

MAXIMUS RESOURCES LIMITED

QUARTERLY REPORT

PERIOD ENDING 30 September 2017

SUMMARY

CORPORATE

- Refurbishment of the Burbanks processing plant is now complete. Production on 7th of September
- Discussions continue with multiple miners and project developers on the sustained supply of gold ore for Toll treatment through the Burbanks mill.
- Continued review of gold projects within economic transport distance to Burbanks processing plant for either Joint Venture or purchase.

WESTERN AUSTRALIA

SPARGOVILLE PROJECT

- JORC 2012 Complaint Mineral Resource Estimate for Spargoville Project now stands at 112,000ozs, across five gold deposits.
- initial pit optimisation analysis in progress
- Farm-out of up to 75% of MXR Lithium rights to Lepidico, while retaining gold and nickel rights

BURBANKS GOLD TREATMENT PLANT

- Burbanks commended production on the 7th of September and steady state throughput was achieved shortly thereafter.
- Additional work undertaken to modify the cyanide handling facility to improve safety and reduce unit costs.
- Drilling of a production water bore is in progress to provide a reliable and long term water supply for potential throughput increases. Commissioning of the water bore is scheduled in October.

ADELAIDE HILLS PROJECT

Bird in Hand Project

Terramin is:

- Progressing Mining Lease Application to facilitate mining of the Bird in Hand project.
- Seeking expressions of interest for the acquisition of the BinH project.
- Preparing to lodge Mineral Claim application over project area to replace pre-existing MXR Mineral claim (which cannot be transferred) maintained on behalf of Terramin.

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Figure 1: Location Map

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DEVELOPMENT AND EXPLORATION ACTIVITIES

WESTERN AUSTRALIA

SPARGOVILLE PROJECT - GOLD

Maximus 100% (Larkinville 75%)

Positive metallurgical test results have now been returned from Redback, Larkinville and 5B gold deposits. These await assessment and sign-off by external metallurgical consultants prior to inclusion in economic modelling of the relevant ore body.

The Company continues to focus on converting the five Mineral Resource estimates to Reserve category, conducting metallurgical recovery trials, initial pit optimisation analysis and higher level economic analysis to determine the optimum mining schedule. This process will then lead to prioritising the permitting required to allow mining to occur. All resources are situated on granted Mining Leases so the lead time for regulatory approvals is expected to be reasonably short.

The combined total JORC 2012 compliant Resource Estimate for the Spargoville Project now stands at 1,448,100 tonnes @ 2.41 g/t for 112,280Ozs,

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

Table 1: Spargoville Project current Mineral Resource inventory (JORC 2012 compliant).

SPARGOVILLE PROJECT - LITHIUM

Maximus 75% up to 100%

A binding term sheet was signed with ASX-listed company Lepidico Ltd. to progressively secure Maximus' share of its lithium rights over the Maximus Spargoville Project, to be now known as the Moriarty Lithium Project. See figure 2. The sale of the Lithium rights will net the company up to \$750,000.

Lepidico is focused on exploration for, and production of lithium. Lepidico used a patented chemical extraction process known as L-Max to extract Lithium from Lithium bearing ore. The Lepidico L-Max process has the potential to produce a high quality lithium carbonate product from lithium bearing micas, specifically Lepidolite and Zinnwaldite. Additionally the process provides a high value Caesium and Rubidium residue.

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Maximus' lithium projects to date contain significant amounts of these prospective micas, which are also rich in both Caesium, up to 0.6% and Rubidium, up to 2.9%, in rock chip samples.

As previously announced, MXR had identified several prospective lithium prospects, including a 200m long zone of extensive lepidolite mineralisation assaying on average 3.55% Li₂O on the northern tenements, and second zone of lepidolite and zinnwaldite mineralisation with rock chip results up to 5.29% Li₂O, within an extensive Lithium anomaly of some 1300m long by 400m wide, at the West Larkinvale prospect.

In addition, the conceptual Mt Marion Feeder Spodumene target lying beneath spodumene bearing stacked pegmatite dykes at the Lefroy Prospect awaits drill testing. All permits are in place to allow drill testing of this concept.

Under the terms of the agreement Lepidico will fully fund, and be responsible for all lithium exploration activities within the Moriarty Project. Upon signing of this binding terms sheet (completed) Lepidico will issue to Maximus fully paid ordinary shares in Lepidico to the value of \$80,000 (Initial Payment). On the day no later than 6 months after the Initial Payment, Lepidico will make a further payment to Maximus, either a cash payment of \$120,000, or the equivalent value in fully paid ordinary shares in Lepidico (Second Payment). Lepidico does not earn any Lithium rights until the Third payment has been made.

On a date no later than 12 months after the initial payment, Lepidico will make a further payment to Maximus, either a cash payment of \$150,000, or the equivalent value in fully paid ordinary shares in Lepidico (Third Payment). This will grant Lepidico a 75% interest of Maximus Lithium Rights over the Moriarty Project. Maximus will then retain a 25% interest, and be free carried until a Decision to Mine. Lepidico may at any point up until three years after the third payment, make a further payment of \$400,000 in either cash, or a combination of 50% cash and 50% in shares to secure 100% of the Moriarty Lithium Project, subject to Maximus electing to retain the remaining 25% and contributing to project development.

Maximus at all times retains 100% of the gold and its nickel rights over the Moriarty Lithium Project.

All advanced Lithium Projects identified to date by Maximus are located on granted mining Leases.

Lepidico announced during September that field work has commenced on the Moriarty project with the aim of defining targets for drill testing.

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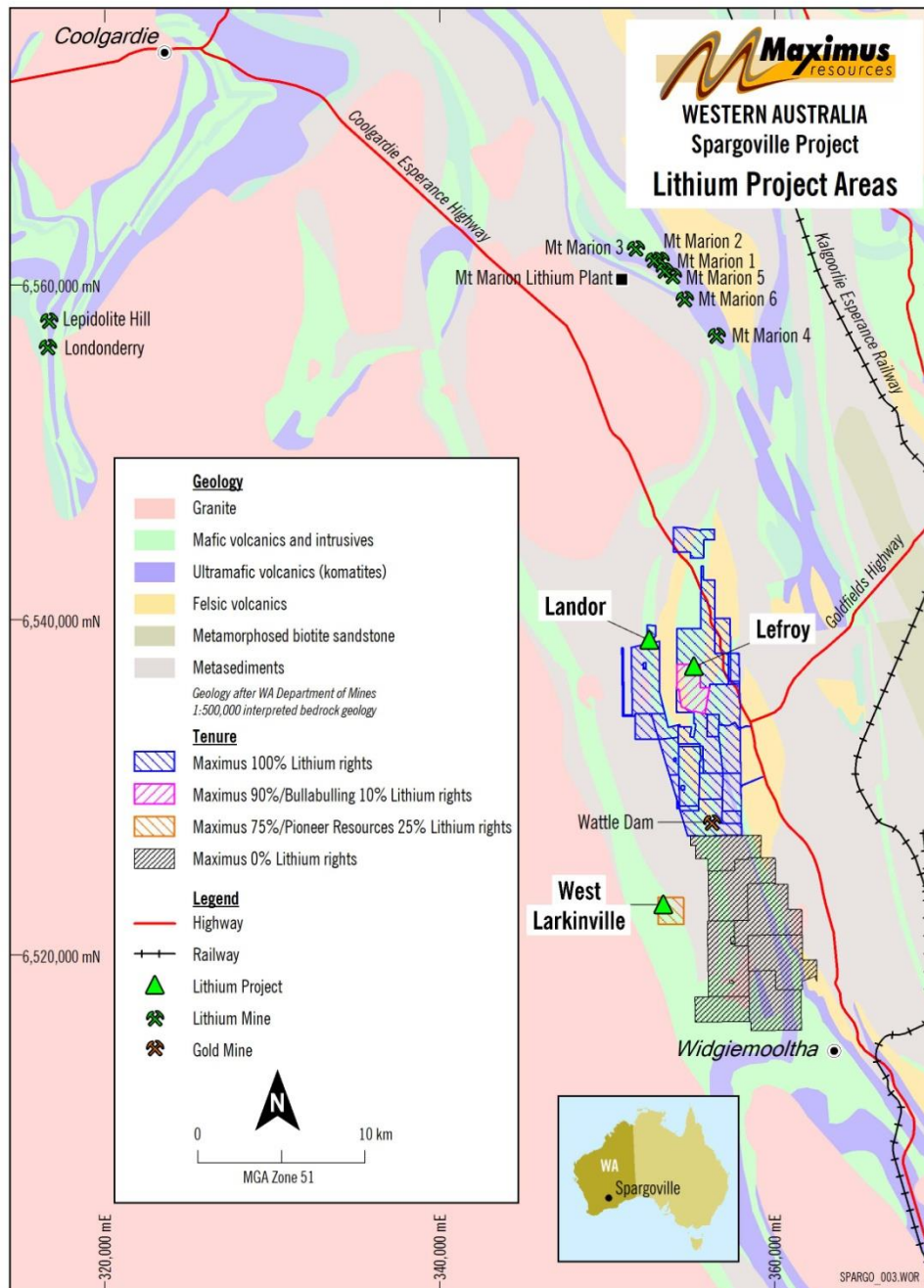


Figure 2: Moriarty Lithium Project Tenure.

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BURBANKS GOLD TREATMENT PLANT

Maximus 100%

The Company completed the planned refurbishment works at the Burbanks mill and subsequently commenced production on 7th of September. The commencement of production represents a significant milestone for the company. Having acquired the Burbank Mills in August 2016, undertaken a significant refurbishment, secured Toll feed for the majority of 2017/18 and now generating cashflow is a great achievement.

Incremental and responsible capital improvements were identified during the refurbishment process, and have been scheduled into the maintenance works program. These improvements allow increased reliability, incrementally lowering production costs, and contribute to improving the safety systems at site. Two significant improvements were made during the quarter. Modification to the cyanide handling facility to enable liquid cyanide to be stored and used is expected to marginally lower processing costs and improve safety. A production water bore was commenced, to be completed and commissioned in October, allowing reliable and significant water supply for potential throughput increases. An initial study identified the availability of further water as a significant impediment to increasing throughput at the Mill.

As previously announced, the Company has secured its first two toll-milling agreements. Maximus continues to pursue additional toll treatment agreements to ensure that the mill is fully utilised throughout 2018.

SOUTH AUSTRALIA

ADELAIDE HILLS PROJECT

Maximus royalty

Terramin continued to progress its pre-feasibility study and Mining Lease application (MLA) for the Bird-in-Hand (BinH) gold project. The company understands that submission of the MLA to the Department for State Development (DSD) is expected in 2017, with anticipated final approval of the Application not expected until late 2017 or mid-2018.

Terramin is seeking expressions of interest from interested parties to acquire the Bird in Hand project, including the Angus Zinc processing plant in Strathalbyn. MXR can confirm that the contingent staged payments and gold royalty are protected under the signed agreements and are required to be assigned to any new project owner.

As part of the original Sale Agreement with Terramin, Maximus agreed to hold the original Mineral Claim for the BinH project (not able to be transferred) in trust for Terramin until a Mineral Lease Application was approved by the DSD. Terramin has determined to submit a Mineral Claim application for the BinH project area, thus eliminating the requirement for Maximus to hold the original claim in trust. The Terramin application is ongoing.

CORPORATE

Project Evaluation

Maximus continues to search for, and evaluate projects and tenements with a view to bolstering the exploration portfolio and continue to build on the prospectivity of the company's asset base.

During the quarter several open pit and underground projects were investigated, with discussions ongoing for various projects.

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Kevin Malaxos
Managing Director
30 September 2017

For further information please contact:
Maximus Resources Limited on 08 7324 3172, or

Investor relations:
Mr Duncan Gordon
Adelaide Equity Partners
on 08 8232 8800 or 0404 006 444

Further information relating to Maximus Resources Limited and its various projects can be found on its website: www.maximusresources.com

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

MAXIMUS RESOURCES LIMITED - TENEMENT SCHEDULE

Tenement Number	Tenement Name	Registered Holder/Applicant	Maximus Resources 30/09/2017
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WESTERN AUSTRALIA

SPARGOVILLE PROJECT

M15/1475	Eagles Nest	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
P15/5545	Eagles Nest	Maximus Resources Ltd	100.00%
E15/967	Kambalda West	Tychean Resources Ltd	100.00%
E15/968	Kambalda West	Tychean Resources Ltd	100.00%
L15/128	Kambalda West	Tychean Resources Ltd	100.00%
L15/255	Kambalda West	Tychean Resources Ltd	100.00%
M15/395	Kambalda West	Tychean Resources Ltd	100.00%
M15/703	Kambalda West	Tychean Resources Ltd	100.00%
P15/5860	Kambalda West	Tychean Resources Ltd	100.00%
P15/5953	Kambalda West	Tychean Resources Ltd	100.00%
M15/1448	Hilditch	Maximus Resources Ltd, Tychean Resources Ltd & Bullabulling Pty Ltd	90.00%
M15/1449	Larkinville	Maximus Resources Ltd, Tychean Resources Ltd & Pioneer Resources Ltd	75.00%
P15/5912	Larkinville	Maximus Resources Ltd, Tychean Resources Ltd & Pioneer Resources Ltd	75.00%
M15/97	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/99	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/100	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/101	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/102	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/653	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/1271	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/1101	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1263	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1264	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1323	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1338	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1474	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1769	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1770	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1771	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1772	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1773	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1774	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1775	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%
M15/1776	Wattle Dam	Maximus Resources Ltd & Tychean Resources Ltd	100.00%

BURBANKS PROJECT

G15/10	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/11	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/12	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/13	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/25	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/109	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/110	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/189	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/234	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/284	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
M15/1273	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
M15/1369	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
M15/1370	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MAXIMUS RESOURCES LIMITED

ABN

74 111 977 354

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
- Burbanks	31	31
- Spargoville Gold Sales	4	4
1.2 Payments for		
(a) exploration & evaluation	(107)	(107)
(b) development	-	-
(c) production	-	-
(d) staff costs	(10)	(10)
(e) administration and corporate costs	(43)	(43)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
Burbanks operating costs	(269)	(269)
Burbanks refurbishment costs	(95)	(95)
1.9 Net cash from / (used in) operating activities	(488)	(488)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	69	69
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	69	69

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	200	200
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(18)	(18)
3.5 Proceeds from borrowings	50	50
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	232	232

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	247	247
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(488)	(488)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	69	69
4.4	Net cash from / (used in) financing activities (item 3.10 above)	232	232
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	60	60

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	43	230
5.2	Call deposits	17	17
5.3	Bank overdrafts	-	
5.4	Other (provide details)	-	
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	60	247

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

**7. Payments to related entities of the entity and their
associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	\$2,350,000	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The group commenced Toll milling operations during late September quarter with toll treatment to third parties commencing during mid October 2017. During October 2017 the group invoiced third parties \$421k for toll treatment. The group will continue to invoice third parties for toll treatment which will generate sufficient revenue to cover the increased cash outflows resulting from the toll milling operations.

The estimated outflows detailed below are based on the Burbanks Mill operating for the next 3 months. Should the mill not operate for any reason the estimated cashflows will reduce significantly as follows: 9.1 \$20k, 9.4 \$10k, 9.5 \$43k and 9.6 \$50k.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	70
9.5 Administration and corporate costs	70
9.6 Other (provide details if material)	
- Burbanks refurbishment & running costs	1,200
9.7 Total estimated cash outflows	1,390

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

1 This statement has been prepared in accordance with accounting standards and policies which
comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.