

ASX Announcement

1/10/2019

SAM Survey Data Highlights High Priority Drilling Targets at Wattle Dam Gold Project

- Sub Audio Magnetic (SAM) Data acquired at Wattle Dam
- Several targets identified along the Spargoville Shear to north of Wattle Dam
- Second SAM survey proposed to cover area south of Wattle Dam including Redback Deposit

Maximus Resources Limited (ASX: MXR or the “Company”) plans to immediately recommence exploration activities on its Spargoville tenements, commencing with the area surrounding to the Wattle Dam gold mine.

The Company has acquired exploration data from a Sub Audio Magnetic (SAM) Survey conducted immediately to the north of the Wattle Dam Pit.

Interpretation of this data has highlighted several target areas to the north of Wattle Dam that are coincident with the trace of the Spargoville Shear Zone (See Figure 1), which hosts the Wattle Dam Gold Mine. Whilst exploration drilling has been conducted in this area, the Company considers this drilling to be general wide-spaced traverses of untargeted drilling, and this coverage may be inadequate to detect a short strike length, Wattle Dam style target. The previously identified S13 target (See MXR March Quarterly report dated 31 March, 2019) on the Wattle Dam tenement is coincident with a SAM target highlighted on the Spargoville shear from analysis of the SAM data, adding confidence to the Company’s plans to test the S13 target as described in the Quarterly Report for the Period Ending 31 March 2019.

SAM geophysical surveys are ground based electrical survey that measure two separate output responses: Total Magnetic Intensity (TMI) which measures the magnetic response of the underlying rocks, and Equivalent Magnetometric Resistivity (EQMMR) which measures the pseudo magnetic response when electrified.

SAM is a patented technique useful in locating shears associated with shear hosted gold deposits, detecting strong conductors, as well as detecting more subtle conductors associated with disseminated sulphides.

Based upon the success of this previous SAM survey and the encouraging results identifying additional drill targets north of the Wattle Dam gold project, the Company has scheduled a further SAM survey to be conducted to the south of the Wattle Dam open pit. The SAM survey will cover both the S5 target and the Redback Resource Area and provide geophysical data to test the potential of the Spargoville shear to host further Wattle Dam style gold deposits. This latest SAM survey is scheduled to commence on 7 October, 2019 and is expected to be completed within the week.

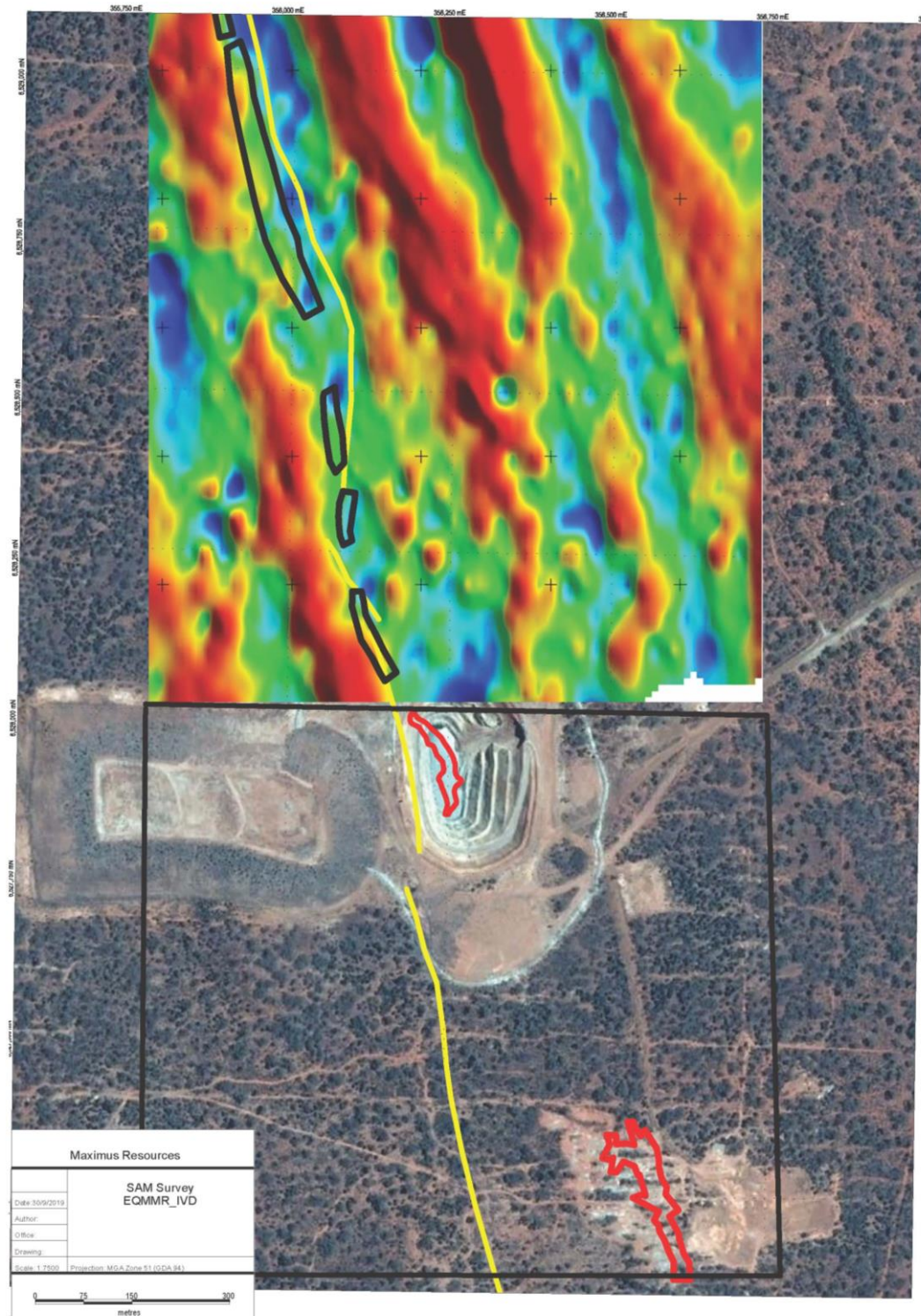


Figure 1: Equivalent Magnetometric Resistivity, First Vertical Derivative Image, displaying trace of Spargoville Shear Zone (yellow) Wattle Dam upper, and Redback lower Orebody surface projections, (red), identified target areas (black polygons north of the open pit) and proposed Southern SAM Survey (black)

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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

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

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> Sub Audio Magnetics sampling conducted
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> Not Applicable, no drilling undertaken.
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> Not Applicable, no drilling undertaken.

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Not Applicable, no drilling undertaken.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Not Applicable, no sampling undertaken.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Gap GeoPak High Power HPTX-70 geophysical transmitter with TX frequency of 4Hz, and 30 amps Current. Gap TM-7 Magnetometer sampling at 1200Hz. A Trimble Ag-332 differential GPS receiver or equivalent, nominally accurate to 1m (in an XY direction) A base station magnetometer capable of recording to 0.1nT was used for temporal monitoring.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Not Applicable, no sampling undertaken.

Criteria	JORC Code explanation	Commentary
<i>Location of data points</i>	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Location data is set out on GDA94 Zone 51 grid and location set out performed by DGPS. No topographic control used. • The field component of the SAM survey was carried out using differential GPS with accuracies of around sub 1m on easting and northing
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • The SAM survey was undertaken at 50m line spacing orientated at right angles to the direction of current flow. Magnetic data points were collected every 5-10m along the lines. East-West lines with the current flowing North-South. Survey control by using a differential GPS.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • Sampling is collected on a grid basis, orientated perpendicular to the regional geological strike.
<i>Sample security</i>	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Not applicable, no sampling was undertaken.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • The SAM survey's field component was undertaken by Gap Geophysics.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> • The project is within Mining Leases M1501101 100% by Maximus Resources Ltd. • The tenement is in good standing.

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<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Initial work around the project area was by ACM Gold in 1990, followed by Spinifex Gold in 1997, and Resolute in 2000. Ramelius Resources mined the Wattle Dam Gold Mine between 2008 and 2012
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The project is within a poorly outcropping Archaean volcano-sedimentary secession of felsic-intermediate volcanics and chemical sediments adjacent to the Spargoville Shear Zone. The Style of mineralisation is massive and disseminates gold mineralisation.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> Not Applicable, no drilling undertaken.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Not Applicable, no drilling undertaken.
<i>Relationship between mineralisation</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> 	<ul style="list-style-type: none"> Not Applicable, no drilling undertaken.

Criteria	JORC Code explanation	Commentary
<i>widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> See figures attached to this report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> All results available of significance have been reported within this report.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> The SAM survey generated magnetic (TMI, 1FVD) plots. Conductivity data generated EQMMR plots. Both magnetic and EQMMR data was used to derive new drill targets.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Further work planned is drill program and extending SAM Survey to Southern Area.. Plans showing newly identified SAM survey targets and proposed survey extension have been included