

# MAXIMUS RESOURCES LIMITED

## QUARTERLY REPORT

PERIOD ENDING 31 March 2016

## SUMMARY

### CORPORATE

- Private share placement to sophisticated Investors completed with \$66,000 received
- Confirmation received from DMP of registration of MXR's 25% interest in gold rights on majority of Spargoville tenements.
- Tenement transfer documentation recording MXR's increased interest in Spargoville to 51% submitted to DMP
- Negotiations completed with Tychean Resources to secure TYK's remaining 10% interest in Spargoville tenements. Second Sale and Purchase Agreement signed.
- Transfer documentation recording MXR interest of 100% of TYK interest in Spargoville tenements completed and submitted to DMP/Office of State revenue for assessment.
- Revised Deeds of Assignment and Assumption prepared to reflect acquisition of 100% of TYK's interest in the Spargoville tenements.
- Second Sale and Purchase Agreement extinguishes MXR's future earn-in commitments and eliminates the gold royalty to TYK
- Shares issued to TYK under the Original Sale and Purchase Agreement dated 5 August 2015.

### WESTERN AUSTRALIA SPARGOVILLE PROJECT

- Follow-up drilling program completed on Eagles Nest tenement in March
- 14 Reverse Circulation holes completed for a total of 900 metres
- Signed 2 year Deed of Access Agreement with Prospector to conduct alluvial mining on approved areas of Spargoville tenements to provide grass roots exploration information to MXR
- Surface rock samples collected on Landor Lithium prospect return positive initial assay results
- Follow-up surface mapping and reconnaissance program planned on Landor and Lefroy Lithium prospects in April/May

### NARNDEE PROJECT

- Ground Electromagnetic survey plans finalised to test 2 priority EM targets identified on previous aerial EM survey. Results will assist in decision to drill and location of drill holes collars
- 1 of 3 Applications submitted for new tenements contiguous to existing MXR ground was granted. 2 remaining applications are currently with the Native Title group for consideration

### SOUTH AUSTRALIA MILLERS CREEK PROJECT

- Continue to seek expressions of interest for Joint Venture or sale/purchase of tenement package

### ADELAIDE HILLS PROJECT

- Two tenements retained in Adelaide Hills project following relinquishment of two northern tenements.

**MAXIMUS RESOURCES LIMITED**  
**QUARTERLY REPORT**  
 PERIOD ENDING 31 March 2016

## DEVELOPMENT AND EXPLORATION ACTIVITIES

### WESTERN AUSTRALIA

#### SPARGOVILLE PROJECT GOLD PROJECT

*Maximus 51% upto 100%*

Maximus acquired an initial 25% interest in the Spargoville gold tenement package located 70km south of Coolgardie in the Eastern Goldfields on 5 August 2015. In November 2015, Maximus achieved the stage 1 earn-in commitment and increased its equity share in the Spargoville tenements to 51% following the investment of \$200,000 in exploration activities on the tenements.

As MXR continued evaluating the wealth of data available, including historical soil sampling results, Aerial EM data, aircore drill data, RC drill data and Diamond drill data and associated assay data, several high potential targets were identified with follow-up soil sampling programs confirming the prospectivity of several targets.

Maximus commenced its maiden drilling campaign on Eagles Nest during early December 2015 with a total of 8 holes completed for 809 metres. Final assay results received in January 2016 show high grade intersections at significant widths including 24m @ 3.05g/t from 19m (including 8m @ 4.0 g/t from 35m) in hole MXENRC004, 7m @ 4.0 g/t from 33m (including 1m @ 14.7g/t from 34m) in hole MXENRC005 and 6m @ 1.98g/t from 81m (including 1m @ 5.3g/t from 81m) in hole MXENRC07 (See table 1 below).

Hole Number	Total Depth (m)	North	East	RL	Dip	Azi	From (m)	To (m)	Downhole Width (m)	Au (g/t)	Comment
MXENRC01	67	6520940	357454	355	-60	270	45 58	46 59	1 1	1.75 1.11	
MXENRC02	104	6520941	357468	353	-60	270					NSR
MXENRC03	110	6520872	357479	354	-60	270					NSR
MXENRC04	100	6520765	357414	358	-60	90	5 12 19 <b>Incl 35</b> 49 58 73 78 81 91 95	7 15 43 <b>43</b> 50 69 74 79 88 92 96	2 3 24 <b>8</b> 1 11 1 1 7 1 1	2.16 1.77 3.05 <b>4.0</b> 4.57 1.55 1.64 1.53 1.91 1.02 1.26	
MXENRC05	100	6520804	357426	359	-60	90	25 <b>Including 33</b> <b>Including 34</b> 44 49 52	40 <b>40</b> <b>35</b> 45 50 53	15 <b>7</b> <b>1</b> 1 1 1	2.64 <b>4.01</b> <b>14.7</b> 1.63 2.07 1.38	
MXENRC06	97	6520723	357466	355	-60	270	49	60	11	1.62	
MXENRC07	100	6520759	357499	354	-60	270	81 <b>Including 81</b>	87 <b>82</b>	6 <b>1</b>	1.98 <b>5.3</b>	
MXENRC08	131	6520798	357490	354	-60	270	68 102 108	74 104 109	6 2 1	1.65 2.76 2.63	

**Table 1:** Drill results completed on Eagles Nest project in December 2015. NSR means no significant result (> 1g/t)

An infill drilling program commenced in mid-March to obtain further data to assist in the preparation of a resource calculation for the Eagles Nest project. Drilling was undertaken on the northern tenement boundary to test the strike extension to the mineralisation identified in the maiden drill program in December. The program also traversed the site where the significant Golden Eagle nugget was found (1135 ounces) in 1931. Final assay results were received in April but did not repeat the higher grades

# MAXIMUS RESOURCES LIMITED

## QUARTERLY REPORT

### PERIOD ENDING 31 March 2016

recorded in the initial drilling program. This result does not diminish the area's potential for hosting a HG ore source, similar to the HG Wattle Dam orebody also associated with a "Blue lode" further to the north. This is demonstrated by the number and size of nuggets found on this tenement over the past 100 years. Nuggets continue to be found by prospectors in this area to this day.



**Figure 1:** Spargoville tenements – Maximus holds 51% equity in gold rights, moving to 100%

During March, rock chip samples were collected from the Landor Lithium prospect (M15/1323) to test areas identified by Geological Survey of Western Australia historic mapping as pegmatites. Elevated Lithium oxide assay results were returned from the Landor samples prompting the decision to undertake further

# MAXIMUS RESOURCES LIMITED

## QUARTERLY REPORT

PERIOD ENDING 31 March 2016

mapping and sample analysis on both the Landor prospect and the Lefroy lithium prospect during April / May 2016.

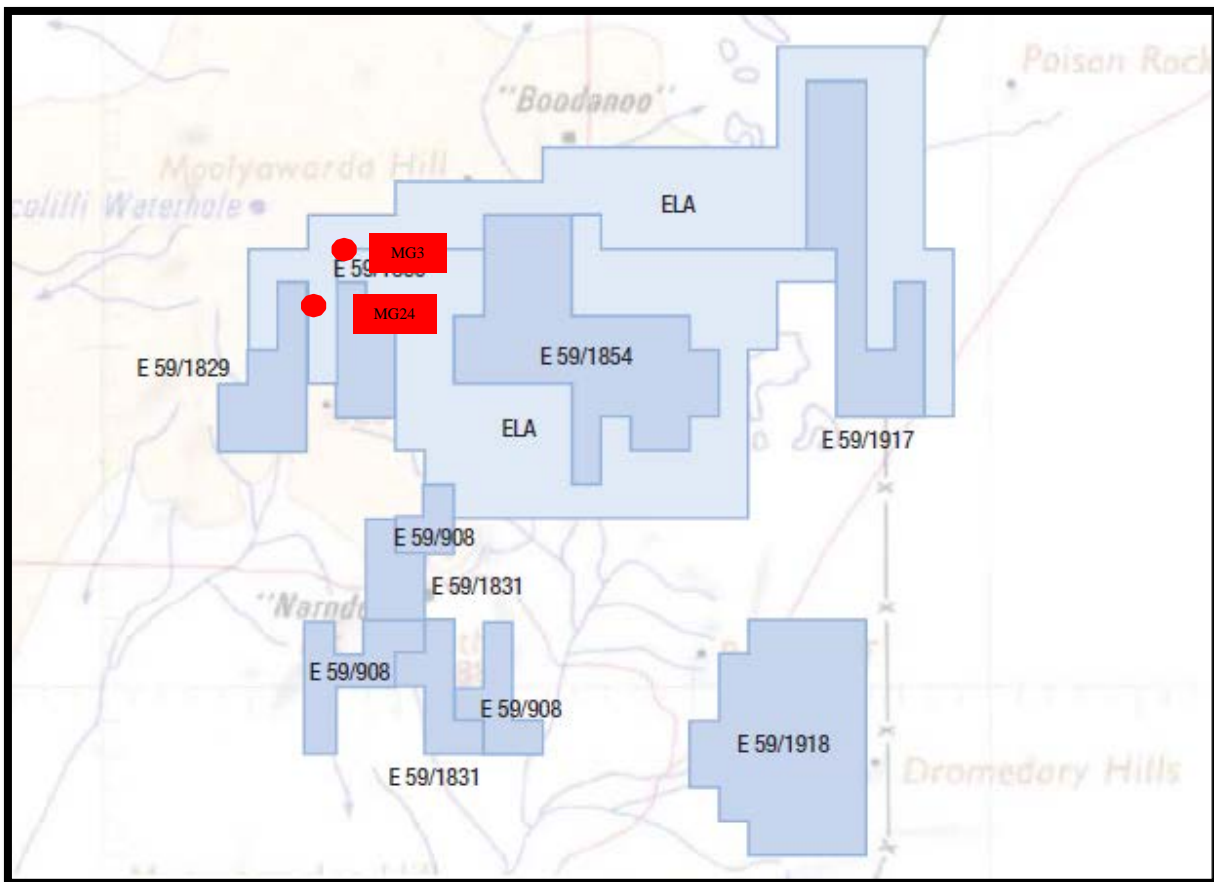
These tenements are situated within the Achaean greenstone belt extending from the southern Yilgarn region of WA to the Pilbara region in WA. This greenstone belt hosts the only 2 Lithium operations in Australia.

### NARNDÉE BASE METALS PROJECT

*Maximus 100%*

Preparations were finalised on the timing and scope of a ground electromagnetic (EM) survey to test two airborne EM anomalies identified during the review of previous data. The initial target, MG24 presents as a long slender feature considered similar to the Nova Bolinger anomaly in the Fraser Range area in the south-west of Western Australia. The planned ground EM survey will provide more detailed information regarding the two anomalies. MG24 and MG03 and will provide valuable data to pinpoint drill collar positions in the anticipated drilling program.

Applications were submitted in November 2015 to the Department of Mines and Petroleum (DMP) for 3 tenements contiguous with the current MXR tenements (see figure 2). One tenement was granted during the quarter. The remaining 2 applications are currently with the Native Title group for determination. A response is due by mid-May if a claim is to be lodged.



**Figure 2:** Narndee tenement holding including ELA's applied for to secure MG24 target.

# MAXIMUS RESOURCES LIMITED

## QUARTERLY REPORT

### PERIOD ENDING 31 March 2016

#### YANDAL PROJECT

*Maximus 20% gold, 100% iron ore rights*

No progress during the quarter.

#### SOUTH AUSTRALIA

##### MILLERS CREEK COPPER, GOLD PROJECT

*Maximus 100%*

The company has completed a review of the geophysical data to determine the presence of any IOCG targets and maintains that the tenement holding remains highly prospective for IOCG mineralisation.

The company has listed the tenement package on an online platform to solicit offers for a Joint Venture on the expanded Millers Creek project.

#### ADELAIDE HILLS PROJECT

*100% Maximus*

No progress during the quarter, and 2 tenements remain in the portfolio.

#### NORTHERN GAWLER CRATON PROJECT

##### WELBOURN HILL COPPER, GOLD PROJECT

*Maximus 100%*

The Northern Gawler Craton Project consists of a single granted tenement, Welbourn Hill (EL 5248) 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>.

The company continues to promote this project to prospective Joint Venture parties as one with potential to host a significant copper target within the basement structure.

## CORPORATE

### Capital Raise

During the quarter, the company completed a placement to sophisticated investors to raise \$66,000 to be used towards ongoing exploration predominantly on the Spargoville tenements. The placement was completed on 25 February 2016 with the issue of 66 million shares valued at \$0.001 each.

### Spargoville Farm-in Agreement

The Farm-in Agreement with Tychean Resources Limited (TYK) was signed on 5 August 2015 securing Maximus the right to earn up to 90% equity in the highly prospective Spargoville gold tenement package, located 70 km south of Coolgardie in Western Australia.

Following the initial acquisition of a 25% interest in the Spargoville gold tenement package in August 2015, MXR increased its equity earned in the tenements to 51% in November 2015 by achieving the Stage 1 earn-in commitment, following expenditure of \$200,000 in exploration activities. Updated Tenement transfer documents were prepared and submitted to the DMP in Western Australia to register MXR's 51% share of TYK's interest in the Spargoville tenements.



# MAXIMUS RESOURCES LIMITED

## QUARTERLY REPORT

### PERIOD ENDING 31 March 2016

MXR's partial interest in 10 tenements known as the Kambalda West tenements could not be registered initially due to an objection by Breakaway Resources (holder of the Ni rights and a small gold royalty) against multiple parties holding equity in each of the Kambalda West tenements.

During February 2016, MXR secured the ability to purchase the remaining 10% equity in the Spargoville tenements held by TYK for \$50,000 in MXR shares. This would increase MXR's equity in the Spargoville tenements to 100% upon completion of the Conditions precedent. A revised Sale Agreement (Second Sale and Purchase Agreement) was finalised and signed by both parties on 17 February 2016. Revised Deeds of Assignment, Assumption and Consent representing MXR's 100% interest (TYK 0% interest) were prepared for each group of tenements. A final suite of tenement transfer documents was prepared and signed in preparation for submission to the DMP to register MXR's interest in each tenement.

The process of MXR securing 100% of TYK equity in each tenement should facilitate Breakaway signing the Deeds of Assignment, Assumption and Consent for the 10 Kambalda West tenements paving the way for the MXR interest to be registered on the tenement titles. This has yet to be finalised with Breakaway Resources, however discussions continue.

## Project Evaluation

Maximus continues to 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.

Kevin Malaxos  
Managing Director  
31 March 2016

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

Investor relations:  
Mr Duncan Gordon  
Adelaide Equity Partners  
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 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 undertaken, 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.

# 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 March 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(144)	(553)
(b) development	-	-
(c) production	-	-
(d) administration	(174)	(545)
(e) professional fees	(15)	(47)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
<b>Net Operating Cash Flows</b>	<b>(332)</b>	<b>(1,135)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) Spargoville Farm-in Joint Venture	-	-
(b) equity investments	-	(220)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) Terramin Shares	-	-
(b) Tychean Shares	-	10
(b) 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>-</b>	<b>(210)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(332)</b>	<b>(1,345)</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>(332)</b>	<b>(1,345)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	66	542
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	(2)	(34)
	<b>Net financing cash flows</b>	<b>64</b>	<b>508</b>
	<b>Net increase (decrease) in cash held</b>	<b>(268)</b>	<b>(837)</b>
1.20	Cash at beginning of quarter/year to date	336	905
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>68</b>	<b>68</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	\$120
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 \$119,888

**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

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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

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+ 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	150
4.2 Development	-
4.3 Production	-
4.4 Administration	150
<b>Total</b>	<b>300</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	68	336
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>68</b>	<b>336</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			

+ See chapter 19 for defined terms.

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

6.2	Interests in mining tenements acquired or increased			
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**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</b>			
	<b>+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>	1,274,407,498	1,274,407,498	
7.4	Changes during quarter			
	(a) Increases through issues			
	- 17 February 2016	100,000,000	100,000,000	
	- 25 February 2016	66,000,000	66,000,000	
	(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>			
7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	<b>Debentures</b>			
	<i>(totals only)</i>			

+ See chapter 19 for defined terms.

7.12	<b>Unsecured notes</b> <i>(totals only)</i>		
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## 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: 29 April 2016

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.

## MAXIMUS RESOURCES LIMITED - TENEMENT SCHEDULE

Tenement Number	Tenement Name	Registered Holder/Applicant	Maximus Resources interest
<b>WESTERN AUSTRALIA</b>			
<b><i>NARNDÉE PROJECT</i></b>			
E59/908	Narndee	Maximus Resources Ltd	100%
E59/1335	4 Corner Bore	Maximus Resources Ltd	100%
E59/1917	Bricky Bore	Maximus Resources Ltd	100%
E59/1829	Milgoo Peak 1	Maximus Resources Ltd	100%
E59/1830	Milgoo Peak 2	Maximus Resources Ltd	100%
E59/1831	Narndee Homestead	Maximus Resources Ltd	100%
E59/1854	Boondanoo	Maximus Resources Ltd	100%
<b><i>SPARGOVILLE PROJECT</i></b>			
M15/1475	Eagles Nest	Tychean Resources Ltd	25%
E15/967	Kambalda West	Tychean Resources Ltd	25%
E15/968	Kambalda West	Tychean Resources Ltd	25%
L15/128	Kambalda West	Tychean Resources Ltd	25%
L15/255	Kambalda West	Tychean Resources Ltd	25%
M15/395	Kambalda West	Tychean Resources Ltd	25%
M15/703	Kambalda West	Tychean Resources Ltd	25%
P15/4884	Kambalda West	Tychean Resources Ltd	25%
P15/4885	Kambalda West	Tychean Resources Ltd	25%
P15/4963	Kambalda West	Tychean Resources Ltd	25%
P15/5860	Kambalda West	Tychean Resources Ltd	25%
P15/5953	Kambalda West	Tychean Resources Ltd	25%
M15/1448	Hilditch	Tychean Resources Ltd & Bullabulling Pty Ltd	25%
M15/1449	Larkinville	Tychean Resources Ltd & Pioneer Resources Ltd	25%
P15/5912	Larkinville	Tychean Resources Ltd & Pioneer Resources Ltd	18.75%
M15/100	North Widgie	Salt Lake Mining Pty Ltd	25%
M15/101	North Widgie	Salt Lake Mining Pty Ltd	25%
M15/102	North Widgie	Salt Lake Mining Pty Ltd	25%
M15/1271	North Widgie	Salt Lake Mining Pty Ltd	25%
M15/653	North Widgie	Salt Lake Mining Pty Ltd	25%
M15/97	North Widgie	Salt Lake Mining Pty Ltd	25%
M15/99	North Widgie	Salt Lake Mining Pty Ltd	25%
M15/1101	Wattle Dam	Tychean Resources Ltd	25%
M15/1263	Wattle Dam	Tychean Resources Ltd	25%
M15/1264	Wattle Dam	Tychean Resources Ltd	25%
M15/1323	Wattle Dam	Tychean Resources Ltd	25%
M15/1338	Wattle Dam	Tychean Resources Ltd	25%
M15/1474	Wattle Dam	Tychean Resources Ltd	25%
M15/1769	Wattle Dam	Tychean Resources Ltd	25%
M15/1770	Wattle Dam	Tychean Resources Ltd	25%
M15/1771	Wattle Dam	Tychean Resources Ltd	25%
M15/1772	Wattle Dam	Tychean Resources Ltd	25%
M15/1773	Wattle Dam	Tychean Resources Ltd	25%
M15/1774	Wattle Dam	Tychean Resources Ltd	25%
M15/1775	Wattle Dam	Tychean Resources Ltd	25%
M15/1776	Wattle Dam	Tychean Resources Ltd	25%
<b>SOUTH AUSTRALIA</b>			
<b><i>ADELAIDE HILLS PROJECT</i></b>			
EL 5351	Mount Monster	Maximus Resources Ltd	100%
EL5135	Mount Rufus	Maximus Resources Ltd	100%
<b><i>MILLERS CREEK PROJECT</i></b>			
EL 4463	Billa Kalina	Maximus Resources Ltd	100%
EL 4899	Bamboo Lagoon	Maximus Resources Ltd	100%
EL 4854	Millers Creek	Maximus Resources Ltd	100%
EL 4898	Paisley Creek	Maximus Resources Ltd	100%
<b><i>NORTHERN GAWLER CRATON PROJECT</i></b>			
EL 5248	Welbourn Hill	Maximus Resources Ltd	100%