

16 May 2017

Mr Christopher Dobbs  
Adviser, Listings Compliance  
ASX Compliance Pty Ltd  
30 Bridge Street, Sydney NSW 2000

By Email: [Chris.Dobbs@asx.com.au](mailto:Chris.Dobbs@asx.com.au)

Dear Sir

### ASX Appendix 5B Query

We refer to your letter to Maximus Resources Limited (“MXR” or “the Company”) regarding the Company’s Appendix 5B for the quarter ended 31 March 2017.

We respond to each of your queries as follows (adopting your numbering):

**1. Negative operating cashflows**

The Company expects that it will have negative operating cashflows for the time being. Currently, minimal funds are generated from the Spargoville exploration licences held by MXR. The Company is currently focussed on the Spargoville Project, in particular the works to develop gold resource deposits and discussions with third parties to facilitate the optimum outcome to exploit the Lithium potential. Additionally, during the quarter the Company invested significant funds in refurbishing the Burbanks Gold Treatment plant (operated by its wholly-owned subsidiary, Eastern Goldfields Milling Services Pty Ltd). The Company is continuing to identify and negotiate with multiple miners and project developers on the supply of gold ore for toll treatment through the Burbanks Mill.

In addition, the rate and timing of expenditure is within the Company’s control and funds will not be committed or disbursed until sufficient capital is available.

**2. Raise further cash**

The Company is currently completing a capital raise via a Security Purchase Plan (SPP). The Company notes that it has 100% security placement capacity under Listing Rules 7.1 and 7.1A. The Board is continuing discussions with sophisticated investors and expects that sufficient funds will be raised to finance ongoing operations.

**3. Ability to meet business objectives**

The Company is able to meet its business objectives as detailed above.

**4. Compliance with Listing Rule 12.2**

The Company’s financial condition is adequate to warrant continued quotation of its securities and its continued listing as required by Listing Rule 12.2 for a number of reasons:

- The Company has the ability to raise capital in the public market via a variety of means available including placements, option conversions, rights issues or sale of assets; and
- The Company anticipates that the Burbanks mill will commence milling of toll treatment ores with third parties within the next 3 - 12 months.

**5. Compliance with Listing Rule 3.1**

The Company confirms that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that rule.

Yours faithfully  
Maximus Resources Limited

A handwritten signature in blue ink, appearing to read 'Rajita Alwis'.

Rajita Alwis  
Company Secretary



12 May 2017

Rajita Alwis  
CFO and Company Secretary  
Maximus Resources Limited  
Level 3, 100 Pirie Street  
Adelaide SA AU 5000

By email: [ralwis@maximusresources.com](mailto:ralwis@maximusresources.com)

Dear Rajita,

**Maximus Resources Limited (“the Company”): Appendix 5B Query**

I refer to the Company’s Appendix 5B quarterly report for the period ended 31 March 2017 lodged with ASX Market Announcements Platform on 27 April 2017 (the “Appendix 5B”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$758,000;
- cash at the end of the quarter of \$379,000; and
- estimated cash outflows for the next quarter of \$320,000.

It is possible to conclude, based on the information in the Appendix 5B that if the Company were to continue to expend cash at the rate indicated by the Appendix 5B, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

6. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **10:00am AEST on Wednesday 17 May 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at **chris.dobbs@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Christopher Dobbs', written in a cursive style.

Christopher Dobbs  
Adviser, Listings Compliance  
Ph: (02) 9227 0488