

ASX Announcement

23/08/2019

Burbanks Gold Mill Sale Update

KEY POINTS

- **Sale by Maximus of 100% of its Burbanks gold mill in WA to SMS Innovation, a subsidiary of Adaman Resources Ltd, to be completed on or before 31 August 2019**
- **Total proceeds to Maximus of A\$5.1 million**
- **Secure toll milling capacity for up to 2 years for Maximus from 2020**
- **Burbanks Gold in Circuit recovery completed by Maximus**

Gold processor and explorer, Maximus Resources Limited (ASX: MXR or the “Company”) advises shareholders that the Asset Purchase Agreement (APA) between Eastern Goldfields Milling Services Pty Ltd (EGMS), a wholly-owned subsidiary of Maximus, and SMS Innovation Pty Ltd (SMS), a subsidiary of Adaman Resources Limited, for the sale of Maximus’ 100% interest in the Burbanks Gold Treatment plant (Burbanks) in WA’s Eastern Goldfields is scheduled for completion on 31 August 2019. The original sale completion date was anticipated in May 2019, but both parties have now agreed that the sale of Burbanks will be finalised on or before 31 August, 2019.

Under the terms of the APA, the Adaman interests will pay to Maximus, a total consideration of A\$5.1 million for Burbanks. The consideration consists of \$2.0 million, received on 4 April, 2019, \$0.5 million received on 19 August, 2019, and a final payment of \$2.6 million to be received on or before 31 August 2019. The initial \$2 million paid by Adaman to the Maximus interests in April, 2019, was in the form of two loans which will be set off against the final total payment price at Settlement.

The terms of these loans include interest payable by Maximus from 1 July, 2019, should the transaction not be completed. However, these loan agreements have been extended to align with the revised mill sale completion date of 31 August, 2019, with no interest payable until 7 September, 2019. Maximus expects completion of the Burbanks assets sale on Friday 30 August, 2019, and therefore no interest will be payable on the Adaman-related loans prior to them being repaid as part of the Burbanks acquisition price.

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The Gold-in-Circuit contained in the Burbanks process tanks at the initial transaction announcement earlier this year, was to be purchased by Adaman as part of the sale terms. However, delays to the completion of the transaction resulted in Maximus removing the carbon from the circuit and recovering all gold. A total of \$1.75 million was received by Maximus from the sale of this gold. The Burbanks mill is currently on standby until the sale is finalised, with only security personnel on site.

Maximus has also secured up to 24 months milling capacity at 5,000 tonne per month at Burbanks under its new Adaman ownership, from January 2020, with the option to extend the term by agreement. Securing 5,000 tonnes per month milling capacity for a minimum of 24 months ensures that Maximus can continue the development of the Company's nearby Spargoville gold projects and accelerate the approvals documentation, with enhanced financial capacity to continue to pursue projects for potential acquisition.

The sale of Burbanks will result in Maximus having a healthy cash balance to fund ongoing gold exploration and project activities, backed by two years of secure mill access and capacity for future gold ore production.

The Company will update shareholders at month's end once the Mill sale transaction is finalised and also provide a revised exploration update.

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Further information relating to Maximus Resources Limited and its diversified exploration projects will be found on Maximus' website: www.maximusresources.com