

MAXIMUS RESOURCES LIMITED

QUARTERLY REPORT

PERIOD ENDING 30 June 2018

SUMMARY

CORPORATE

- MXR commenced 2018/19 with 3 signed active Toll Milling Agreements, for a commitment of up to 280,000 tonnes.
- Ability to extend commitments for up to a further 300,000T if agreed by each party.
- Negotiations ongoing for a Life of Mine Toll Milling Agreement for up to 1.1 million tonnes.
- 2017/18 throughput delivered a total of \$3.38 Million in maiden revenue.
- 2018/19 throughput commitments expected to increase revenue by 70 - 80%.
- Current mill throughput capacity of 180,000 tpa with analysis of capacity expansion underway.
- Continued review of gold projects within economic transport distance to Burbanks processing plant for either Joint Venture or purchase.
- Dispute resolution proceedings ongoing with Empire Resources from Toll milling campaign in 2017.
- Exploration Development Incentive Scheme application for 2017 financial year approved by ATO for distribution of exploration credits to eligible shareholders.

WESTERN AUSTRALIA

BURBANKS GOLD TREATMENT PLANT

- Burbanks consistently achieving nameplate capacity of 500 wet tonnes per day.
- A total of 34,346 tonnes toll treated during the quarter.
- Gold recoveries up to 95% achieved.
- Continued improvements achieved in site safety, mill performance and availability.

SPARGOVILLE PROJECT

- Significant Kambalda Style Nickel Discovery at Sherlock, with results of 1m @ 1.9% Ni from shallow drilling beneath Ni gossan.
- Detailed ground geophysics planned with deep drilling to follow, drilling approvals received.
- High Priority Wattle Dam Type Targets identified immediately along strike from Wattle Dam.
- Detailed ground geophysics planned with potential drilling to follow. Drilling approvals received.
- Ongoing internal preliminary pit optimisation analysis of Spargoville Gold Deposits.



Figure 1: Maximus Project Location Map

EXPLORATION AND PRODUCTION ACTIVITIES

WESTERN AUSTRALIA

BURBANKS GOLD TREATMENT PLANT

Maximus 100%

The Burbanks plant performance continued to improve throughout the quarter with plant availability steadily increasing as a result of improved preventative maintenance. A total of 34,346 tonnes was processed during the quarter, the majority from Anova Metals Second Fortune mine. The Second Fortune ore was highly abrasive, resulting in increased crushing and screening costs and increased maintenance downtime to replace wear liners. These additional costs were on-charged during the campaign.

The Toll Agreement signed with GBF Contracting in late March 2018 secured the supply of up to 110,000 tonnes +/- 10% of ore from August 2018, with the ability to extend by a further 100,000 T if agreed by both parties.

Long term Toll Agreements are currently being negotiated with two parties for the supply of 1.0 – 1.1 million tonnes of ore from 2019. These negotiations will require an expansion of the current throughput capacity of the mill, once either project is secured. Process upgrade requirements and capital cost estimates are currently being prepared in anticipation of securing one of the Life-of-mine ore supply agreements.

Revenue from Toll milling significantly improved during the June quarter as a result of consistent ore supply and improved mill performance. Revenue for the year, from the commencement of Toll milling in October 2017 to June 2018 totalled \$3.38 million. The forecast for the 2018/19 year should see a significant improvement on this result with consistent ore supply secured throughout the full 12 months.

Burbanks Mill Production

Month	Wet Tonnes	Dry Tonnes
April	6,575	6,374
May	13,143	12,660
June	14,628	13,902
Total Tonnes	34,346	32,936

Table 1: Burbanks monthly processed ore tonnes

SPARGOVILLE PROJECT – GOLD RESOURCE DEVELOPMENT

Maximus 90-100% (Larkinvile 75%)

The Company continues to focus on converting the five Mineral Resource estimates to Reserve category, conducting metallurgical recovery trials, undertaking initial pit optimisation analysis and higher level economic analysis to determine the optimum mining schedule. Following economic analysis of each project, permitting requirements and project development scheduling can be evaluated, which will determine potential mine development sequencing. All resources are situated on granted Mining Leases so the lead time to production is expected to be short.

The total 2012 JORC Complaint Resource Estimate for the Spargoville Project 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
Larkinvile	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 2: Spargoville Project current Mineral Resource inventory.

SPARGOVILLE PROJECT – GOLD EXPLORATION

Maximus 90%-100% (Larkinvile 75%)

During the quarter a review of potential blind, short strike length high grade Wattle Dam Type Gold Deposits commenced. The review involved the analysis of several target areas, previously highlighted by Ramelius Resources (RMS). These targets lie along the prospective Spargoville Shear and are located immediately north and south of the Wattle Dam Goldmine. These targets were identified as they displayed similar geophysical characteristics to the Wattle Dam Gold Mine. Specifically these targets occur within flexures in the Spargoville Shear, and are associated with conductive sediments lying either above, or on the flanks of gravity lows.

These flexures potentially allow gold bearing fluids to impregnate the greenstone sequences. The conductive sediments that are spatially associated with high grade gold mineralisation at Wattle Dam, potentially act as a precipitation mechanism of gold within the hydrothermal fluids. The gravity low beneath Wattle Dam is postulated to represent granite, which provided the volatile rich, hot fluid that leads to the biotite alteration and development of the Wattle Dam mineralisation. See Plate 1

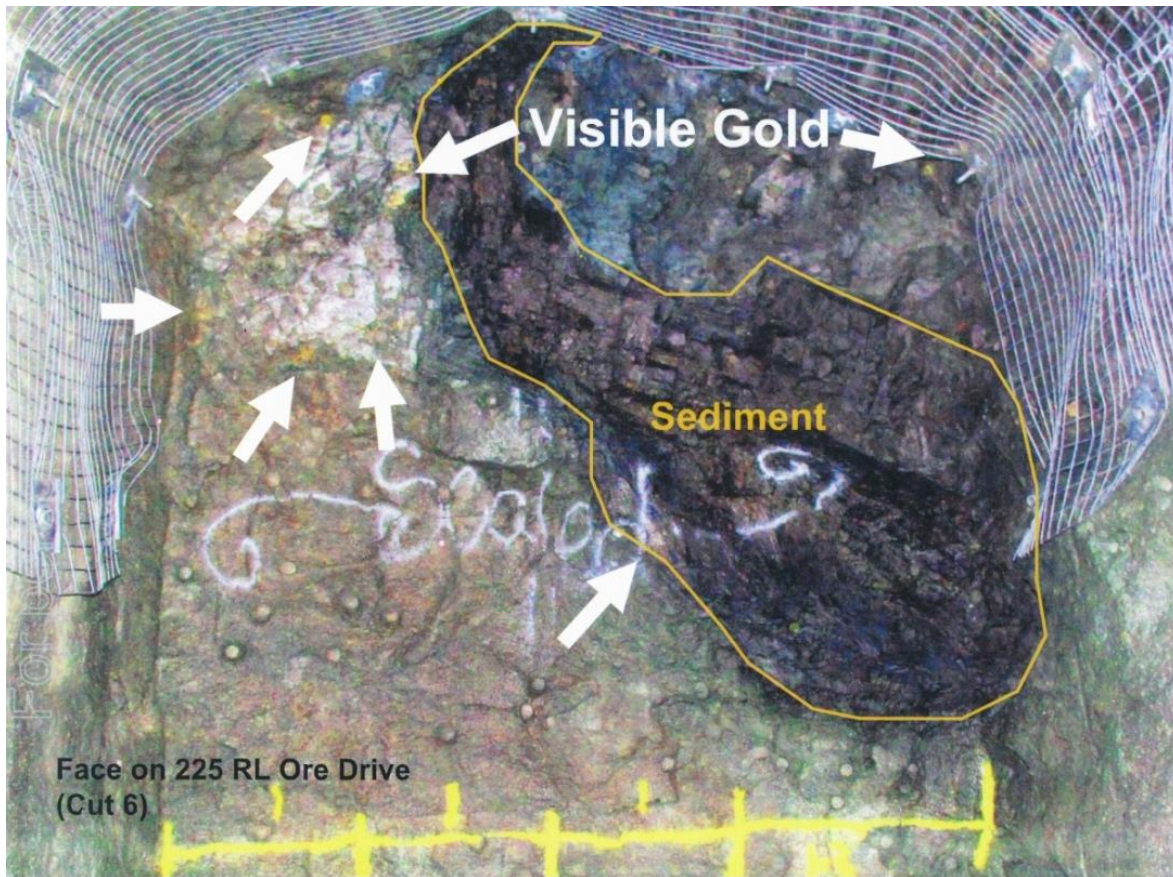


Plate 1 : Wattle Dam, underground ore face: the sediment, which is the centre of the ore body is conductive, therefore may have an EM response, while the peripheral gold mineralisation is also associated with disseminated sulphide, which may have an IP response.

These two prospective areas have been named S5 and S13. While RMS conducted some regular traverse drilling within these general areas, the conductive sediments were not directly tested, nor intersected.

The current drill spacing's are considered too board to directly intersect a short strike length (<50m) Wattle Dam style high grade deposit. (Presentation March 2010, Ramelius Resources announcement to the ASX 1st March 2010.) See Figure 2

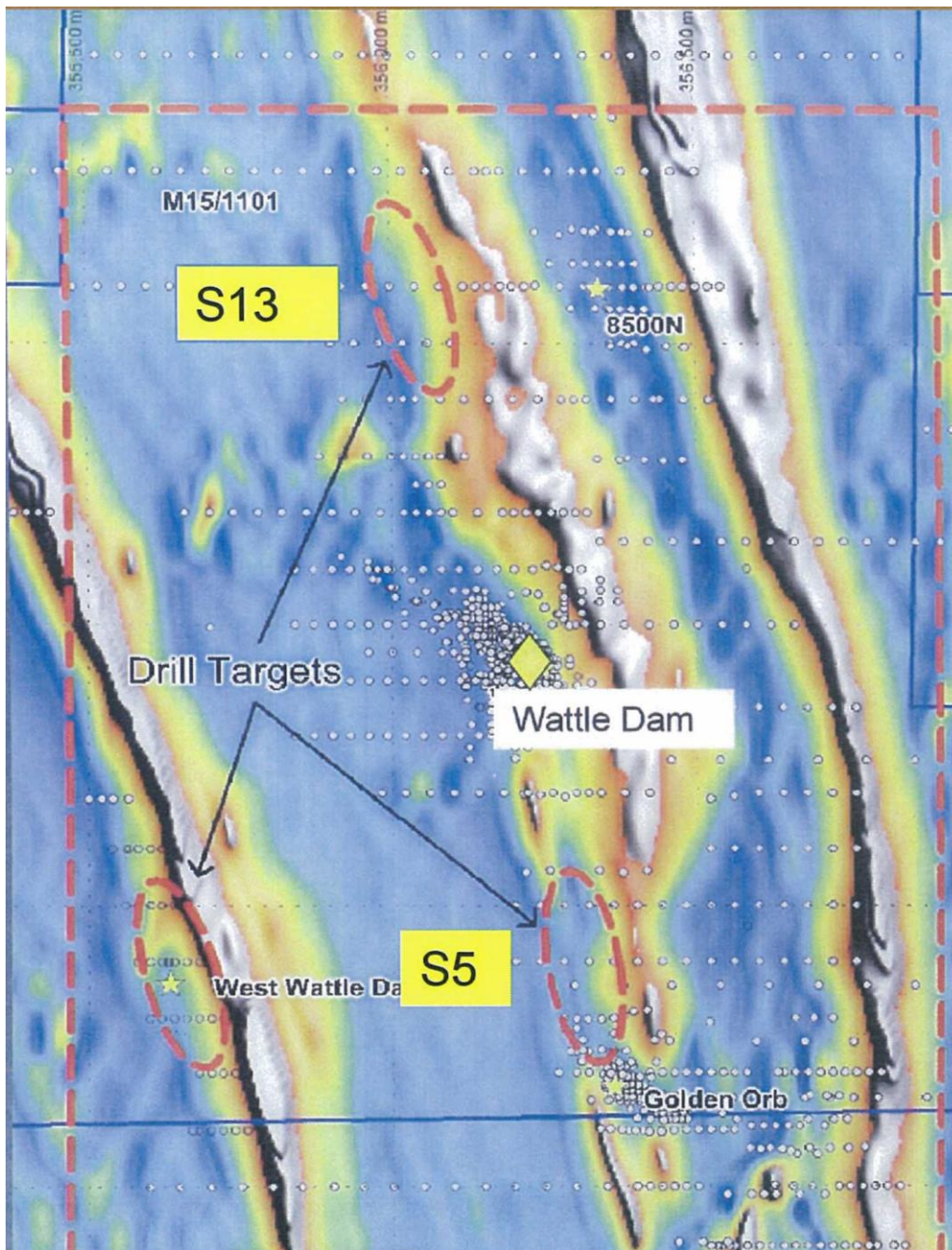


Figure 2: Wattle Dam high priority drill targets, background image is processed magnetics. The S13 target and S5 targets referred to in this figure are located 700m north and 400m south respectively of the Wattle Dam Gold Mine

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

The original soil anomaly that lead to the discovery of Wattle Dam was >100ppb by comparison.

Future Activities

Detailed ground Electromagnetic (EM) surveys will be conducted at the S5 and S13 target areas to locate the conductive sediments within the highly altered ultramafic sequences. This program has been planned and is expected to be completed during the next quarter.

Ground EM surveys have not been used before at Wattle Dam to directly target the conductive sediments that, in conjunction with strong biotite alteration, are critical to the formation of high grade Wattle Dam type gold deposits.

Programs of Works have been submitted and approved by the DMP for drill testing of the S5 and S13 Targets.

SPARGOVILLE PROJECT – NICKEL EXPLORATION

Maximus 80%-90%

As previously reported, lithium explorer, Lepidico drilled 13 shallow reverse circulation (RC) holes at the Sherlock lithium prospect as an initial follow-up to encouraging lithium surface sampling results. Lepidico undertook multi-element geochemistry of the drill samples and notified Maximus of significant Ni and Cu intersections within the greenstone sequences. Refer to Table 3.

Hole ID	Easting	Northing	RL	Dip	Azimuth	Depth	From	To	Length	Ni %	Cu %
MSC010	356540	6537540	34 0	-60	270	30	0	10	10	0.36	0.007
<i>including</i>							3	4	1	0.52	0.013
MSC008	356462	6537520	34 0	-60	270	60	12	18	6	0.85	0.04
<i>including</i>							17	18	1	1.87	0.17
MSC011	356600	6537500	34 0	-60	270	41	34	40	6	0.60	0.12

Table 3: Significant nickel intersections from Reverse Circulation drilling at Sherlock Nickel prospect. Table shows intersections above 0.3% Ni.

The drilling was conducted along three east-west traverses, some 20m apart. All Ni intersections were located on the eastern limit of each drill traverse, indicating that the mineralisation is open at depth. See drill location plan, **Figure 3** and drilling cross sections, **Figure 4**.

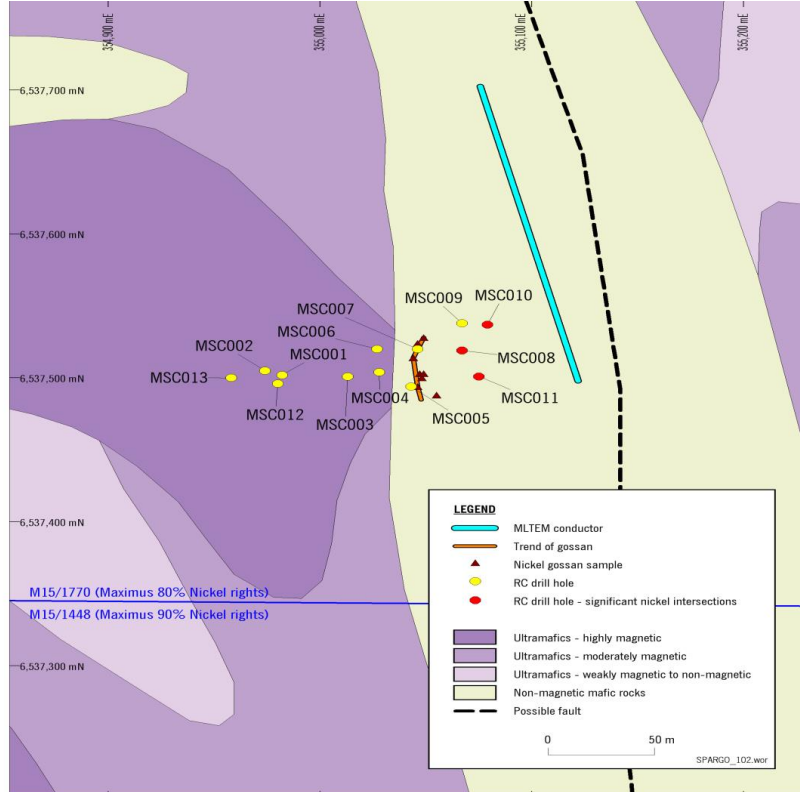
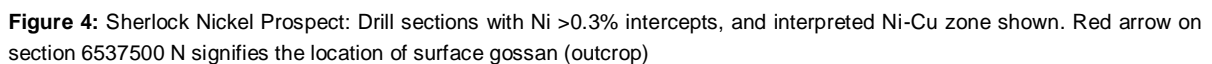


Figure 3: Sherlock Nickel Project: Drillhole location, trend of Ni gossans and undrilled MLTEM conductor to the east.



An initial review of the previous nickel exploration work in the area determined that the intersections are within the 1M Nickel Prospect identified by Pioneer Nickel Limited (Pioneer) in 2004 (Davy, C., 2005). Pioneer was drawn to the area by the discovery of a surface gossan (outcrop) returning 0.45% Ni, 0.24% Cu and 80ppb Pt +Pd (PGM). (Pioneer ASX announcement 26/07/2004, Quarterly Report for the Period Ending 30th of June 2004).

In addition, along strike to the south, Ramelius Resources (Ramelius) reported a drill intersection of 1m @ 3.9% Ni and 0.5% Cu from 74m, in drill hole HRC025 at the Hilditch Ni prospect.

Pioneer conducted a Moving Loop Electro Magnetic (MLTEM) survey on the northern extension of Hilditch and defined three conductors. Conductor WDC-21, a 220m long, north-south striking feature was identified along strike from Hilditch. Soil sampling and vertical Rotary Air Blast (RAB) drilling highlighted this area as highly anomalous, with soils results returning >1500 ppm Ni over approximately 450m of strike. However, it was concluded that while the RAB drilling had tested the general area, this drilling had not identified the source of the WDC 21 target (conductor).

It was recommended that a Fixed Loop EM (FLEM) survey be undertaken to position drillhole collars to investigate the WDC-21 conductor. This work however was not undertaken.

In 2006, a local prospector discovered further nickel gossan outcrops in the highly geochemically anomalous soil area some 60m west and parallel to the undrilled WDC-21 conductor.

This is the gossan that was intersected in the recent drilling by Lepidico.

Maximus considers the surface gossan to be related to the WDC-21 conductor to the east, which may represent a fresh nickel sulphide body at depth, and remains to be drill tested.

Future Activities

The mineralisation in the Spargoville area is comparable to that of other komatiite-hosted nickel sulphide deposits located around the Kambalda Dome to the east, and the Widgiemooltha Dome to the south. Several nickel-sulphide deposits were discovered and subsequently mined, notably 1A, 5A, 5B and 5D deposits. Total historical nickel production from the Spargoville area is 845,000 tonnes at 2.54% Nickel. **See Figure 5.**

Maximus considers the results obtained from the recent drilling program are significant and warrant further detailed exploration. A Program of Works has been submitted to the WA DMP. It proposes a FLEM and Induced Polarisation (IP) geophysical surveys along the length of the WDC-21 conductor and outcropping gossan. The resultant survey is expected to provide detailed data to pinpoint drill hole collars to test all anomalies. Drilling of identified conductors may then proceed to determine the potential for nickel mineralisation.

This program has been planned, and is expected to be completed during the next quarter, with drilling beneath Nickel bearing surface gossans and coincident basement conductors to follow.

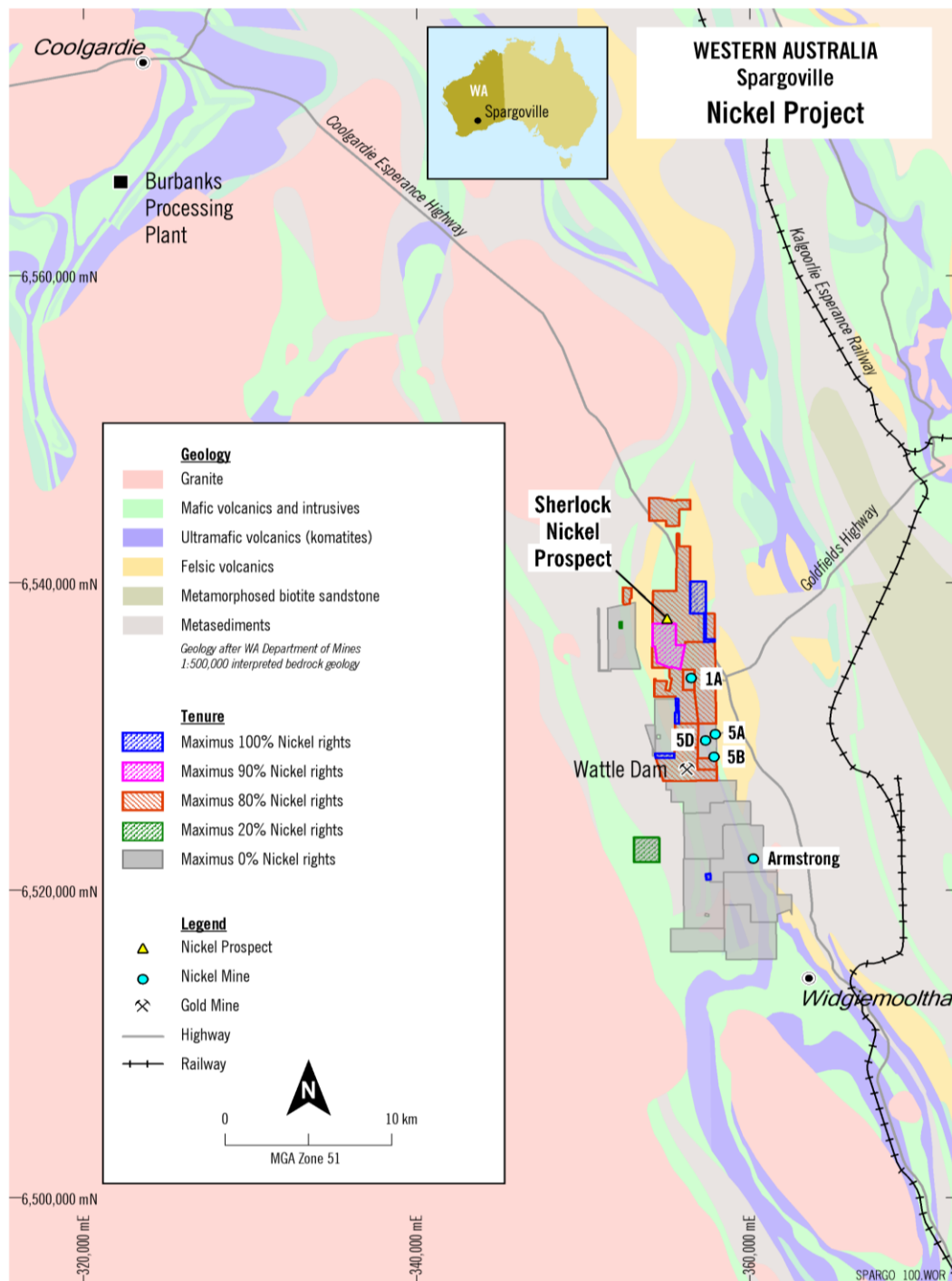


Figure 5: Maximus tenure, with nickel deposits and Sherlock prospect shown. See legend for MXR Nickel Rights %

SPARGOVILLE PROJECT – MORIARTY LITHIUM PROJECT

Maximus 75% up to 100%

Following the signing of a binding term sheet for an earn-in agreement covering the Spargoville Lithium rights in August 2017, Joint Venture party Lepidico, commenced exploration at the Moriarty Lithium Project in December 2017. Field work at Moriarty included a soil geochemical and bio-geochemical sampling program over three areas prospective for lithium mica pegmatites, namely the Lefroy, Sherlock and West Larkinvile prospects.

Lepidico was undertaking a systematic survey of the Moriarty project using a portable XRF instrument to analyse for Rubidium (Rb), as a proxy for lepidolite and other lithium-bearing micas to generate targets for further drilling.

Lepidico was to make a final payment on or before the 17th August 2018 to secure 75% equity in the Moriarty Lithium project tenements. However, MXR was notified in late July that Lepidico did not intend to continue exploration on the Spargoville Lithium tenements. As a result, the earn-in agreement is terminated and Maximus retains 100% of the Lithium Rights on the tenement package.

YANDAL PROJECT – FLUSHING MEADOWS GOLD RESOURCE

Maximus royalty

The Yandal Project (also known as Ironstone Well) currently includes one contractual agreement whereby Yandal Resources formally Orex Mining Pty Ltd (Orex) was proposing to progress the Flushing Meadows gold project in which Maximus retains a \$40 per ounce royalty interest.

The Royalty Agreement is in respect of granted Mining Lease M53/1093, with hosts the Flushing Meadows Resources, and adjacent exploration licences E53/1963 and E53/1964, collectively the tenement area.

The royalty obligation by Yandal Resources to Maximus Resources is

- a) \$40 per ounce on the first 50,000 ounces of gold from the tenement area. Orex must prepay the first \$200,000 of royalties (representing the first 5,000 ounces of gold production) upon commencement of gold production from all or any part of the tenement area
- b) \$20 per ounce for gold in excess of 50,000 ounces and less than 150,000 ounces in respect of gold from the tenement area

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

The Maximus Royalty is a capped royalty and is satisfied once there is 150,000 ounces of gold produced from any part of the tenement area resulting in a \$4,000,000 royalty being returned to Maximus.

The current Flushing Meadows Mineral Resource Estimate was conducted in 2007 and stands at *1.549 million tonnes at 1.6 g/t gold for 81,000 ounces*.

SOUTH AUSTRALIA

ADELAIDE HILLS PROJECT

Maximus \$2 million contingent payments plus Gold Royalty

During the June quarter, Terramin continued to engage with the Department of the Premier and Cabinet (DPC) in respect of the draft Mining Lease Proposal (MLP) for the development of the Bird-in-Hand Gold Project. Terramin announced that the approvals process is well advanced with the draft Mining Lease application lodged and feedback being received. Terramin reported that low startup capital is required, and off site processing through the existing Angus Zinc processing facility is proposed. Engineering studies have been completed.

Terramin is also preparing a Managed Aquifer Recharge (MAR) drilling program to test, further calibrate the groundwater modeling and confirm the best locations for the water reinjection bores for the mining operation. MAR schemes are a proven and effective water management and preservation technique used in many industries, including mining. Terramin successfully managed a similar MAR scheme during the operations of the Angus Underground Zinc Mine.

The Bird in Hand Gold Project has a resource of 588,000 tonnes at 13.3g/t for 252,000 ounces of gold. Once production commences, this will make Bird in Hand one of the highest grade gold mines in Australia, with an expected 6 year mine life. (Terramin Australia, announcements to the Australian Securities Exchange, 30/05/2018, CEO Presentation - AGM 30 May 2018, and Chairman's Address - AGM 30 May 2018.)

Maximus Resources will receive the second stage cash payment of \$1 million upon the approval of a Program for Environmental Protection and Rehabilitation (PEPR). This approval is part of the mining lease proposal (MLP), currently under review by the Department of the Premier and Cabinet for the development of the Bird-in-Hand Gold Project.

Maximus Resources will receive the third stage cash payment of \$1 million upon the commencement of bullion production.

Maximus Resources then receives an ongoing 0.5% royalty payable on bullion production in excess of the first 50,000ozs.

While the Bird in Hand Gold Project has a resource 252,000 ounces of gold, Terramin considers there is good potential for further discoveries at the nearby historical high grade gold mines.

CORPORATE

A resolution to the dispute with Empire Resources remains outstanding, following the cessation of milling activities on 21 December 2017. It is anticipated that a resolution can be achieved during the 2018 September quarter to allow EGMS to focus on further performance improvements onsite.

Maximus continues to the search for and evaluate prospective 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, confidential discussions continued on various projects for Joint Venture or acquisition.

MXR was advised by the ATO in May 2018 that its application to participate in the Exploration Development Incentive Scheme (EDI) was accepted. As a result, the Company is able to forego a portion of its carried forward tax losses due to greenfields exploration and create exploration tax credits to pass on to eligible shareholders. The Total EDI credits available for the 2016/17 tax year (to apply in the 2017/18 financial year) total \$341,048.

Kevin Malaxos
Managing Director
30 June 2018

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

Further information regarding Maximus Resources Limited can be found on the company website:
www.maximusresources.com

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 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
- Burbanks – Milling Sales	980	3,379
- Gold sales	96	708
1.2 Payments for		
(a) exploration & evaluation	(77)	(395)
(b) development	-	-
(c) production	-	-
(d) staff costs	(78)	(212)
(e) administration and corporate costs	(44)	(290)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
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	(935)	(3,671)
Burbanks refurbishment costs	(63)	(290)
Royalties	(60)	(60)
1.9 Net cash from / (used in) operating activities	(181)	(828)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(1)	(1)
	(b) tenements (see item 10)	-	-
	(c) investments	-	69
	(d) other non-current assets (Lithium Rights)	-	120
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	(1)	188

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	150	350
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)
3.5	Proceeds from borrowings	-	90
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	150	422

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	61	247
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(181)	(828)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	188
4.4	Net cash from / (used in) financing activities (item 3.10 above)	150	422
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	29	29

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	12	44
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)	29	61

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
67
-

Directors Fees

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
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

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)		-
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 Company plans to continue Toll milling operations during the June quarter with resultant revenue to fund on-going company expenditure.

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

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	E15/967 Kambalda West E15/968 Kambalda West P15/5860 Kambalda West	Expired Expired Expired	100% 100% 100%	0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 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.

Sign here:



Date: 31 July 2018

(Company secretary)

Print name: Justin Nelson

Notes

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.