

Maximus Resources Ltd ABN 74 111 977

## SUMMARY

### SOUTH AUSTRALIA

#### ADELAIDE HILLS GOLD PROJECT

- ▶ Completed sale transaction of five Adelaide Hills tenements, including the Bird in Hand project to Terramin Australia Ltd.
- ▶ Initial payment totalling \$1.5 million plus 25 million Terramin Exploration Ltd shares (into escrow account) received.

#### BILLA KALINA PROJECT

- ▶ Finalised exploration agreement with Monax Alliance Pty Ltd, a wholly owned subsidiary of Monax Mining Ltd to actively explore the Maximus Billa Kalina tenements within the Woomera Prohibited Area (WPA).
- ▶ Adjoining Paisley Creek tenement, EL4489 transferred to Maximus.
- ▶ Secured a Deed of Amendment with the Department of Defence on four Maximus tenements within the WPA.

#### NORTHERN GAWLER CRATON

##### WELBOURN HILL and NICHOLSON TARGETS

- ▶ Transfer of Welbourn Hill and Nicholson Hill tenements into Maximus' name finalised by DMITRE.

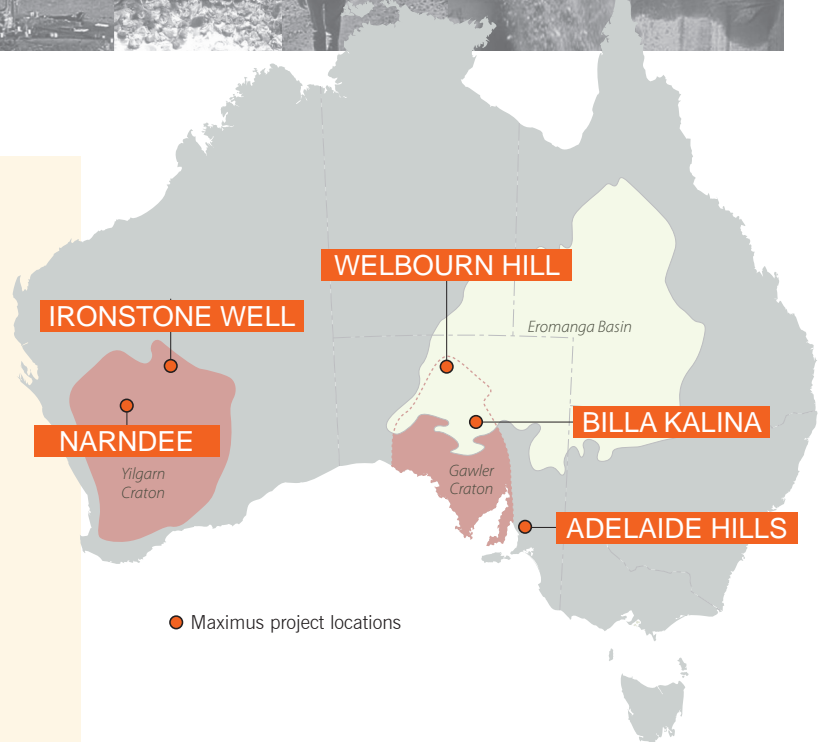


Figure 1 Location of Maximus Projects.

### WESTERN AUSTRALIA

#### NARNDÉE PROJECT

- ▶ Phase 1 soil sampling program completed on Northern Narndee tenements with further excellent results.
- ▶ Geochemical sampling program and ground gravity survey planning finalised and is scheduled for completion in January 2014.
- ▶ Completed preparation of Joint Venture Agreement document covering 10 tenements totalling 1,005 sq km in the Narndee poly-metallic complex in Western Australia.



# DEVELOPMENT AND EXPLORATION ACTIVITIES

## SOUTH AUSTRALIA

### ADELAIDE HILLS PROJECT

100% Maximus

The Adelaide Hills project is located immediately east of Adelaide and comprised some 1,923 km<sup>2</sup> of contiguous exploration licences covering numerous gold and base metal occurrences (Figure 2).

As previously announced in October, Maximus finalised documentation for the sale of five tenements to Terramin Exploration Ltd (a wholly owned subsidiary of Terramin Australia Limited). The documentation included both the Tenement Sale Agreement and the Gold Royalty Deed.

Upon approval of the transfer of tenements by the relevant Minister on 5 November, Terramin transferred \$1.5 million to Maximus and issued 25 million Terramin Australia Ltd (ASX:TZN) ordinary shares to Maximus which are subject to a 12 month escrow deed.

Maximus retains four tenements in the Adelaide Hills region prospective for gold and base metals and intends continuing exploration on these tenements.

No on-ground exploration activities were conducted during the quarter.

### BILLA KALINA COPPER, GOLD URANIUM PROJECT

Maximus 100%

The 100% owned Billa Kalina project area, comprises four exploration licences covering approximately 2,342 square kilometres of highly prospective ground located 70 km northwest of the Olympic Dam Iron oxide-copper-gold-uranium (IOCGU) mine and 45 km east of the Prominent Hill copper-gold deposit (Figure 3). Maximus secured the adjoining Paisley Creek tenement (EL 4898) during the quarter (after acquiring the tenement during the previous quarter) following completion of the transfer process and the EL being issued in Maximus' name.

Documentation was submitted to the Department of Defence to add the Paisley Creek tenement (EL 4898) into the existing Deed of Access (Exploration) within the Woomera Prohibited Area (WPA). Confirmation was received from the Department of Defence in November that a Deed of Amendment was executed.

Following completion of negotiations and the signing of the Binding MoU with Monax Alliance Pty Ltd (Alliance) to facilitate Due Diligence and preliminary exploration work on the Billa Kalina tenements, MXR submitted a change of circumstances form to the Department of Defence notifying them of the MoU with Alliance.

A meeting was held with chairman of the Kokatha Native Title claimant group to discuss the proposed activities to be completed under the MoU. This discussion established areas of significance to the Kokatha people that were to be avoided during the exploration activities.

Alliance personnel completed a review of current data and identified a total of seven target areas to investigate across the four tenements, with a planned ground gravity survey to be completed in January 2014. All necessary access requirements were completed during the quarter including Woomera Prohibited Area Coordination Office (WPACO) approval, land holder notification and personnel access approvals.

### MARREE TENEMENT – EROMANGA BASIN

Maximus 100%

The Marree tenement, EL 4913 is situated along the margins of the Eromanga Basin within South Australia covering an area of 125 square kilometres.

Documentation to relinquish this tenement was submitted to DMITRE during the quarter.

### NORTHERN GAWLER CRATON PROJECT

#### WELBOURN HILL and NICHOLSON TARGETS

Maximus 100%

The Northern Gawler Craton Project consists of two tenements, Welbourn Hill (EL 4020) and Nicholson Hill (EL 4019) located along the northern margins of the Gawler Craton in the Marla region of South Australia covering an area totalling 439 km<sup>2</sup> (Figure 4). Maximus received confirmation from DMITRE that the transfer of the 2 tenements was completed on 24 October 2013.

Initial exploration by the previous tenement holder in 2008/09 intersected weak copper mineralisation associated with a 3 milligal gravity anomaly and an offset, deeper magnetic anomaly. A detailed gravity survey was conducted over the Welbourn Hill target in 2012 and subsequent modelling of the data failed to identify any significant target suggestive of a large IOCG feature.

No work was completed on the project during the quarter whilst the tenement transfer process was being finalised, however MXR plans to review all available data and conduct an initial electrical geophysical survey on selected areas to target large potential copper mineralised zones.

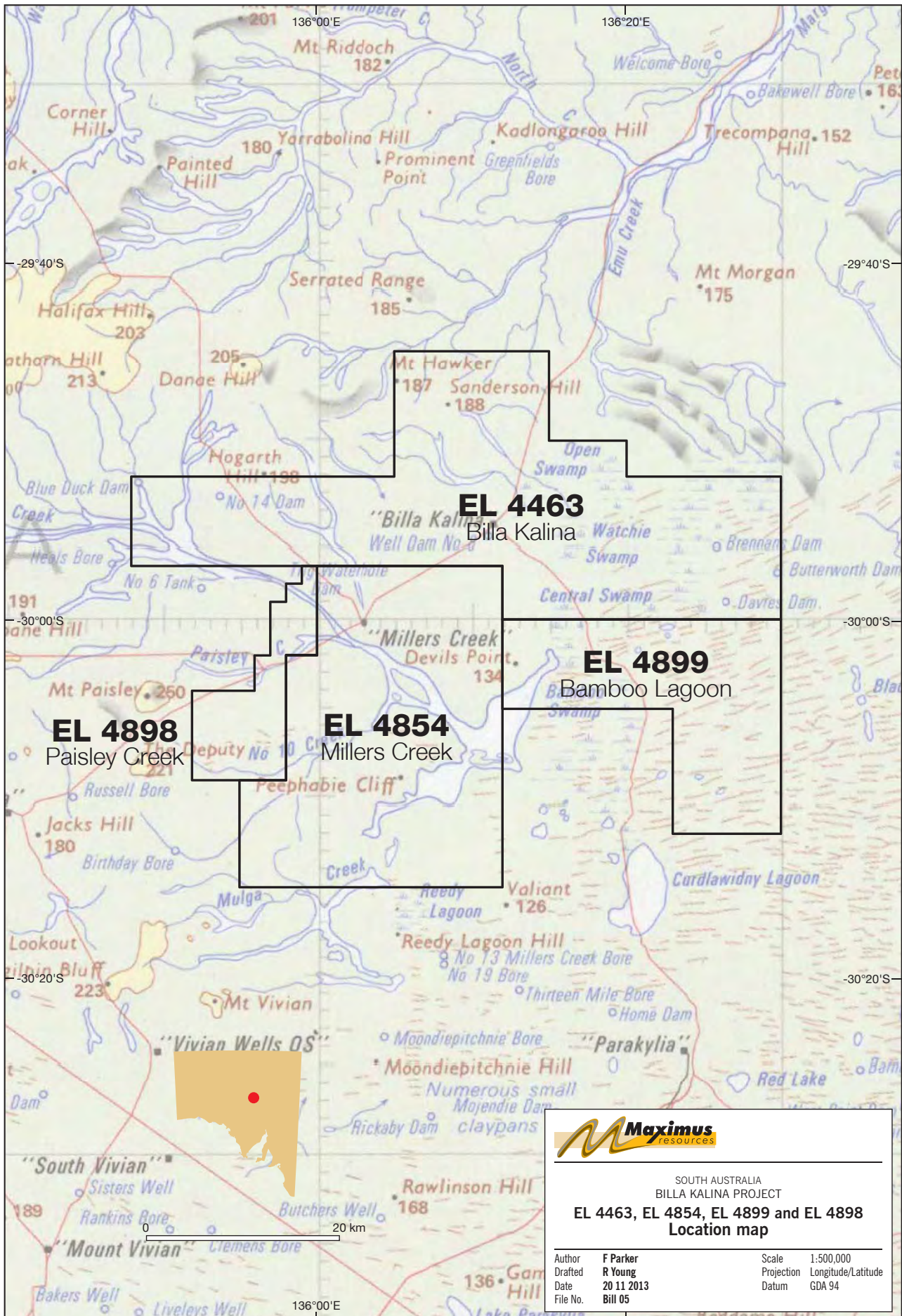


Figure 3 Location of the Billa Kalina Project tenement areas.

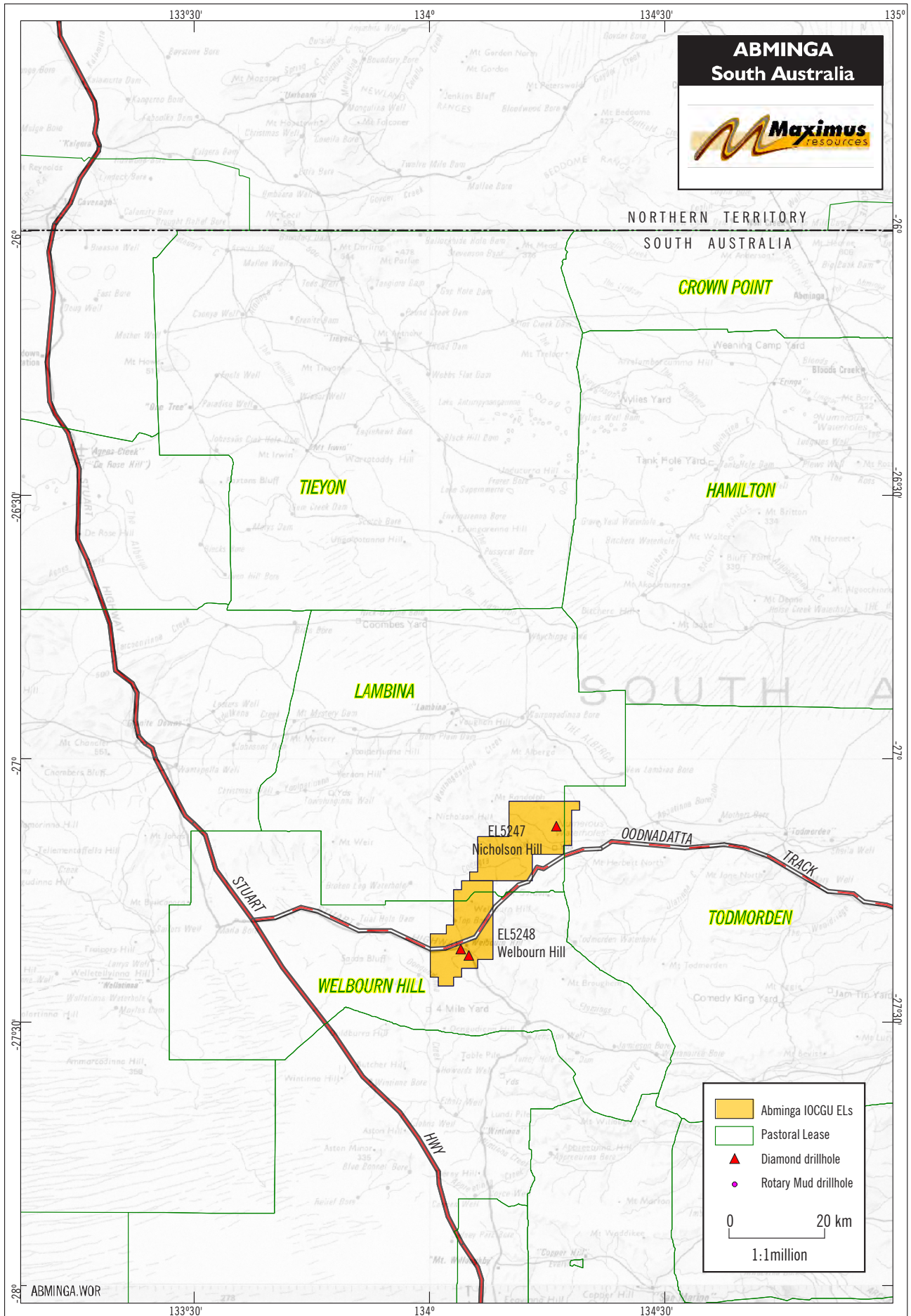


Figure 4 Location of the North Gawler Craton Project area.

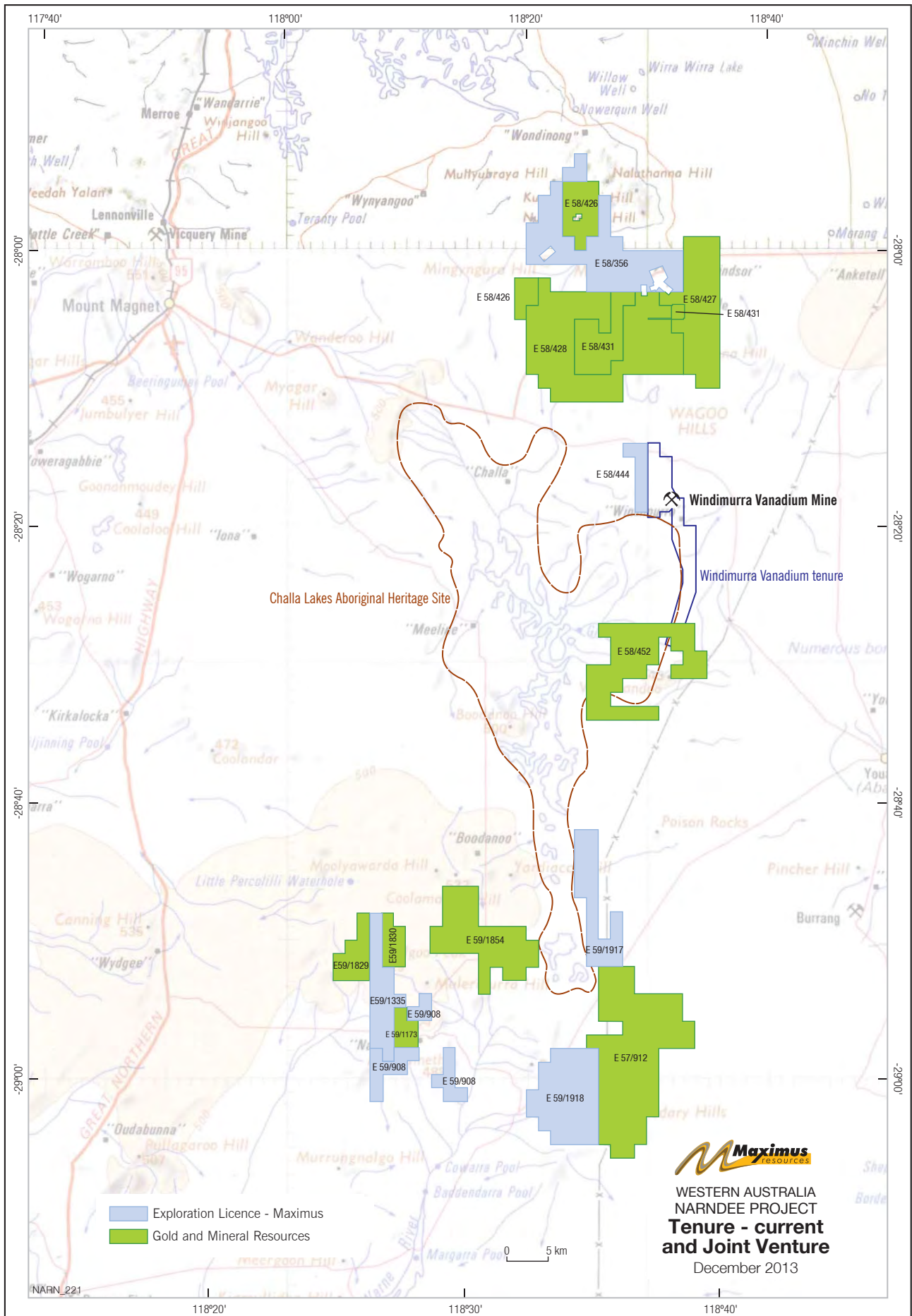


Figure 5 Location of the Narndee Project tenement areas.

## WESTERN AUSTRALIA

### NARNDÉE PROJECT

Maximus 100%

The project area is located in the Mt Magnet region of Western Australia and comprises a total of six tenements covering a total area of approximately 506 square kilometres over the poly-metallic Narndee, Milgoon and Windimurra layered mafic complexes (Figure 5). Three tenements remain under application awaiting approval by the Minister for Mines.

Maximus is currently finalising a Joint Venture Agreement with a private company to access 10 tenements in the Narndee region covering an area of approximately 1,005 square kilometres. These 10 tenements were previously held by MXR, but were relinquished in 2012 and remain highly prospective for gold and base metals. The Joint Venture Agreement shall provide MXR access to the tenements to continue with the targeted exploration program. Our aim is to complete and sign the JV Agreement in Q1, 2014.

An initial soil sampling program was completed on three tenements (E58/356, E58/431 and E59/908) to assist in identifying areas requiring drilling or follow-up drilling. This sampling program is part of the overall exploration strategy for these key tenements, including soil sampling, the planned Induced Polarization (IP) survey, modelling of regional geology and drilling. Results from the phase 1 sampling program were received in December (Figure 6) and returned very encouraging anomalous results for gold and copper on E58/356 and E58/431 and further occurrences of Nickel and copper on E59/908. No zinc was recorded in the surface soil assays on E59/908, but given the depth of previous drill intersections this was not anticipated.

An IP survey is planned to commence in January 2014 in addition to further soil sampling to bolster the detail of the geological model on E59/908. The IP survey is

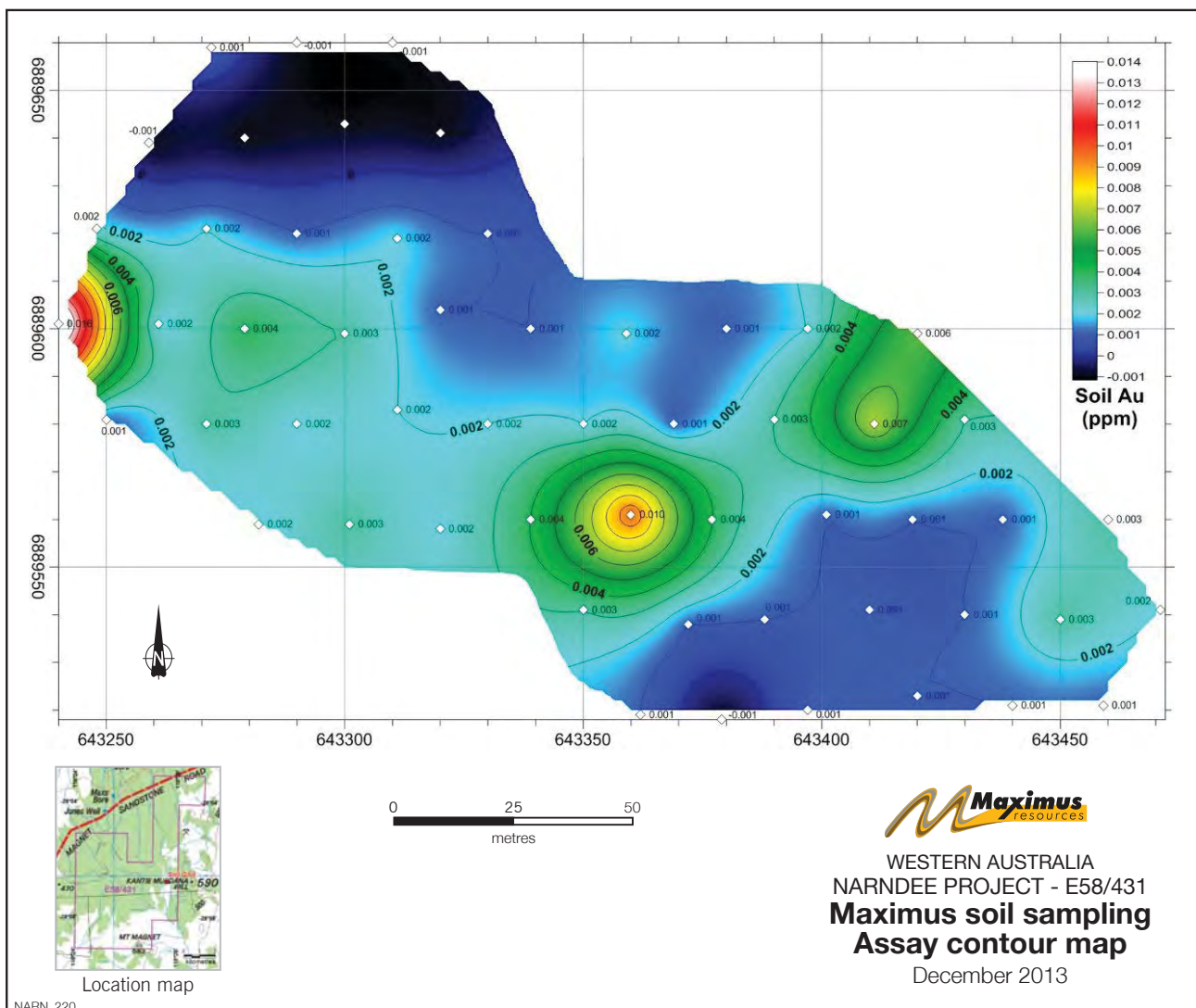


Figure 6 Location of soil sampling assay contours.

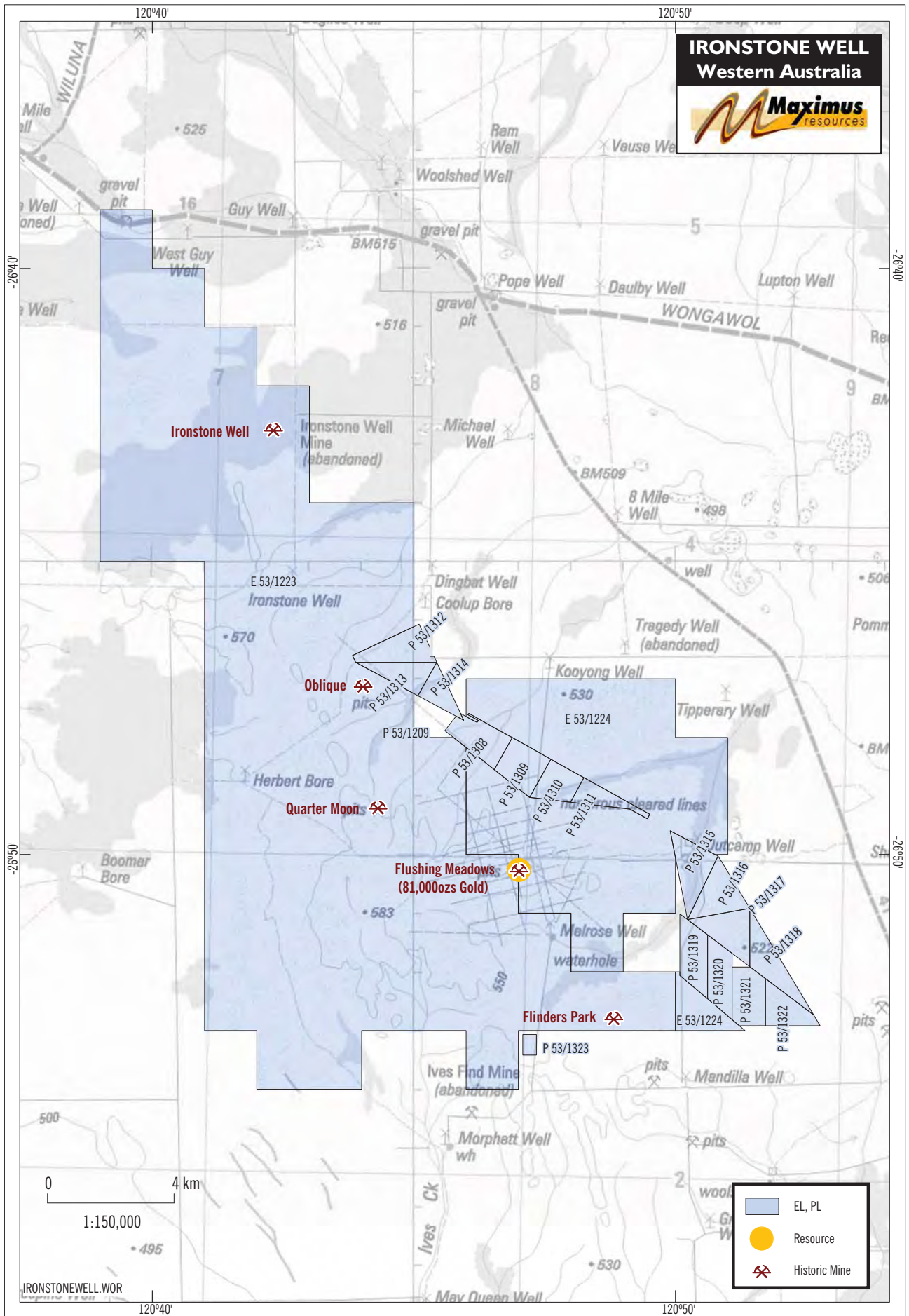


Figure 7 Location of Yandal (Ironstone Well) tenements.



intended to provide further structural information in the geological model and assist in determining the optimum location of the proposed follow-up drill phase. Additional soil sampling shall also be undertaken on E58/356 and E58/431 based on the final interpretation and analysis of the December assay result, which are incomplete.

Upon signing the JV Agreement relating to the 10 tenements in the Narndee complex, applications to the Department of Mines and Petroleum in Western Australia for approvals to proceed with ground based exploration and drilling shall be submitted. This area remains the highest priority for the company for the immediate future.

### **YANDAL PROJECT**

*20%/ 100% Iron ore rights*

The Yandal project area (known as Ironstone Well) comprises two tenement packages situated near Wiluna and located within the highly prospective Yandal Greenstone Belt (Figure 7) in Western Australia.

The Company retains a 20% interest in the iron ore rights under the Flushing Meadows Agreement with Orex Mining Pty Ltd (Orex) and a royalty interest on gold production by Orex.

Maximus retains 100% of the iron ore rights on E53/1223.

## **CORPORATE**

Maximus received confirmation of Ministerial approval for the transfer of five contiguous tenements in the Adelaide Hills, including the Bird in Hand project to Terramin Exploration Ltd, a wholly owned subsidiary of Terramin Australia Limited (ASX announcement dated 12 November 2013).

The total consideration for the sale is up to \$3.5 million cash in staged payments, 25 million Terramin ordinary shares (ASX:TZN) which are subject to a 12 month escrow deed, plus a 0.5% royalty on gold production (in excess of 50,000 ounces) subject to certain price conditions. Maximus received the first staged payment totalling \$1.5 million in November and 25 million Terramin fully paid Ordinary shares in Terramin Australia, held in trust for 12 month.

The Sale Agreement includes two further contingent payments of \$1 million each to be paid upon approval of a Program for Environmental Protection and Rehabilitation (stage 2) and upon shipment of first gold (stage 3). A Gold Royalty Deed forms part of the final agreement whereby MXR receives a royalty of 0.5% for all gold produced on the Bird in Hand Mineral Claim area in excess of 50,000 ounces, subject to certain price criteria.

In accordance with a clause in the Tenements Sale Agreement, Maximus entered into an Agreement with Terramin Exploration Ltd to hold all rights, title and interest in the Mineral Claim MC 4113 (hosting the Bird in Hand project) and the Retention Lease Application on the Mineral Claim in Trust. This Agreement entitles Terramin to progress the Retention Lease Application (RLA), at its sole expense, until a Mining License is granted by the Minister or the RLA is discontinued by Terramin.

Following the transfer of the Paisley Creek tenement, EL 4898 into MXR's name by DMITRE, an application was submitted to the Department of Defence to extend the existing Deed of Access (Exploration) to cover this additional tenement. The signed Deed of Amendment was received in November covering the four MXR tenements in the Billa Kalina project area.

Maximus signed a binding Memorandum of Understanding (MoU) with Monax Alliance Pty Ltd (Alliance), a wholly owned subsidiary of Monax Mining Ltd in November providing Alliance with a six month

exclusive period to undertake due diligence and preliminary exploration (non-invasive) on the Billa Kalina project comprising four granted tenements including EL 4463, EL 4854, EL 4898 and EL 4899.

Alliance has the option to enter into a Farm-in and JV Agreement with MXR during the exclusivity period with the potential to earn up to 80% equity in the project following expenditure of US\$3 million on exploration and a further payment to MXR totalling US\$100,000.

MXR received US\$25,000 upon signing the MoU.

The Maximus Board is now confident that the company's tenement package is in a sound and manageable state, allowing personnel to focus its exploration program on the Narndee tenements in Western Australia, whilst prudently progressing exploration on the Northern Gawler Craton tenements and the remaining Adelaide Hills tenements in South Australia.



**Kevin Malaxos**

*Managing Director*

30 January 2014

**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](http://www.maximusresources.com)

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Kevin Malaxos 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 undertaken, to qualify as a Competent Person as defined in the 2004 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.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Maximus Resources Limited

ABN

74 111 977 354

Quarter ended ("current quarter")

31 December 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	29	29
1.2 Payments for		
(a) exploration & evaluation	(66)	(145)
(b) development	-	-
(c) production	-	-
(d) administration	(303)	(378)
(e) professional fees	(122)	(138)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	7
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
<b>Net Operating Cash Flows</b>	<b>(456)</b>	<b>(626)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) Adelaide Hills tenements	1,500	1,500
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
- Environmental Bond monies (Sellheim)	-	-
<b>Net investing cash flows</b>	<b>1,500</b>	<b>1,500</b>
1.13 Total operating and investing cash flows (carried forward)	<b>1,044</b>	<b>874</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	<b>1,044</b>	<b>874</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Transaction costs relating to issues	-	-
	<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
	<b>Net increase (decrease) in cash held</b>	<b>1,044</b>	<b>874</b>
1.20	Cash at beginning of quarter/year to date	96	266
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,140</b>	<b>1,140</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	150
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director Fees \$138,937 (includes back pay to July 2013)  
Tychean Resources Limited Administration Fees \$10,752

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Receipt of 25 million Terramin FPO shares as part of Sale transaction of 5 Adelaide Hills tenements

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	165
4.2 Development	-
4.3 Production	-
4.4 Administration	165
<b>Total</b>	<b>330</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,105	61
5.2 Deposits at call	35	35
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,140</b>	<b>96</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note 2)	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL 4303	Sale of tenements to Terramin Exploration Ltd	100%	0%
	EL 4227		100%	0%
	EL 4712		100%	0%
	EL 5214		100%	0%
	EL 5262		100%	0%
6.2 Interests in mining tenements acquired or increased	EL4898	Paisley Creek	0	100%
	EL 4020	Welbourn Hill	0%	100%
	EL 4019	Nicholson Hill	0%	100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	869,376,363	869,376,373		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	1,645,000		Exercise price of \$0.04 expiring on 3 February 2014	
	96,084,638		Exercise price of \$0.02 expiring on 30 April 2015	
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: (Company Secretary)

Date: 30 January 2014

Print name: Rajita Alwis

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.