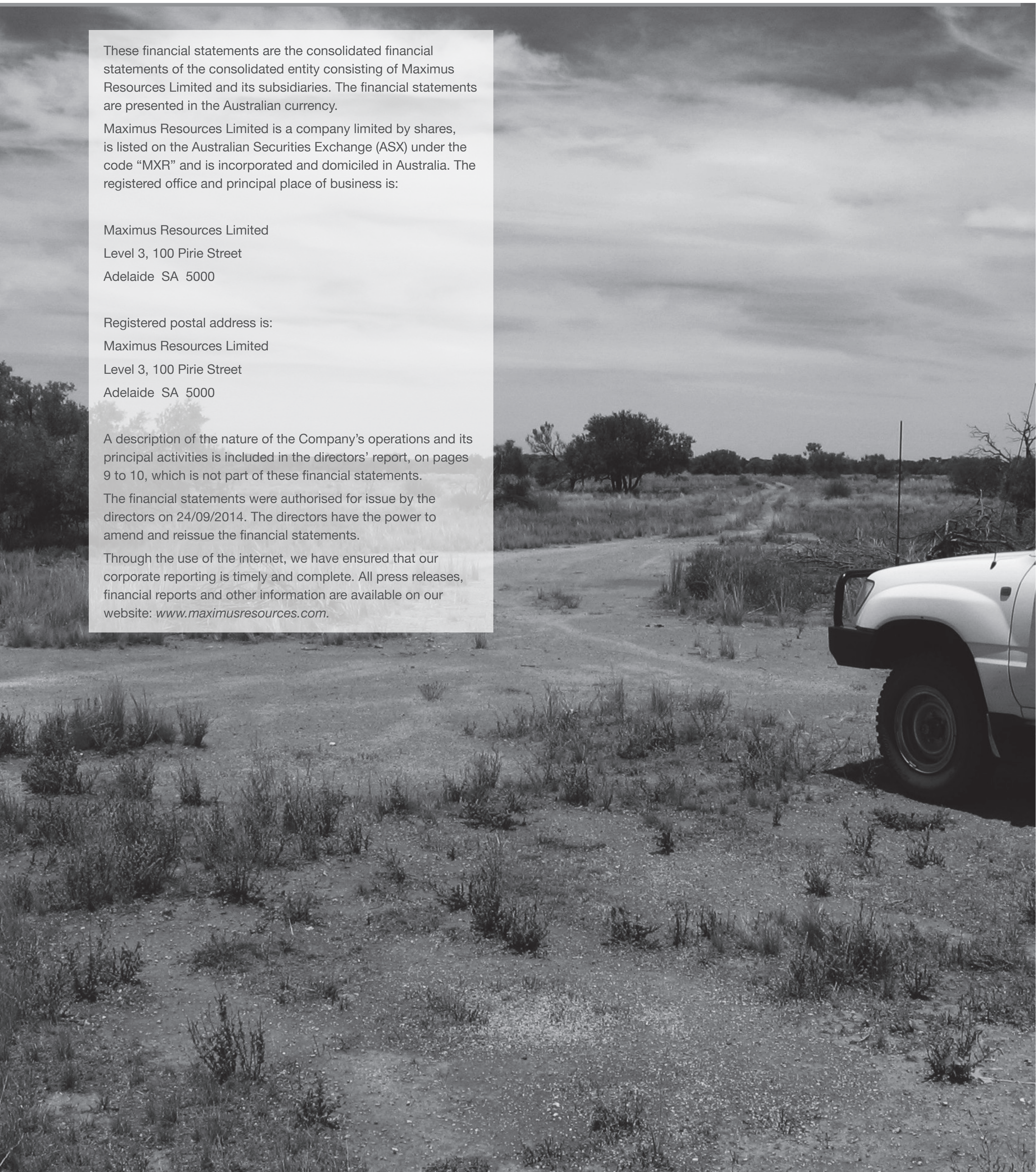
Tenement number	Tenement name	Registered holder/applicant	Maximus Resources interest
WESTERN AUSTRALIA			
NARNDEE PROJECT			
E58/356	Mount Ford	Maximus Resources Ltd	100%
E59/908	Narndee	Maximus Resources Ltd	100%
E59/1335	4 Corner Bore	Maximus Resources Ltd	100%
E58/444	Brailia South	Maximus Resources Ltd	100%
E59/1917	Boondanoo	Maximus Resources Ltd	100%
E59/1918	Boondanoo	Maximus Resources Ltd	100%
SOUTH AUSTRALIA			
ADELAIDE HILLS PROJECT			
EL 4641	Echunga	Maximus Resources Ltd	100%
EL 5351	Mount Monster	Maximus Resources Ltd	100%
EL 5354	Williamstown	Maximus Resources Ltd	100%
EL 5135	Mount Rufus	Maximus Resources Ltd	100%
MILLERS CREEK PROJECT			
EL 4463	Billa Kalina	Maximus Resources Ltd	100%
EL 4899	Bamboo Lagoon	Maximus Resources Ltd	100%
EL 4854	Millers Creek	Maximus Resources Ltd	100%
EL 4898	Paisley Creek	Maximus Resources Ltd	100%
NORTHERN GAWLER CRATON PROJECT			
EL 5247	Nicholson Hill	Maximus Resources Ltd	100%
EL 5248	Welbourn Hill	Maximus Resources Ltd	100%

FINANCIAL REPORT

For the year ended 30 June 2014

Maximus Resources Limited

ABN 74 111 977 354



These financial statements are the consolidated financial statements of 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, is listed on the Australian Securities Exchange (ASX) under the code "MXR" and is incorporated and domiciled in Australia. The registered office and principal place of business is:

Maximus Resources Limited
Level 3, 100 Pirie Street
Adelaide SA 5000

Registered postal address is:
Maximus Resources Limited
Level 3, 100 Pirie Street
Adelaide SA 5000

A description of the nature of the Company's operations and its principal activities is included in the directors' report, on pages 9 to 10, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 24/09/2014. 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 Maximus Resources Limited (referred to hereafter as the Company) at the end of, or during, the year ended 30 June 2014

DIRECTORS

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Robert Michael Kennedy (Non-executive chairman)

Kevin John Malaxos (Managing Director)

Leigh Carol McClusky (Non executive director)

Ewan John Vickery (Non executive director)

Nicholas John Smart (Alternate director for E J Vickery)

PRINCIPAL ACTIVITIES

During the year the principal activities of the Company consisted of natural resources exploration and development.

DIVIDENDS

There were no dividends declared or paid during the year (2013: Nil).

Operational and financial review

1. Operating results and financial position

The net result of operations of the Company for the financial year was a loss of $2,678,300 (2013: $13,080,046). This loss is significantly lower than the previous year due to an impairment charge of $12,029,940 being recorded for the 2013 year.

The net assets of the Company have decreased by $2,228,299 during the financial year from $6,291,376 at 30 June 2013 to $4,063,077 at 30 June 2014. The Bird in Hand project located in the Adelaide Hills was disposed of during the year. This disposal resulted in a loss of $2.15 million being recorded. The sale of the Bird in Hand project included two contingent payments totaling $2 million. The contingent receipts have not been included in the consideration for the sale proceeds of the project (*refer to note 21 Contingent Assets*).

2. Review of Operations

Narndee

The Narndee tenements in Western Australia continued as the primary exploration focus for the company with an Induced Polarisation (IP) survey completed in January 2014 to identify future drill targets. This survey was followed by our third Reverse Circulation (RC) drill program commencing in June this year and consisting of a 10 hole program to test those targets identified in the earlier IP survey. A ten hole program was planned to further test the mineralised sulphide intersections reported in the phase 1 and phase 2 drilling programs plus areas identified from the IP survey undertaken in January.

Preliminary visual logging results and hand held XRF results of drill chip samples confirm ongoing encouraging results with several holes recording significant copper grades and significant copper and zinc intervals. Assay results returned from the assay laboratory in Perth confirm those earlier preliminary results and contribute to our growing confidence that the area has the potential to host a significant volcanic massive sulphide (VMS) style copper-gold orebody, similar to neighbouring projects in the region, including the Golden Grove mine.

The next phase of exploration is to undertake a broad ground Electro-magnetic (EM) survey to identify additional drill targets followed by a step-out drilling program to test all identified targets.

Following the 3rd stage drill program on E59/908 in the southern region of the Narndee tenement block, a shallow 13 hole drill program was completed on E58/431 to commence testing for gold occurrences on the northern tenements within the Narndee tenement package.

Several tenements failed to amass the required expenditure commitments over the exploration license term and were relinquished during 2012/13. Maximus retained the core of the tenements the subject of our recent exploration focus. Contact was made with the private group that secured the tenements relinquished by Maximus, with a view of negotiating a Joint Venture Agreement. Negotiations commenced in early 2013. However with continued worsening market conditions, the private group determined that it did not intend contributing to the ongoing exploration of these tenements and recommended that Maximus purchase the tenements for a nominal cost per tenement. Transfer documents were prepared in August 2014 and forwarded to the Department of Mines and Petroleum for action.

Adelaide Hills

In July 2013, Maximus signed a Binding Agreement with Terramin Australia Limited for the sale of five of the Adelaide Hills tenements, including the Bird in Hand project. The total transaction was valued at $3,500,000, plus a 0.5% gross royalty on gold in excess of 50,000 Oz mined with a gold price above A$1,000/Oz plus 25 million Terramin fully paid ordinary (FPO) shares. The first payment of $1.5 million plus 25 million shares to Maximus was completed in November 2013 following signing of the formal Sales Agreement and receipt of Ministerial approval for the transfer of the tenements.

Two contingent payments remain outstanding and are dependent on Environmental approval to mine (PEPR) from the Department for State Development (DSD, formerly DMITRE) ($1 million) and the commencement of bullion production from the site ($1 million).

Maximus retains four tenements in the Adelaide Hills region and has completed minor exploration activities on these tenements during 2014.

Millers Creek (formerly Billa Kalina)

The Millers Creek project is located north west of Lake Torrens in the Eromanga Basin within the Woomera Prohibited Area (WPA) in central South Australia. The project originally comprises three tenements and formed part of a Farm-in Joint Venture Agreement with ERO Mining Ltd. This Farm-in JV was terminated in May 2013 with Maximus retaining 100% of the project. Maximus subsequently secured a fourth contiguous tenement (previously held by ERO Mining) to include in the Millers Creek tenement package.

Maximus retains all mineral rights on the tenement package.

Maximus commenced negotiating a new Farm-in and Joint Venture Agreement with Monax Alliance Pty Limited (a wholly owned subsidiary of Monax Mining Ltd) to continue exploration on the Millers Creek tenements which we believe remains some of the most highly prospective, but under explored ground in South Australia.

A binding Memorandum of Understanding was signed with Monax Alliance in November 2013 providing Monax Alliance a six month exclusive period to complete non-invasive exploration works on the four Millers Creek tenements prior to making a final decision to enter into a Farm-in Joint Venture Agreement. Monax Alliance notified Maximus in May 2014 of its intention to enter into a Farm-in Agreement with Maximus following completion of formal documentation. Negotiations remain ongoing, however it is anticipated that formal documentation should be signed in H1 2014/2015. Both parties have reviewed exploration work completed in the past 6 months and agreed on the initial exploration program on these tenements.

Marree

The Marree tenement (EL 4913) situated along the margins of the Eromanga Basin in South Australia was not renewed in 2014 following a review of the exploration potential of this tenement, and no interest shown in a possible joint venture.

Sellheim

The Sellheim project was sold to a private consortium for a total of $400,000 plus replacement of a $91,000 environmental bond. The transaction was finalised in August 2012. Notification was received from the Queensland Department of Natural Resources and Mines on 6th May 2014 notifying Maximus that the formal transfer of the three EPMs included in the 2012 transaction had been transferred to the new owner. Maximus now holds no interest or liability in relation to the Sellheim project.

Corporate

During the year an option holder exercised 27 unlisted options with an exercise price of $0.02. The exercise resulted in 27 ordinary shares being issued in February 2014.

Summary

2013/2014 has been a challenging but productive year for your company. Market conditions continued to deteriorate resulting in tightening of available capital in the market, making raising working capital difficult. Additional exploration on the Narndee tenements in Western Australia provided encouraging results, confirming significant intersections of massive sulphide mineralisation, high grade copper and zinc intersections and anomalous lead grades. Divestment of several Adelaide Hills tenements, including the Bird in Hand project reduced the risk exposure of the company to environmental approval requirements and conditions, whilst providing the required working capital to continue exploration activities on the company's other tenements. The signing of the binding MoU with Monax Alliance and the subsequent election by Monax to commit to a Farm-in Agreement once documentation is finalised and signed will facilitate renewed exploration activities to commence. We continue to believe that Millers Creek has the potential to be a significant stand-alone project for the company.

3. Significant changes in the state of affairs

There have been no significant changes in the state of affairs from the 2013 financial year to 2014.

4. Events arising since the end of the reporting period

There has been no transaction or event of a material and unusual nature that has arisen in the interval between the end of the financial year and the date of this report that is likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

5. Future business developments, prospects and business strategies

The year ahead will see a continued focus on progressing exploration activities on the prospective Narndee tenements in Western Australia, continued exploration on the proposed Millers Creek Farm-in Joint Venture Agreement and review of other projects and opportunities as they arise.

6. Environmental regulation

The Company's operations are subject to significant environmental regulation under both Commonwealth and relevant State legislation in relation to discharge of hazardous waste and materials arising from any exploration or mining activities and development conducted by the Company on any of its tenements. The Company believes it is not in breach of any environmental obligation.

INFORMATION ON DIRECTORS

Robert Michael Kennedy

ASAIT, Grad Dip (Systems Analysis), FCA, ACIS, Life Member AIM, FAICD.

Non executive Chairman.

Experience and expertise
Mr Kennedy has been non-executive chairman of Maximus Resources Limited since 2004. He is a Chartered Accountant and a consultant of Kennedy & Co Chartered Accountants, a firm he founded. Mr Kennedy brings to the Board his expertise and extensive experience as chairman and non-executive director of a range of listed public companies in the resources sector.

He conducts the review of the Board including the Managing Director in his executive role. Mr Kennedy leads the development of strategies for the development and future growth of the Company. Apart from his attendance at Board and Committee meetings, Mr Kennedy leads the Board's external engagement of the Company meeting with Government, Investors and is engaged with the media. He is a regular attendee of audit committee functions of the major accounting firms.

Independence
In assessing Mr Kennedy's independence, the Board (excluding Mr Kennedy), took into account his ability to think independently across a wide range of issues and his continuous availability. Whilst Mr Kennedy has been appointed to a number of Resource Industry Boards, due to his extensive knowledge of the industry, the time required across these companies in no way impedes on his dedication to his role as Chairman of the Board. Whilst Mr Kennedy holdings are slightly greater than five per cent the Board has determined that Mr Kennedy is an independent taking into other factors in determining independence such as his independence of mind and his conduct as a non-executive director.

Current and former directorships in the last 3 years
Mr Kennedy is a director of ASX listed companies Ramelius Resources Limited (since listing in March 2003), Flinders Mines Limited (since December 2001), Tychean Resources Limited (since March 2006), Monax Mining Limited (since August 2004), Marmota Energy Limited (since April 2006), Tellus Resources Limited (since December 2013) and formerly Beach Energy Limited (since 1991 until 2012), Somerton Energy Limited (from 2010 to 2012), Impress Energy Limited (from March 2011 to September 2012) and Adelaide Energy Limited (from 9 December 2011 to 21 September 2012).

Special responsibilities
Chairman of the Board.

Member of the Audit Committee.

Interests in shares and options
50,000,000 ordinary shares in Maximus Resources Limited.

18,000,000 unlisted options in Maximus Resources Limited

Kevin John Malaxos

BSc Mining Engineering.

Managing Director.

Experience and expertise
A director since 13 December 2010, Mr Malaxos has 28 years experience in the resources sector in senior management and executive roles across a suite of commodities including gold, nickel, iron ore, silver, lead, zinc and chromium. He has managed surface and underground mining operations and brings a wealth of experience in project evaluation and development, project approval and Government liaison.

Mr Malaxos' previous roles include CEO for Mt Gibson Mining (MGX) and COO of listed iron ore developer Centrex Metals Limited (CXM), where he was responsible for project development, project approvals and community and government consultation.

Other current directorships
Mr Malaxos is a non executive director of ASX listed company Flinders Mines Limited (since December 2010).

Special responsibilities
Managing Director.

Interests in shares, options and rights
20,000,000 ordinary shares in Maximus Resources Limited.

7,000,000 unlisted options in Maximus Resources Limited.

Leigh Carol McClusky

Non executive Director.

Experience and expertise
Appointed as a director on 1 September 2010, Ms McClusky is an experienced and respected media personality with a media career spanning almost 30 years in newspapers, radio and television across Australia.

Most recently Ms McClusky hosted a top rating current affairs program in South Australia for 13 years, until she left in 2008 to develop her boutique Public Relations consultancy, McClusky & Co Public Relations and Communications, which now services a wide variety of clients and is continuing to expand into a diverse range of portfolios.

Ms McClusky has amassed a huge range of experience across Sydney, Adelaide and Melbourne with Australian Associated Press, The Sun newspaper, the Weekly Times, ABC Television, and the Nine Network, presenting and hosting television and breakfast radio programs.

Other current directorships
Ms McClusky is currently a Board member of the Women's and Children's Hospital Foundation.

Interests in shares and options
2,456,668 ordinary shares in Maximus Resources Limited.

1,223,334 unlisted options in Maximus Resources Limited.

Ewan John Vickery

LLB

Non executive Director.

Experience and expertise
A director since incorporation 17 December 2004, Mr Vickery is a corporate and business lawyer with over 30 years experience in private practice in Adelaide. He has acted as an advisor to companies on a variety of corporate and business issues including capital and corporate restructuring, native title and land access issues, and as lead native title advisor and negotiator for numerous mining and petroleum companies.

He is a member of the Exploration Committee of the South Australian Chamber of Mines and Energy Inc, the International Bar Association Energy and Resources Law Section, the Australian Institute of Company Directors and is a past national president of Australian Mining and Petroleum Law Association (AMPLA Limited).

Other current directorships
Mr Vickery is a non executive director of Flinders Mines Limited (since 2001).

Mr Vickery is also a non executive director of Tychean Resources Limited (Appointed May 2013).

Former directorships in last 3 years
Mr Vickery was a non executive director of ASX listed company ERO Mining Limited from 2006 to 2011.

Special responsibilities
Chairman of the Audit Committee.

Interests in shares and options
16,070,001 ordinary shares in Maximus Resources Limited.

6,072,001 unlisted options in Maximus Resources Limited.

Nicholas John Smart

Alternate director for E J Vickery.

Experience and expertise
An alternate director since 9 May 2005, Mr Smart has held positions as a general manager in Australia and internationally. Previously a full Associate Member of the Sydney Futures Exchange and adviser with a national share broking firm, with over 25 years experience in the corporate arena including capital raising for private and listed companies. Other experience includes startup companies in technology development including commercialisation of the Synroc process for safe storage of high level nuclear waste, controlled temperature and atmosphere transport systems and the beneficiation of low rank coals. He is an alternate director for Maximus Resources Limited (since May 2005) and an alternate director for Flinders Mines Ltd (since 2009). Mr Smart currently consults to various public and private companies.

Interests in shares and options
Nil

Company Secretary

Rajita Shamani Alwis

LLB B.Com(Acc & Fin), CA.

Experience and expertise
Ms Alwis has been the Company Secretary since 30 June 2011 to the date of this report. Ms Alwis has more than 10 years' experience in public practice and commerce and has been a Company Secretary of numerous listed and proprietary companies. Ms Alwis is a Chartered Accountant and holds a degree of Bachelor of Commerce (Accounting and Finance) and a Bachelor of Laws.

Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended

30 June 2014, and the number of meetings attended by each director were:

	Full meetings of directors		Audit committee meetings	
	A	B	A	B
Robert Michael Kennedy	12	12	2	2
Kevin John Malaxos	12	12	-	-
Leigh Carol McClusky	11	12	-	-
Ewan John Vickery	12	12	2	2
Nicholas John Smart	-	-	-	-

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year

Indemnification and insurance of officers

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the *Corporations Act 2001*, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company is required to indemnify the directors and other officers of the Company against any liabilities incurred by the directors and officers that may arise from their position as directors and officers of the Company. No costs were incurred during the year pursuant to this indemnity.

Insurance premiums

Since the end of the previous year the Company has paid insurance premiums of $22,671 to insure the directors and officers in respect of directors' and officers' liability and legal expenses insurance contracts.

Proceedings on behalf of company

No person has applied to the Court under section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non audit services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

Fees for non audit services paid or payable to the external auditors, its related practices or non related audit firms during the year ended 30 June 2014 was $4,000 (2013: Nil).

Remuneration report – audited

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Service agreements

D Share based compensation

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A Principles used to determine the nature and amount of remuneration

The Company's policy for determining the nature and amounts of emoluments of board members and senior executive officers of the Company is as follows:

The Company's Constitution specifies that the total amount of remuneration of non executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non executive directors has been set at $300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors. The remuneration of the Managing Director is determined by the non executive directors on the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of other executive officers and employees is determined by the Managing Director subject to the approval of the Board.

Non executive director remuneration is by way of fees and statutory superannuation contributions. Non executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a junior listed mineral exploration entity and the current status of its activities. However the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Incentive Rights Plan approved by shareholders that enables the Board to offer eligible employees rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, rights to acquire ordinary fully paid shares at no cost may be offered to the Company's eligible employees as determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as a long term incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company.

The employment conditions of the Managing Director were formalised in a contract of employment. The base salary as set out in the employment contract is reviewed annually. The Managing Director's contract may be terminated at any time by mutual agreement and in instances of serious misconduct the Company may terminate his agreement without notice.

B Voting and comments made at the company's 2013 Annual General Meeting

Maximus Resources Limited received more than 80% of 'yes' votes on its remuneration report for the 2013 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

C Details of remuneration

This report details the nature and amount of remuneration for each key management person of the Company and for the executives receiving the highest remuneration.

The names and positions held by directors and key management personnel of the Company during the financial year are:

Mr R M Kennedy	Chairman, non-executive
Mr K J Malaxos	Managing Director
Ms L C McClusky	Director, non-executive
Mr E J Vickery	Director, non-executive
Mr N J Smart	Alternate director for E J Vickery, non-executive

REMUNERATION REPORT (AUDITED)

Key management personnel and other executives of the Company

2014

Name	Short term employee benefits Directors' fees $	Short term employee benefits Salary $	Short term employee benefits Bonus $	Post-employment benefits Superannuation $	Share based payments Options $	Share based payments Rights $	Total $
Robert Michael Kennedy	82,454	-	-	7,646	-	-	90,100
Kevin John Malaxos	-	251,662	45,767	27,571	-	-	325,000
Leigh Carol McClusky	54,500	-	-	-	-	-	54,500
Ewan John Vickery	49,875	-	-	4,625	-	-	54,500
Nicholas John Smart	-	-	-	-	-	-	-
Total key management personnel compensation	**186,829**	**251,662**	**45,767**	**39,842**	**-**	**-**	**524,100**

Key management personnel and other executives of the Company

2013

Name	Short term employee benefits Directors' fees $	Short term employee benefits Salary $	Short term employee benefits Bonus $	Post-employment benefits Superannuation $	Share based payments Options $	Share based payments Rights $	Total $
Robert Michael Kennedy	82,661	-	-	7,439	-	-	90,100
Kevin John Malaxos^	-	252,293	-	22,706	-	7,500	282,499
Leigh Carol McClusky*	54,500	-	-	-	-	-	54,500
Ewan John Vickery	50,000	-	-	4,500	-	-	54,500
Nicholas John Smart	-	-	-	-	-	-	-
Total key management personnel compensation	**187,161**	**252,293**	**-**	**34,645**	**-**	**7,500**	**481,599**

* *Director fees for Ms McClusky were paid to McClusky and Co Pty Ltd, a related entity of the director.*

^ *During the 2013 year selected executives were granted incentive rights which have a three year vesting period and performance conditions. In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the notional value of equity compensation granted or outstanding during the 2013 year. The fair value of equity instruments which do not vest during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the rights vest. The fair value of the rights as at the date of their grant has been determined in accordance with the Employee Incentive Rights Plan as set out in note 31.*

The relative proportions of remuneration that are fixed and those that are at risk are as follows:

2014

Name	Fixed remuneration 2014 %	Fixed remuneration 2013 %	At risk – STI* 2014 %	At risk – STI* 2013 %	At risk – LTI** 2014 %	At risk – LTI** 2013 %
Kevin John Malaxos	85	82	15	-	-	18

* *Short term incentives (STI) include cash incentive payments (bonuses) linked to company and/or individual performance.*

** *Long term incentives (LTI) include equity grants issued via the Company's Employee Share Option and Incentive Rights Plans. This plan is designed to provide long term incentives for executives to deliver long term shareholder returns.*

D Service agreements

The Board has negotiated a contract with Mr Malaxos with no fixed term at a salary of $275,000 per annum inclusive of superannuation guarantee contributions to be reviewed annually and with termination on three month's notice. Mr Malaxos was also granted a sign on bonus of the issue of 1,500,000 rights to acquire ordinary shares at no cost, expiring 14 December 2011 and 1,500,000 rights to acquire ordinary shares at no cost, expiring 14 December 2012. On 14 December 2011 and 14 December 2012 Mr Malaxos was granted on each date 1,500,000 ordinary shares as per the incentive rights. Whilst Messrs Kennedy and Vickery and Ms McClusky are engaged as directors without formal agreements, it is the intention for these directors to enter into formal agreements per the ASX Corporate Governance Principles and Recommendations Third Edition.

E Share based compensation

Incentive rights

The Company has an Employee Incentive Rights Plan approved by shareholders that enables the Board to offer eligible employees rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, rights to acquire ordinary fully paid shares at no cost may be offered to the Company's eligible employees as determined by the Board in accordance with the terms and conditions of the Plan.

Options granted as remuneration

Apart from the rights granted under the Company's Employee Incentive Rights Plan as detailed above, no other rights or options were granted to directors or key management personnel of the Company during the financial year.

Shares issued on exercise of remuneration options

No shares were issued to directors as a result of the exercise of remuneration options during the financial year.

Directors' interests in shares and options

i) *Option holdings*

The numbers of options over ordinary shares in the Company held during the financial year by each director of Maximus Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below.

2014

Name	Balance at start of the year	Issued as remuneration	Exercised (expired/ purchased)	Acquired during the year	Balance at end of the year	Vested and exercisable	Unvested
R M Kennedy	18,000,000	-	-	-	18,000,000	18,000,000	-
K J Malaxos	7,000,000	-	-	-	7,000,000	7,000,000	-
L C McClusky	1,223,334	-	-	-	1,223,334	1,223,334	-
E J Vickery	6,072,001	-	-	-	6,072,001	6,072,001	-
N J Smart	-	-	-	-	-	-	-

2013

Name	Balance at start of the year	Issued as remuneration	Exercised (expired/ purchased)	Acquired during the year	Balance at end of the year	Vested and exercisable	Unvested
R M Kennedy	-	-	-	18,000,000	18,000,000	18,000,000	-
K J Malaxos	-	-	-	7,000,000	7,000,000	7,000,000	-
L C McClusky	-	-	-	1,223,334	1,223,334	1,223,334	-
E J Vickery	-	-	-	6,072,001	6,072,001	6,072,001	-
N J Smart	-	-	-	-	-	-	-

REMUNERATION REPORT (AUDITED)

ii) Rights holdings

The numbers of rights to acquire ordinary shares in the Company held during the financial year by each director of Maximus Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below.

2014

Name	Balance at start of the year	Issued as remuneration	Exercised (expired/ purchased)	Acquired during the year	Balance at end of the year	Vested and exercisable	Unvested
K J Malaxos	-	-	-	-	-	-	-

2013

Name	Balance at start of the year	Issued as remuneration	Exercised (expired/ purchased)	Acquired during the year	Balance at end of the year	Vested and exercisable	Unvested
K J Malaxos	1,500,000	-	(1,500,000)	-	-	-	-

iii) Share holdings

The numbers of shares in the Company held during the financial year by each director of Maximus Resources Limited and other key management personnel of the Company, including their personally related parties, are set out below.

2014

Name	Balance at start of the year	Received as compensation	Exercise of options/rights	Acquired/ (disposed)	Balance at end of the year
R M Kennedy	50,000,000	-	-	-	50,000,000
KJ Malaxos	20,000,000	-	-	-	20,000,000
L C McClusky	2,456,668	-	-	-	2,456,668
E J Vickery	16,070,001	-	-	-	16,070,001
N J Smart	-	-	-	-	-

2013

Name	Balance at start of the year	Received as compensation	Exercise of options/rights	Acquired/ (disposed)	Balance at end of the year
R M Kennedy	32,000,000	-	-	18,000,000	50,000,000
KJ Malaxos	11,500,000	-	1,500,000	7,000,000	20,000,000
L C McClusky	1,233,334	-	-	1,223,334	2,456,668
E J Vickery	9,998,000	-	-	6,072,001	16,070,001
N J Smart	-	-	-	-	-

Shares under option

Unissued ordinary shares of Maximus Resources Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price	Number under option
26 April 2013	30 April 2015	$0.02	89,788,277
30 April 2013	30 April 2015	$0.02	6,296,334
			96,084,611

Auditors independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

This report is signed and dated in Adelaide on this 24th day of September 2014 and made in accordance with a resolution of the directors.

Robert M Kennedy
DIRECTOR

Grant Thornton

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67 Greenhill Rd
Wayville SA 5034

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MAXIMUS RESOURCES LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Maximus Resources Limited for the year ended 30 June 2014, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S J Gray
Partner – Audit & Assurance

Adelaide, 24 September 2014

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Maximus Resources Limited is committed to improving and achieving good standards of corporate governance and has established corporate government policies and procedures, where appropriate and practicable, consistent with the Corporate Governance Principles and Recommendations – 2nd Edition issued by the ASX Corporate Governance Council ("ASX Recommendations").

The following statement sets out a summary of the Company's corporate governance practices that were in place during the financial year and how those practices relate to the ASX Recommendations.

These recommendations are not intended to be prescriptions to be followed by all ASX listed companies, but rather guidelines designed to produce an effective quality and integrity outcome. The Corporate Governance Council has recognised that a "one size fits all" approach to Corporate Governance is not required. Instead, it states aspirations of good practice for optimising corporate performance and accountability in the interests of shareholders and the broader economy. A company may consider that a recommendation is inappropriate to its particular circumstances and has flexibility not to adopt it and explain why.

In ensuring a good standard of ethical behaviour and accountability, the Board has included in its corporate governance policies those matters contained in the ASX Recommendations where applicable. However, the Board also recognises that full adoption of the ASX Recommendations may not be practical nor provide the optimal result given the particular circumstances and structure of the Company. The Board is, nevertheless, committed to ensuring that appropriate Corporate Governance practices are in place for the proper direction and management of the Company. This statement outlines the main Corporate Governance practices of the Company disclosed under the ASX Recommendations, including those that comply with good practice and which unless otherwise disclosed, were in place during the whole of the financial year ended 30 June 2014.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 – Recommendation followed

The Board is governed by the *Corporations Act 2001*, ASX Listing Rules and a formal constitution adopted by the company in 2006. The constitution was amended in December 2011 following shareholder approval at the 2011 Annual General Meeting.

The role of the Board is to provide leadership and direction to management and to agree with management the aims, strategies and policies of the Company for the protection and enhancement of long term shareholder value.

The Board takes responsibility for the overall Corporate Governance of the Company including its strategic direction, management goal setting and monitoring, internal control, risk management and financial reporting.

The Board has an established framework for the management of the entity including a system of internal control, a business risk management process and appropriate ethical standards. In fulfilling its responsibilities, the Board is supported by an Audit Committee to deal with internal control, ethical standards and financial reporting.

The Board appoints a Managing Director responsible for the day to day management of the Company including management of financial, physical and human resources, development and implementation of risk management, internal control and regulatory compliance policies and procedures, recommending strategic direction and planning for the operations of the business and the provision of relevant information to the Board.

The Board has not adopted a formal statement of matters reserved to them or a formal board charter that details their functions and responsibilities nor a formal statement of the areas of authority delegated to senior executives.

Recommendation 1.2 – Recommendation followed

The Board takes responsibility for monitoring the composition of the Board and reviewing the performance and compensation of the Company's executive directors and senior management with the overall objective of motivating and appropriately rewarding performance.

The Board considers the Company's present circumstances and goals ensure maximum shareholder benefits from the attraction and retention of a high quality Board and senior management team. The Board on a regular basis reviews the performance of and remuneration for executive director's and senior management including any equity participation by such executive directors and senior management. The Board evaluates the performance of the Managing Director and Company Secretary on a regular basis and encourages continuing professional development.

Recommendation 1.3 – Recommendation followed

During the period the Board undertook an informal performance evaluation of the Managing Director, Company Secretary and senior management. The evaluation was in accordance with the Company's process for evaluation of senior executives.

Principle 2: Structure the board to add value

Recommendation 2.1 – Recommendation followed

The composition of the Board consists of four directors, three of whom, are independent directors.

The Audit Committee currently consists of two independent directors, Mr Vickery and Mr Kennedy.

Recommendation 2.2 – Recommendation not followed

The Chairman, Mr Kennedy is an independent director. Whilst Mr Kennedy is a substantial shareholder, his voting shares in the Company are only slightly over five per cent. The Board has determined that Mr Kennedy is an independent director by taking into account other factors in determining independence such as his independence of mind and his conduct as a non-executive director.

Recommendation 2.3 – Recommendation followed

The role of Chairman of the Board is separate from that of the Managing Director, who is responsible for the day to day management of the Company and is in compliance with the ASX Recommendation that these roles not be exercised by the same individual.

Recommendation 2.4 – Recommendation not followed

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a nomination committee in line with ASX Recommendation 2.4 and establishing a formal charter as recommended by ASX Recommendation 2.4 cannot be justified by the perceived benefits of doing so. As such, the whole Board currently carries out this function. It is anticipated that a formal charter will be developed in the future, as the Company develops further.

Recommendation 2.5 – Recommendation not followed

The Board recognises that as a result of the Company's size and the stage of the entity's life as a publicly listed junior exploration company, the assessment of the Board's overall performance and its own succession plan is conducted on an ad hoc basis. Whilst this is at variance with the ASX Recommendation 2.5, the directors consider that at the date of this report an appropriate and adequate process for the evaluation of directors is in place. A more formal process of Board assessment will be considered in the future as the Company develops.

Recommendation 2.6 – Recommendation followed

The names of the directors of the Company and terms in office at the date of this Statement together with their skills, experience, expertise and financial interests in the Company are set out in the Directors' Report section of this report.

The non-executive directors are considered to be independent.

The Company has no relationships with any of the independent directors which the Company believes would compromise the independence of these directors.

All directors are entitled to take such legal advice as they require at any time and from time to time on any matter concerning or in relation to their rights, duties and obligations as directors in relation to the affairs of the Company at the expense of the Company.

The Company's constitution specifies the number of directors must be at least three and at most ten. The Board may at any time appoint a director to fill a casual vacancy. Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter directors (other than the Managing Director) are subject to re-election at least every three years. The tenure for executive directors is linked to their holding of executive office.

As the board does not have a nominations Committee, the functions of this Committee in its absence are dealt with by the Board as a whole.

An assessment of the Board's overall performance and its own succession plan is conducted on an ad hoc basis and was done so during the year by the Chairman.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1 – Recommendation not followed

While the Company does not have a formal code of conduct, as the Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing and managing a formal code of conduct cannot be justified, the Company requires all its directors and employees to abide by good standards of behaviour, business ethics and in accordance with the law.

In discharging their duties, directors of the Company are required to:

- act in good faith and in the best interests of the Company;
- exercise care and diligence that a reasonable person in that role would exercise;
- exercise their powers in good faith for a proper purpose and in the best interests of the Company;
- not improperly use their position or information obtained through their position to gain a personal advantage or for the advantage of another person to the detriment of the Company;
- disclose material personal interests and avoid actual or potential conflicts of interests;
- keep themselves informed of relevant Company matters;
- keep confidential the business of all directors' meetings; and
- observe and support the Board's Corporate Governance practices and procedures.

Directors are also required to provide the Company with details of all securities registered in the director's name or an entity in which the director has a relevant interest within the meaning of section 9 of the *Corporations Act 2001* and details of all contracts, other than contracts to which the Company is a party to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in the Company and the nature of the director's interest under the contract.

Directors are required to disclose to the Board any material contract in which they may have an interest. In accordance with Section 195 of the *Corporations Act 2001*, a director having a material personal interest in any matter to be dealt with by the Board, will not be present when that matter is considered by the Board and will not vote on that matter.

Recommendation 3.2 – Recommendation not followed

While the company embraces the concept of diversity, there is no formal diversity policy as the Board believes that given the size of the Company and the stage of the entity's life, the cost of establishing and managing a formal diversity policy cannot be justified.

The Company recognises that each employee brings their own unique capabilities, experiences and characteristics to their work and that the Company values such diversity at all levels of the Company in all that it does. The Company believes in treating people with respect and dignity. The Company strives to create a supportive and understanding environment in which all individuals realise their maximum potential within the Company, regardless of their differences. The Company is committed to employing the best people to do the best job.

Recommendation 3.3 – Recommendation not followed

While the Company does not have a formal diversity policy, the Company has a strong commitment to gender diversity. Female participation is reflected in the organisation.

Gender diversity will be a strategic focus for the Company in the coming years, particularly with the introduction of recommendations on gender diversity by the ASX Corporate Governance Council.

Recommendation 3.4 – Recommendation followed

For the annual period ending 30 June 2014, the Company provides the following information in relation to employees:

- Percentage of women employees in whole organisation: 57.14%
- Percentage of women in senior executive positions: 0.00%
- Percentage of women on the board: 25.00%

Recommendation 3.5 – Recommendation followed

While the Company does not have a formal diversity policy, it is diverse along many dimensions. Diversity at the Company refers to all the characteristics that make individuals different from each other. It includes characteristics or factors such as religion, race, ethnicity, language, gender, sexual orientation, disability, age or any other area of potential difference. The Company believes that the wide array of perspectives that results from such diversity promotes innovation and business success.

Principle 4: Safeguard integrity in financial reporting

Recommendation 4.1 – Recommendation followed

The Company has established an Audit Committee to oversee corporate governance over internal controls, ethical standards, financial reporting, and external accounting and compliance procedures. Also, the Board as a whole addresses the governance aspects of the full scope of Maximus' activities to ensure that it adheres to appropriate ethical standards.

The main responsibilities of the Audit and Risk Committee include:

- reviewing, assessing and making recommendations to the Board on the annual and half year financial reports released to the market by the Company;
- overseeing establishment, maintenance and reviewing the effectiveness of the Company's internal control and ensuring efficacy and efficiency of operations, reliability of financial reporting and compliance with applicable Accounting Standards and ASX Listing Rules;
- liaising with and reviewing reports of the external auditor; and
- reviewing performance and independence of the external auditor and where necessary making recommendations for appointment and removal of the Company's auditor.

Recommendation 4.2 – Recommendation not followed

The Audit Committee consists of two non-executive Board directors, Messrs Vickery & Kennedy, and is chaired by Mr Vickery.

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing an audit committee with at least three members in line with ASX Recommendation 4.2 cannot be justified by the perceived benefits of doing so. The existing composition of the Audit Committee is such that review and authorisation of the integrity of the Company's financial reporting and the independence of the external auditor is via the exercise of independent and informed judgment.

Recommendation 4.3 – Recommendation followed

A formal Audit Committee Charter has been adopted, that details the functions and responsibilities of the Audit Committee.

Recommendation 4.4 – Recommendation followed

Mr Vickery is a qualified lawyer and member of the Institute of Company Directors. Mr Kennedy is a qualified Chartered Accountant. Details of the Audit Committee member's qualifications and attendance at meetings are set out in the Directors' Report section of this report.

The Committee meets at least twice per annum and reports to the Board. The Managing Director, CFO/ Company Secretary and external auditor may by invitation attend meetings at the discretion of the Committee.

Principles 5: Make timely and balanced disclosure

Recommendation 5.1 & 5.2 – Recommendations followed

The Company has adopted a continuous disclosure policy and operates under the continuous disclosure requirements of the ASX Listing Rules and ensures that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market in order that all investors have equal and timely access to material information concerning the Company. The information is made publicly available on the Company's website, following release to the ASX, *www.maximusresources.com/governance.html.*

Principle 6: Respect the rights of shareholders

Recommendation 6.1 & 6.2 – Recommendations not followed

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs.

In accordance with the ASX Recommendations, information is communicated to shareholders as follows:

- the annual financial report which includes relevant information about the operations of the Company during the year, changes in the state of affairs of the entity and details of future developments, in addition to the other disclosures required by the *Corporations Act 2001*;
- the half yearly financial report lodged with ASX and Australian Securities and Investments Commission (ASIC) and sent to all shareholders who request it;
- notifications relating to any proposed major changes in the Company which may impact on share ownership rights that are submitted to a vote of shareholders;
- notices of all meetings of shareholders;
- publicly released documents including full text of notices of meetings and explanatory material made available on the Company's website; and
- disclosure of the Company's Corporate Governance practices and communications strategy on the entity's website.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. The external auditor of the Company is also invited to the Annual General Meeting of shareholders and is available to answer any questions concerning the conduct, preparation and content of the auditor's report. Pursuant to section 249K of the *Corporations Act 2001* the external auditor is provided with a copy of the notice of meeting and related communications received by shareholders.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, the Board does not believe a formal policy for shareholder communication is required. However, a summary describing how the Company will communicate with its shareholders is posted on the Company's website, *www.maximusresources.com/governance.html.*

Principle 7: Recognise and manage risk

Recommendation 7.1, 7.2 & 7.4 – Recommendations not followed

The Board recognises that there are inherent risks associated with the Company's operations including mineral exploration and mining, environmental, title and native title, legal and other operational risks. The Board endeavours to mitigate such risks by continually reviewing the activities of the Company in order to identify key business and operational risks and ensuring that they are appropriately assessed and managed. No formal report in relation to the Company's management of its material business risk is presented to the Board.

Due to the size of the Company and the stage of life of the entity as a publicly listed junior exploration company, and the inherent risks associated with the industry it operates in, the Board does not believe formal policies for oversight and management of risk is required nor a mechanism for formal review be established. A summary describing how the Company manages risk by procedures established at Board and executive level can be found posted on the Company's website, *www.maximusresources.com/governance.html*.

Recommendation 7.3 – Recommendation followed

In accordance with ASX Recommendation 7.3 the Chief Executive Officer and Chief Financial Officer have provided assurances that the written declarations under s295A of the *Corporations Act 2001* are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. Both the Chief Executive Officer and Chief Financial Officer provided said assurances at the time the s295A declarations were provided to the Board.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 – Recommendation not followed

The Board believes that given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company that the cost of establishing a formal remuneration committee in line with ASX Recommendation 8.1 cannot be justified by the perceived benefits of doing so.

The Board takes responsibility for monitoring the composition of the Board and reviewing the compensation of the Company's executive directors and senior management with the overall objective of motivating and appropriately rewarding performance.

Recommendation 8.2 – Recommendation not followed

The Board does not have a separate remuneration committee given the size of the Company and the stage of the entity's life as a publicly listed junior exploration company.

Recommendation 8.3 – Recommendation followed

The Company's remuneration practices are set out as follows.

The Company's Constitution specifies that the total amount of remuneration of non-executive directors shall be fixed from time to time by a general meeting. The current maximum aggregate remuneration of non-executive directors has been set at $300,000 per annum. Directors may apportion any amount up to this maximum amount amongst the non-executive directors as they determine. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in performing their duties as directors.

Non-executive director remuneration is by way of fees and statutory superannuation contributions. Non-executive directors do not participate in schemes designed for remuneration of executives nor do they receive options or bonus payments and are not provided with retirement benefits other than salary sacrifice and statutory superannuation.

The remuneration of the Managing Director is determined by the Board as part of the terms and conditions of his employment which are subject to review from time to time. The remuneration of employees is determined by the Managing Director subject to the approval of the Board.

The Company's remuneration structure is based on a number of factors including the particular experience and performance of the individual in meeting key objectives of the Company. The Board is responsible for assessing relevant employment market conditions and achieving the overall, long term objective of maximising shareholder benefits, through the retention of high quality personnel.

The Company does not presently emphasise payment for results through the provision of cash bonus schemes or other incentive payments based on key performance indicators of the Company given the nature of the Company's business as a recently listed mineral exploration entity and the current status of its activities. However, the Board may approve the payment of cash bonuses from time to time in order to reward individual executive performance in achieving key objectives as considered appropriate by the Board.

The Company also has an Employee Incentive Rights Plan approved by shareholders that enables the Board to offer eligible employees rights to acquire ordinary fully paid shares in the Company. Under the terms of the Plan, rights to acquire ordinary fully paid shares at no cost may be offered to the Company's eligible employees as determined by the Board in accordance with the terms and conditions of the Plan. The objective of the Plan is to align the interests of employees and shareholders by providing employees of the Company with the opportunity to participate in the equity of the Company as a long term incentive to achieve greater success and profitability for the Company and to maximise the long term performance of the Company. The non-executive directors are not eligible to participate in the Plan.

The employment conditions of the Managing Director are formalised in a contract of employment. The Managing Director's contract may be terminated at any time by mutual agreement or without notice in serious instances of misconduct.

Further details of director's remuneration, superannuation and retirement payments are set out in the Remuneration Report section of the Directors' Report.

The Company's Corporate Governance Policies can be found at *www.maximusresources.com/governance.html.*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Notes	**Consolidated 30 June 2014 $**	Consolidated 30 June 2013 $
Other income	5	**22,222**	21,647
Administrative expenses	6	**(522,915)**	(642,802)
Marketing expenses	6	**(5,048)**	(4,582)
Exploration expenditure written off	6	**(20,304)**	(9,748,503)
(Loss) on sale of exploration assets		**(2,147,985)**	-
(Loss) on sale of development assets	13(b)	**-**	(384,512)
(Loss) on sale of assets		**(4,270)**	(8,723)
Impairment of financial assets	18(a)	**-**	(2,281,437)
(Loss) before income tax		**(2,678,300)**	(13,048,912)
Income tax expense	7	**-**	(607)
(Loss) from continued operations		**(2,678,300)**	(13,049,519)
Loss from discontinued operation	4	**-**	(30,527)
Loss for the year		**(2,678,300)**	(13,080,046)
Other comprehensive income			
Changes in the fair value of available for sale financial assets	18(a)	**450,000**	44,607
Other comprehensive income for the year (net of tax)		**450,000**	44,607
Total comprehensive loss for the year		**(2,228,300)**	(13,035,439)
(Loss) is attributable to:			
Maximus Resources Limited		**(2,678,300)**	(13,080,046)
Total comprehensive loss for the year is attributable to:			
Maximus Resources Limited		**(2,228,300)**	(13,035,439)

		Cents	Cents
Earnings per share for (loss) from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	29	**(0.31)**	(1.65)
Diluted earnings per share	29	**(0.31)**	(1.65)
Earnings per share for (loss) from continuing and discontinued operations attributable to the ordinary equity holders of the company:			
Basic earnings per share	29	**(0.31)**	(1.66)
Diluted earnings per share	29	**(0.31)**	(1.66)

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
ASSETS			
Current assets			
Cash and cash equivalents	*8*	**625,036**	265,845
Trade and other receivables	*9*	**5,005**	224
Available for sale assets		**1,083,821**	-
Other current assets	*10*	**9,601**	10,821
Total current assets		**1,723,463**	276,890
Non current assets			
Available for sale financial assets	*11*	**-**	133,821
Plant and equipment	*12*	**5,305**	10,921
Exploration and evaluation	*13(a)*	**2,437,811**	5,974,807
Total non current assets		**2,443,116**	6,119,549
Total assets		**4,166,579**	6,396,439
LIABILITIES			
Current liabilities			
Trade and other payables	*14*	**65,615**	83,572
Provisions	*15*	**22,592**	15,282
Total current liabilities		**88,207**	98,854
Non current liabilities			
Provisions	*16*	**15,295**	6,209
Total non current liabilities		**15,295**	6,209
Total liabilities		**103,502**	105,063
Net assets		**4,063,077**	6,291,376
EQUITY			
Contributed equity	*17*	**35,394,766**	35,394,765
Reserves	*19*	**405,393**	1,358,489
Retained losses	*18(b)*	**(31,737,082)**	(30,461,878)
Total equity		**4,063,077**	6,291,376

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

Consolidated	*Notes*	Contributed equity $	Reserves $	Retained losses $	Total equity $
Balance at 1 July 2013		**35,394,765**	**1,358,489**	**(30,461,878)**	**6,291,376**
Total comprehensive loss for the year:					
(Loss) for the year	*18*	-	-	(2,678,300)	(2,678,300)
Revaluation of financial assets	*18*	-	450,000	-	450,000
		-	**450,000**	**(2,678,300)**	**(852,204)**
Transactions with owners in their capacity as owners:					
Employee options lapsed		-	(1,403,096)	1,403,096	-
Contributions of equity	*17*	1	-	-	1
		1	**(1,403,096)**	**1,403,096**	**1**
Balance at 30 June 2014		**35,394,766**	**405,393**	**(31,737,082)**	**4,063,077**
Balance at 1 July 2012		**35,004,343**	**(878,341)**	**(17,381,832)**	**16,744,170**
Total comprehensive loss for the year:					
(Loss) for the year	*18*	-	-	(13,080,046)	(13,080,046)
Revaluation of financial assets	*18*	-	2,236,830	-	2,236,830
		-	**2,236,830**	**(13,080,046)**	**(10,843,216)**
Transactions with owners in their capacity as owners:					
Contributions of equity	*17*	384,338	-	-	384,338
Rights issued during the year	*17*	7,500	-	-	7,500
Transaction costs (net of tax)		(1,416)	-	-	(1,416)
		390,422	**-**	**-**	**390,422**
Balance at 30 June 2013		**35,394,765**	**1,358,489**	**(30,461,878)**	**6,291,376**

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Notes	**Consolidated 30 June 2014 $**	Consolidated 30 June 2013 $
Cash flows from operating activities			
Payments to suppliers and employees		**(531,218)**	(489,360)
Interest received		**22,222**	21,647
Net cash used in operating activities	*28*	**(508,996)**	(467,713)
Cash flows from investing activities			
Payments for plant and equipment		**(2,037)**	(8,723)
Proceeds from sale of tenements		**1,500,000**	-
Proceeds from sale of development assets		**-**	491,913
Payments for exploration and evaluation		**(629,777)**	(872,177)
Net cash provided by investing activities		**868,186**	(388,987)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**1**	384,338
Payments of issue costs		**-**	(2,023)
Net cash provided by financing activities		**1**	382,315
Net (decrease)/increase in cash and cash equivalents		**359,191**	(485,209)
Cash and cash equivalents at the beginning of the financial year		**265,845**	751,054
Cash and cash equivalents at the end of the financial year	*8*	**625,036**	265,845

This statement should be read in conjunction with the notes to the financial statements.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Maximus Resources Limited and its subsidiaries.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*. Maximus Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

i) Compliance with IFRS

The consolidated financial statements of the Maximus Resources Limited company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

ii) Historical cost convention

These financial statements have been prepared on an accrual basis, under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment.

iii) Critical accounting estimates

The directors evaluate estimates and judgments 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 and economic data, obtained both externally and within the Company.

b) Principles of consolidation

i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Maximus Resources Limited (''Company" or ''Parent Entity") as at 30 June 2013 and the results of all subsidiaries for the year then ended. Maximus Resources Limited and its subsidiaries together are referred to in this financial report as the 'Consolidated Entity' or the 'Group'.

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Company (refer to note 1).

The Company applies a policy of treating transactions with minority interests as transactions with parties external to the Company. Disposals to minority interests result in gains and losses for the Company that are recorded in the consolidated statements of financial performance. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Company companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position respectively.

Investments in subsidiaries are accounted for at cost in the separate financial statements of Maximus Resources Limited.

ii) Changes in ownership interests

The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Maximus Resources Limited.

When the Company ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

d) Revenue recognition

i) Sale of goods

Revenue from sale of goods includes sales of refined gold production and internet sales of gold nuggets. Recognition is at point of sale of the product, when the risks and rewards of ownership are transferred.

ii) Interest income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 12 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

i) Joint ventures

i) Jointly controlled assets

The Company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements. Details of the joint ventures are set out in note 27.

ii) Joint venture entities

The Company's interests in joint ventures are accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of a joint venture is recognised in the consolidated statement of profit or loss and other comprehensive income, and the share of movements in reserves is recognised in reserves in the statement of financial position. Details relating to the joint venture entities are set out in note 27.

j) Investments and other financial assets

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available for sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held to maturity investments are subsequently carried at amortised cost using the effective interest method.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the Company's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

If there is evidence of impairment for any of the Company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of profit or loss and other comprehensive income.

k) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets' carrying amount or recognised as separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for plant & equipment are from 12.5 to 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount note 1(f).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

m) Employee benefits

i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of each reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for annual leave. All other short term employee benefit obligations are presented as payables.

ii) Other long term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the reporting period in which the employees render the related service is recognised in non-current liabilities – provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii) Share based payments

Share based compensation benefits are provided to employees via the Maximus Resources Limited Employee Incentive Rights Plan and an employee share scheme. Information relating to these schemes is set out in note 31.

The cost of equity settled transactions is measured by the fair value at the date at which the equity instruments are granted. The fair value is determined using the Black Scholes or Binomial pricing model. The cost is recognised as an expense in the statement of comprehensive income with a corresponding increase in the share based payments reserve or issued capital when the options, rights or shares are issued.

n) Earnings per share (EPS)

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

o) Exploration and evaluation expenditure

Exploration and evaluation costs related to an area of interest are written off as incurred except they may be carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the end of each reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the asset relates.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 3: *Business Combinations*.

Exploration and evaluation expenditure incurred subsequent to the acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above.

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

p) Development properties

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure having a specific nexus with the development property.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated with the cost of development and classified under non-current assets as ''development properties".

A development property is reclassified as ''mine property" at the end of the commissioning phase, when the production reaches a previously determined capacity.

No amortisation is provided in respect of development properties until they are reclassified as ''mine properties".

Development properties are tested for impairment in accordance with the policy in note 1(f).

q) Mine properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the Company in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when it is probable that the additional future economic benefits associated with the expenditure will flow to the Company. Otherwise such expenditure is classified as part of the cost of production.

Mine properties are tested for impairment in accordance with the policy in note 1(f).

r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

s) Comparative figures

Comparative figures are adjusted to conform to Accounting Standards when required.

t) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the Company reacquires its own equity instruments, for example as the result of a share buy back or a share based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Maximus Resources Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Maximus Resources Limited

u) Key estimates

The preparation of the financial statements requires management to make estimates and judgements. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Exploration and evaluation

The Company's policy for exploration and evaluation is discussed in Note 1(o). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the statement of profit or loss and other comprehensive income.

Share based payments

The Group measures share based payments at fair value at the grant date using the Black Scholes or Binomial formula taking into account the terms and conditions upon which the instrument was granted, as discussed in note 31.

v) Standards, amendments and interpretations to existing standards

During the current year the Group adopted all of the new and revised Australia Accounting Standards and Interpretations applicable to its operations which became mandatory. Information on the new standards is presented below:

AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and AASB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AAS 131) and AASB Interpretation 113 Jointly Controlled Entities-Non-Monetary-Contributions by Venturers. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates). The amendments have had no impact on the Group.

AASB 13 Fair Value Measurements

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Group has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 Financial Instruments: Disclosures.

The Group has applied AASB 13 for the first time in the current year; see Notes 2(d).

Amendments to AASB 119 Employee Benefits

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within 12 months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the Group does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period, annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 Presentation of Financial Statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

New standards and interpretations not yet adopted.

The Group notes the following Accounting Standards which have been issued but are not yet effective at 30 June 2014. These standards have not been adopted early by the Group. The Group assessment of the impact of these new standards and interpretations is set out below:

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).
- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  - ¬ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) and;
  - ¬ The remaining change is presented in profit or loss.

There will be no impact on the Group accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements. Consequential amendments arising from AASB 9 are contained in AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First time Adopters, AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments and AASB 2014-1 Amendments to Australia Accounting Standards.

IFRS 15 Revenue from Contracts with Customers (effective date 1 January 2017)

IFRS 15:

- replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue-related Interpretations
- establishes a new control-based revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue

The entity has not yet assessed the full impact of this Standard.

Clarification of acceptable methods of depreciation & amortisation (amendments to IAS 16 and IAS 38)

The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to IAS 38 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e. a revenue-based amortisation method might be appropriate) only in two limited circumstances:

- the intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.

Accounting for acquisition of interests in joint operations (amendment to IAS 11)

The amendments to IFRS 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in IFRS 3 Business Combinations, should:

- apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except principles that conflict with the guidance of IFRS 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e. the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
- provide disclosures for business combinations as required by IFRS 3 and other IFRSs.

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.

2 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, the use of financial instruments and investment of excess liquidity.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to associated companies.

The Company holds the following financial instruments:

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Financial assets		
Cash and cash equivalents	**625,036**	265,845
Trade and other receivables	**5,005**	224
Available-for-sale financial assets	**1,083,821**	133,821
	1,713,863	399,890
Financial liabilities		
Trade and other payables	**65,615**	83,572
	65,615	83,572

a) Market risk

i) Foreign exchange risk

Foreign exchange risk is the risk that financial loss will be suffered due to adverse movements in exchange rates. The Company is not exposed to foreign exchange risk.

ii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from foreign exchange or interest rate risk). The Company is not exposed to any material price risk.

iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted interest rates on classes of financial assets and financial liabilities. Interest rate risk is managed by the Company with the use of rolling short-term deposits.

The Company has no long term financial liabilities upon which it pays interest.

As at the end of the reporting period, Maximus Resources Limited had the following variable rate cash and cash equivalent holdings:

	30 June 2014 Weighted average interest rate %	**30 June 2014 Balance $**	30 June 2013 Weighted average interest rate %	30 June 2013 Balance $
Cash and cash equivalents	**3.25%**	**625,036**	4.38%	265,845
Net exposure to cashflow interest rate		**625,036**		265,845

Interest rate sensitivity analysis

At 30 June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

		Interest rate risk			
		Increase 2%		Decrease 2%	
30 June 2014	Carrying amount $	Profit $	Equity $	Profit $	Equity $
Financial assets					
Cash and cash equivalents	625,036	444	444	(444)	(444)
Total increase/ (decrease)		444	444	(444)	(444)

		Interest rate risk			
		Increase 2%		Decrease 2%	
30 June 2013	Carrying amount $	Profit $	Equity $	Profit $	Equity $
Financial assets					
Cash and cash equivalents	265,845	433	433	(433)	(433)
Total increase/ (decrease)		433	433	(433)	(433)

b) Credit risk

Credit risk is the risk of default by borrowers and transactional counterparties as well as the loss of value of assets due to deterioration in credit quality. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk.

c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in settling its debts or otherwise meeting its obligations. The Company manages liquidity risk by monitoring cash flows and ensuring that adequate funds are available to meet cash demands. At the reporting date the Company held deposits at call of $35,000 (2013: $35,000) that are expected to readily generate cash inflows for managing liquidity risk.

d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7: *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2014 and 30 June 2013.

30 June 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Available-for-sale financial assets				
Terramin Australia Limited	**950,000**	-	-	**950,000**
Tychean Resources Limited	**133,821**	-	-	**133,821**
	1,083,821	-	-	**1,083,821**

30 June 2013	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Available-for-sale financial assets				
Tychean Resources Limited	133,821	-	-	133,821
	133,821	-	-	133,821

3 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. The Company is managed primarily on the basis of geographical area of interest, since the diversification of the Company operations inherently has 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 respect to the following:

- external regulatory requirements
- geographical and geological styles

The Billa Kalina project changed its name to Milles Creek during the year.

Mining

In 2013 other listed segmented assets for the Company include development costs and costs associated with the mining lease(Sellheim).

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 the Company.

b) Business segments

2014	Millers Creek $	Adelaide Hills Province $	Narndee $	Other $	Total $
Segment revenue	**-**	**-**	**-**	**-**	**-**
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	**-**	**(2,147,985)**	**(4,270)**	**(20,304)**	**(2,172,559)**
Loss on sale of exploration assets	-	(2,147,985)	-	-	(2,147,985)
Impairment	-	-	-	(20,304)	(20,304)
Segment assets	**165,964**	**50,826**	**2,214,649**	**6,372**	**2,437,811**
Segment asset movements for the year:					
Capital expenditure	71,729	198,811	334,078	26,675	631,293
Capital expenditure impaired	-	-	-	(20,304)	(20,304)
Disposals	-	(4,147,985)	-	-	(2,147,985)
Total movement for the year	**71,729**	**(3,949,174)**	**334,078**	**6,371**	**(1,536,996)**
Total segment assets					2,437,811
Unallocated assets					1,728,768
Total assets					**4,165,579**
Total segment liabilities	-	-	-	-	-
Unallocated liabilities					99,500
Total liabilities					**99,500**

2013	Millers Creek $	Adelaide Hills Province $	Narndee $	Other $	Total $
Segment revenue	-	-	-	-	-
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	**(404,448)**	**(4,266,577)**	**(4,659,854)**	**(3,092,296)**	**(12,423,175)**
Cost of goods sold from discontinued operation	-	-	-	(30,527)	(30,527)
Impairment	(404,448)	(4,266,577)	(4,659,854)	(417,624)	(9,748,503)
Segment assets	**94,235**	**4,000,000**	**1,880,571**	**94,236**	**5,974,807**
Segment asset movements for the year:					
Capital expenditure	125,147	119,132	458,636	17,535	720,450
Capital expenditure impaired	(404,448)	(4,266,577)	(4,659,854)	(417,624)	(9,748,503)
Total movement for the year	**(279,301)**	**(4,147,445)**	**(4,201,218)**	**(400,089)**	**(9,028,053)**
Total segment assets					5,974,807
Unallocated assets					421,632
Total assets					**6,396,439**
Total segment liabilities	-	-	-	-	-
Unallocated liabilities					105,063
Total liabilities					**105,063**

i) Adjusted EBITDA

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

	Consolidated 2014 $	Consolidated 30 June 2013 $
Allocated:		
Adjusted EBITDA	**(2,172,559)**	(12,423,175)
Unallocated:		
Interest revenue	**22,222**	21,647
Administrative expenses	**(522,915)**	(642,802)
Marketing expenses	**(5,048)**	(4,582)
Profit before income tax from continuing operations	**(2,678,300)**	(13,048,912)

ii) Segment assets

Reportable segments' assets are reconciled to total assets as follows:

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Allocated:		
Segment assets	**2,437,811**	5,974,807
Unallocated:		
Cash and cash equivalents	**625,036**	265,845
Trade and other receivables	**5,005**	224
Other assets	**9,601**	10,821
Available-for-sale financial assets	**1,083,821**	133,821
Plant and equipment	**5,305**	10,921
Total assets as per the consolidated statements of financial position	**4,166,579**	6,396,439

iii) Segment liabilities

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Allocated:		
Allocated segment liabilities from discontinued operations	**-**	-
Unallocated:		
Trade and other payables	**65,615**	83,572
Provisions	**37,887**	21,491
Total liabilities as per the consolidated statements of financial position	**103,502**	105,063

4 Loss from discontinued operation

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Cost of goods sold		
Cost of gold extraction (Sellheim)	**-**	(30,527)
Loss for the year	**-**	(30,527)

5 Other income

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Interest received	**22,222**	21,647
	22,222	21,647

6 Expenses

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Administration		
Compliance	**97,392**	130,853
Depreciation	**1,867**	32,474
Administration costs	**147,575**	171,957
Employment costs	**275,856**	253,830
Legal fees	**225**	3,688
Other	**-**	50,000
	522,915	642,802
Marketing		
Marketing and promotion	**5,048**	4,582
	5,048	4,582
Exploration expenses		
General exploration expenditure written off	**20,304**	12,967
Capitalised exploration expenditure impaired	**-**	9,735,536
	20,304	9,748,503

7 Income tax expense

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
a) Income tax expense:		
Current tax	-	607
	-	607
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	**(2,678,300)**	(13,048,912)
Tax at the Australian tax rate of 30% (2013: 30%)	**(803,490)**	(3,914,674)
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Temporary differences not brought to account	**803,490**	3,912,043
Income tax expense	-	607

A deferred tax asset (DTA) has not been recognised in respect of temporary differences as they do not meet the recognition criteria as outlined in Note 1(e) of the financial statements. A DTA has not been recognised in respect of tax losses either as realisation of the benefit is not regarded as probable.

The Company has unrecognised DTAs of $6,111,261 (2013: $5,348,978) that are available indefinitely for offset against future taxable profits.

The tax rates applicable to each potential tax benefit are as follows:

- timing differences – 30%
- tax losses – 30%

8 Current assets – cash and cash equivalents

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Cash at bank and in hand	**90,036**	230,845
Term deposits	**535,000**	35,000
	625,036	265,845

a) Risk exposure

The Company's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

b) Deposits at call

The deposits are bearing a weighted average interest rate of 3.25% (2013: 4.38%). The deposits have a period to repricing of 6 months (2013: 6 months).

9 Current assets – Trade and other receivables

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Net trade receivables		
Trade and other receivables	**5,005**	-
GST paid on purchases	**-**	224
	5,005	224

10 Current assets – Other current assets

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Security deposit	**-**	98,841
Prepayments	**9,601**	453
	9,601	99,294

11 Available-for-sale financial assets

a) Fair values

Available-for-sale financial assets include the following classes of financial assets:

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Current		
Shares in listed companies	**1,083,821**	-
	1,083,821	
Non-current		
Shares in listed companies	**-**	133,821
	-	133,821
Total available-for-sale financial assets	**1,083,821**	133,821

b) Listed securities

Maximus Resources Limited holds 44,607,143 shares in Tychean Resources Limited (formerly ERO Mining Limited) (2013: 44,607,143) and 25,000,000 shares in Terramin Australia Limited. There are no fixed returns or fixed maturity dates attached to these investments. These shares are held as available-for-sale and their value is marked to market at financial year end.

12 Non-current assets – plant and equipment

Consolidated	Plant and equipment $	Furniture, fittings and equipment $	Machinery and vehicles $	Computer equipment and software $	Total $
At 30 June 2013					
Cost or fair value	16,007	12,913	-	2,950	31,870
Accumulated depreciation	(12,183)	(8,061)	-	(705)	(20,949)
Net book amount	3,824	4,852	-	2,245	10,921
Year ended 30 June 2014					
Opening net book amount	3,824	4,852	-	2,245	10,921
Additions	-	-	-	2,037	2,037
Disposals	(861)	(3,409)	-	-	(4,270)
Depreciation charge	(1,503)	(927)	-	(953)	(3,383)
Closing net book amount	1,460	516	-	3,329	5,305
At 30 June 2014					
Cost or fair value	11,984	2,216	-	4,987	19,187
Accumulated depreciation	(10,524)	(1,700)	-	(1,658)	(13,882)
Net book amount	1.460	516	-	3,329	5,305
Year ended 30 June 2013					
Opening net book amount	439,294	8,702	27,756	87	475,839
Additions	-	-	-	2,950	2,950
Disposals	(406,101)	(2,465)	(16,521)	-	(425,087)
Depreciation charge	(29,369)	(1,385)	(11,235)	(792)	(42,781)
Closing net book amount	3,824	4,852	-	2,245	10,921
At 30 June 2013					
Cost or fair value	16,007	12,913	-	2,950	31,870
Accumulated depreciation	(12,183)	(8,061)	-	(705)	(20,949)
Net book amount	3,824	4,852	-	2,245	10,921

13 Non-current assets – exploration and evaluation, development and mine properties

a) Exploration and evaluation

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Exploration and evaluation		
Movement:		
Opening balance	**5,974,807**	15,002,860
Expenditure incurred	**631,293**	720,450
Disposal	**(2,000,000)**	-
Loss on sale of exploration assets	**(2,147,985)**	-
Impairment of capitalised expenditure	**(20,304)**	(9,748,503)
Closing balance	**2,437,811**	5,974,807
Closing balance comprises:		
Exploration and evaluation – 100% owned	**223,162**	5,974,807
Exploration and evaluation phases – joint ventures	**2,214,649**	-
	2,437,811	5,974,807

b) Assets classified as held for sale

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Mine properties		
Loss on sale of assets held for sale - Sellheim	**-**	(384,512)

The company completed the sale of the Sellheim alluvial project to a private consortium for $400,000 on 4th September 2012.

14 Current liabilities – trade and other payables

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Trade payables	**42,558**	64,987
Accrued expenses	**22,500**	18,100
Credit cards	**557**	485
	65,615	83,572

15 Current liabilities – provisions

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Annual leave	**22,592**	15,281
	22,592	15,281

16 Non-current liabilities – provisions

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Annual leave	**6,789**	-
Long service leave	**8,506**	6,209
	15,295	6,209

17 Contributed equity

a) Share capital

	Consolidated 30 June 2014 Shares	Consolidated 30 June 2014 Shares	Consolidated 30 June 2014 $	Consolidated 30 June 2014 $
Ordinary shares				
Fully paid	**869,376,390**	869,376,363	**35,394,766**	35,394,765

b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	$
1 July 2012	Opening balance	771,791,725	35,004,343	
24 December 2012	Incentive rights	1,500,000	$0.005	7,500
26 April 2013	Non-renounceable rights issue			
	Proceeds received	89,788,304	$0.004	359,153
30 April 2013	Non-renounceable rights issue - underwriting			
	Proceeds received	6,296,334	$0.004	25,185
				35,396,181
	Less: Transaction costs arising on share issues			(2,023)
	Deferred tax credit recognised directly in equity			607
30 June 2013	**Balance**	**869,376,363**		**35,394,765**
12 February 2014	Exercise of Options	27	$0.02	1
				35,394,766
	Less: Transaction costs arising on share issues			-
	Deferred tax credit recognised directly in equity			-
30 June 2014	**Balance**	**869,376,390**		**35,394,766**

c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

At shareholders' meetings, on a show of hands every holder of ordinary shares present in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

d) Options and rights

Information relating to the Maximus Resources Limited Employee Share Option and Incentive Rights Plans, including details of options and rights issued, exercised and lapsed during the financial year and the options/rights outstanding at the end of the financial year, is set out in note 31.

e) Capital risk management

The Company has no debt capital. There are no externally imposed capital requirements.

The Company's debt and capital includes ordinary share capital, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year. This strategy is to ensure that the Company has no debt.

18 Reserves and retained losses

a) Reserves

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Available-for-sale investments revaluation reserve (i)	**405,393**	(44,607)
Share based payments reserve (ii)	**-**	1,403,096
	405,393	1,358,489
Movements:		
i) Available-for-sale investments revaluation reserve		
Balance 1 July	**(44,607)**	(2,281,436)
Impairment	**-**	2,236,829
Revaluation of financial assets (net of tax) (note 13)	**450,000**	-
Balance 30 June	**405,393**	(44,607)
ii) Share based payments reserve		
Balance 1 July	**1,403,096**	1,403,096
Employee options lapsed	**(1,403,096)**	-
Balance 30 June	**-**	1,403,096
Retained earnings		
Balance 1 July	**(30,461,878)**	(17,381,832)
Transfer from share based payment reserve	**1,403,096**	-
Net loss for the year	**(2,675,387)**	(13,080,046)
Balance 30 June	**(31,734,169)**	(30,461,878)

b) Nature and purpose of reserves

i) Available-for-sale reserve
Changes in the fair value of instruments, such as equities, classified as available-for-sale financial assets, are recognised in other comprehensive income, as described in note 1(k) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

ii) Share based payments reserve
The share based payments reserve records items recognised as expenses on valuation of employee options and rights and options issued to external parties in consideration for goods and services rendered.

19 Key management personnel disclosures

Key management personnel compensation

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Short-term employee benefits	**484,258**	439,454
Post employment benefits	**39,842**	34,645
Share based payments	**-**	7,500
	524,100	481,599

Detailed remuneration disclosures and interests held by key management personnel are provided in sections A to D of the remuneration report on pages 13 to 16.

20 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Grant Thornton		
Taxation services	**4,000**	-
Audit and review of financial reports	**28,300**	27,500
Total auditors' remuneration	**32,300**	27,500

21 Contingencies

a) Contingent liabilities

The Group had no known contingent liabilities as at 30 June 2014 (2013: Nil).

b) Contingent assets

During the financial year, the Adelaide Hills tenement package was reduced to 4 tenements during the period, 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.

22 Commitments

a) Commitments for exploration and joint venture expenditure

In order to maintain current rights of tenure to exploration tenements the Company will be required to outlay in the year ending 30 June 2015 amounts of approximately $131,571 (2014: $91,880) in respect of tenement lease rentals and to meet minimum expenditure requirements pursuant to various joint venture requirements.

b) Lease commitments : Company as lessee

The State Government departments responsible for mineral resources require performance bonds for the purposes of rehabilitation of areas disturbed by exploration activities. At 30 June 2013, the Group had $35,000 of bank guarantees in place for this purpose (2013: $35,000).

23 Related party transactions

a) Key management personnel

Disclosures relating to key management personnel are set out in note 19.

b) Transactions with other related parties

The following transactions occurred with related parties:

– Minter Ellison received $66,219 during the year for legal costs (2013: $8,751) from the Group. Mr Vickery is a consultant at Minter Ellison Lawyers.

– Monax Alliance Pty Ltd (subsidiary of Monax Mining Limited) paid to the Company $51,649 (2013: Nil) for costs relating to the Millers Creek project (2013: Nil). Mr Kennedy is a director of Monax Mining Limited.

– Tychean Resources Limited received Nil (2013: $25,227) for the termination of the Billa Kalina Farm-in and Joint Venture agreement. Mr Kennedy and Mr Vickery are directors of Tychean Resources Limited.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

24 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	**Equity holding 2014 %**	Equity holding 2013 %
Maxiron Pty Ltd	Australia	Ordinary	**100**	100
MXR Metals Pty Ltd	Australia	Ordinary	**100**	100
MXR Minerals Pty Ltd	Australia	Ordinary	**100**	100

25 Cashflows from discontinued operations

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Cashflows from operating activities		
Payments to suppliers and employees – Sellheim	**-**	(30,527)
Net cash (used in) discontinued operations	**-**	(30,527)

26 Interests in joint ventures

Maximus Resources Limited has the following interests in unincorporated joint ventures:

State	Agreement name	Parties	Summary
WA	Corporate Group Agreement	MXR and Corporate Resource Consultants Pty Ltd, B Legendre and TE Johnston and Associates Pty Ltd	Corporate Group retains a 10% free carried interest in all or specified blocks within several exploration licences in the Narndee Project.
WA	Creasy Agreement	MXR and Nemex Pty Ltd and M G Creasy	Creasy retains a 30% free carried interest in prospecting licences 53/1308 to 53/1311 following MXR's purchase of 90% of Nemex's interest in the Ironstone Well Project.
WA	Orex Ironstone Well Deed of Assignment	MXR and Orex Mining Pty Ltd and Nemex Pty Ltd	MXR has sold a 90% interest in all minerals except iron in E53/1223 and a 90% interest in all minerals in the remaining Ironstone Well Project tenements for a future production royalty capped at $4 million.

27 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

28 Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
(Loss) for the year	**(2,678,300)**	(13,080,046)
Depreciation	**1,867**	32,474
Loss on sale of exploration assets	**2,147,985**	-
Impairment of capitalised exploration expenditure	**20,304**	9,748,503
Impairment of financial assets	**-**	2,281,437
Net (gain)/loss on disposal of non-current assets	**4,270**	393,236
Tax effect on transaction costs	**-**	2,023
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	**(4,781)**	8,489
Decrease/(increase) in other operating assets	**1,220**	88,470
(Decrease)/increase in trade and other payables	**(17,957)**	88,039
(Decrease)/increase in provisions	**16,396**	(30,338)
Net cash (outflow)/inflow from operating activities	**(508,996)**	(467,713)

29 Earnings per share

a) Basic earnings per share

	Consolidated 30 June 2014 $	Consolidated 30 June 2013 $
Loss from continuing operations attributable to the ordinary equity holders	**(2,678,300)**	(13,049,519)
Weighted average number of ordinary shares outstanding during the year used to calculate basic earnings per share	**869,376,373**	789,647,386
Basic earnings per share (cents)	**(0.31)**	(1.37)

b) Diluted earnings per share

Loss from continuing operations attributable to the ordinary equity holders	**(2,678,300)**	(13,049,519)
Weighted average number of options outstanding during the year used to calculate diluted earnings per share	**-**	-
Weighted average number of ordinary shares outstanding during the year used to calculate diluted earnings per share	**869,376,373**	789,647,386
Diluted earnings per share (cents)	**(0.31)**	(1.37)

a) Basic earnings per share

Loss from continuing and discontinued operations attributable to the ordinary equity holders of the company	**(2,678,300)**	(13,080,046)
Weighted average number of ordinary shares outstanding during the year used to calculate basic earnings per share	**869,376,373**	789,647,386
Basic earnings per share (cents)	**(0.31)**	(1.65)

b) Diluted earnings per share

Loss from continuing and discontinuing operations attributable to the ordinary equity holders of the company	**(2,678,300)**	(13,080,046)
Weighted average number of options outstanding during the year used to calculate diluted earnings per share	**-**	-
Weighted average number of ordinary shares outstanding during the year used to calculate diluted earnings per share	**869,376,373**	789,647,386
Diluted earnings per share (cents)	**(0.31)**	(1.65)

Options

Options granted to employees under the Maximus Resources Limited Employee Share Option Plan are considered to be potential ordinary shares. These have a dilutive effect on the weighted average number of ordinary shares. As the Company has reported a loss of $2,678,300 this financial year (2013: $13,080,046), the options have not been included in the determination of diluted earnings per share. Details relating to the options are set out in note 30.

30 Share based payments

a) Employee option plan

No option arrangements existed at 30 June 2014:

On 4 February 2009 1,645,000 options were issued to employees under the Company's Employee Share Option Plan. These options expired on 3 February 2014

Set out below is a summary of the options granted under the plan:

2014	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	1,645,000	0.040
Expired	(1,645,000)	0.040
Outstanding at the end of the year	-	-

2013	Number of options	Weighted average exercise price $
Balance	2,250,000	0.077
Expired	(605,000)	-
	1,645,000	0.040

Fair value of options granted

No employee options were granted during the year ended 30 June 2014 (2013: Nil). Therefore no calculation of the fair value of options granted during the year was required to be made using the Black Scholes option pricing model.

b) Employee incentive rights plan

No incentive rights arrangements existed at 30 June 2014 and 2013.

31 Parent entity

	Parent 2014 $	Parent 2013 $
Statement of financial position		
Current assets	**1,724,904**	278,332
Non-current assets	**2,443,116**	6,119,549
Total assets	**4,168,020**	6,397,881
Current liabilities	**94,994**	98,854
Non-Current liabilities	**8,506**	17,188
Total liabilities	**103,501**	116,042
Net assets	**4,064,519**	6,281,839
Shareholder's equity		
Contributed equity	**35,394,768**	35,387,268
Reserves	**405,393**	1,365,989
Retained losses	**(31,734,642)**	(30,471,418)
Capital and reserves attributable to owners	**4,064,519**	6,281,839
Statement of profit or loss and other comprehensive income		
Profit for the year	**(2,678,300)**	(13,080,046)
Other comprehensive income	**450,000**	44,607
Total comprehensive income	**(2,228,300)**	(13,035,439)

32 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 the company will require positive cash flows from additional capital for continued operations.

The company incurred a loss of $2,678,300 (2013 $13,080,046) and operations were funded by a net cash outlay of $1,140,809 from operating and investing activities after excluding the cash proceeds from the sale of Bird in Hand tenements of $1,500,000.

The company and consolidated entity's ability to operate as a going concern is contingent upon obtaining additional capital. If additional capital is not obtained, the going concern basis of accounting may not be appropriate, as a result that 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.

DIRECTORS' DECLARATION

30 June 2014

In the directors' opinion:

a) the consolidated financial statements and notes set out on pages 23 to 49 are in accordance with the *Corporations Act 2001*, including:

   i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of their performance for the financial 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

c) the financial statements comply with International Financial Reporting Standards as confirmed in note 1(a).

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Robert M Kennedy
DIRECTOR

Adelaide

24 September 2014

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAXIMUS RESOURCES LIMITED

Report on the financial report

We have audited the accompanying financial report of Maximus Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Grant Thornton

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Auditor's opinion
In our opinion:

a the financial report of Maximus Resources Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 32 in the financial report which indicates that the consolidated entity incurred a net loss of $2,678,300 during the year ended 30 June 2014 and operations were funded by a net cash outlay of $1,140,809 from operating and investing activities after excluding the cash proceeds from the sale of Bird in Hand tenements of $1,500,000. These conditions, along with other matters as set forth in Note 32, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Grant Thornton

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Maximus Resources Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S J Gray
Partner – Audit & Assurance

Adelaide, 24 September 2014

ASX ADDITIONAL INFORMATION

30 June 2014

The shareholder information set out below was applicable as at 30 September 2014.

A Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	Shares	Options
1 – 1,000	132	9
1,001 – 5,000	219	32
5,001 – 10,000	239	17
10,001 – 100,000	832	141
100,001 and over	712	68
	2,134	267

There were 1,579 holders of less than a marketable parcel of ordinary shares. At a share price of $0.003, an unmarketable parcel is 166,667 shares.

B Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest equity holders of quotes securities are listed below:

Rank	Name	Units	% of units
1.	MR NICHOLAS BARADAKIS	42,000,000	4.83
2.	TRIPLE EIGHT GOLD PTY LTD	29,088,202	3.34
3.	RMK SUPER PTY LTD	20,911,798	2.40
4.	MR KEVIN MICHAEL KELLY	19,310,416	2.22
5.	KENNY INVESTMENTS PTY LTD	17,000,000	1.95
6.	FLINDERS MINES LIMITED	16,305,555	1.87
7.	MR DARREN WARES	15,850,000	1.82
8.	COLIN JOHN HOUGH	15,000,153	1.72
9.	MR DARRYN ANTHONY	15,000,000	1.72
10.	MRS LILY YAN HONG LI	15,000,000	1.72
11.	ROVER INVESTMENTS PTY LTD	12,000,000	1.38
12.	MRS GWENDOLINE MALAXOS	11,200,000	1.29
13.	ITONE PTY LTD	11,000,000	1.26
14.	J P MORGAN NOMINEES AUSTRALIA LIMITED	10,985,392	1.26
15.	DALE PARK PTY LTD	10,000,000	1.15
16.	KELLY BROS PROPRIETARY LIMITED	10,000,000	1.15
17.	LAWRENCE CROWE CONSULTING PTY LTD	10,000,000	1.15
18.	MR BRIAN WILLCOCKS + MRS SHONA WILLCOCKS	10,000,000	1.15
19.	AM-AUSTRALIAN MINERALS EXPLORATION PTY LTD	9,800,000	1.13
20.	COLIN HOUGH	9,150,000	1.05
TOTAL top 20 holders of ordinary fully paid shares		**309,601,516**	**35.57**
TOTAL remaining holders balance		**560,774,874**	**64.43**

Unquoted securities

Unlisted options over ordinary shares

	Number on issue	Number of holders
Options @ $0.02 expiring on 30 April 2015	96,084,611	267

C Substantial holders

As at 30 September 2014 the following were substantial shareholders:

Shareholder	Number of shares
Mr Robert Kennedy	50,000,000

D Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have once vote.

Options

No voting rights.