

ASX Announcement

10/12/2018

\$3.2 Million Mill Lease and 50% EGMS Sale Package

KEY POINTS

- **Binding Term sheet signed for 12-month lease of Burbanks Mill with option to purchase 50%**
- **Transaction valued up to \$3.2 million with Private Mining Services Group - GBF**
- **Lease of Burbanks includes all operating and maintenance costs**
- **Option to Lease provides an immediate \$500,000 to MXR**
- **Option to Purchase 50% includes an additional \$1.0 million to MXR and assumption of Ramelius outstanding debt over Burbanks**
- **Rights Issue to shareholders planned in early 2019 to fund ongoing project reviews and potential acquisitions**

Maximus Resources Limited (ASX: MXR or the “Company”) wishes to advise shareholders that the Company has signed a Binding Term Sheet with a private Mining Services Group, GBF Mining Pty Limited (GBF) for a 12-month lease of the Burbanks processing plant (Burbanks) commencing in March 2019, or earlier, once current Toll milling commitments are completed by MXR’s wholly owned subsidiary Eastern Goldfields Milling Services Pty Ltd (EGMS), plus an option to acquire 50% equity in EGMS for a total of \$3.2 million.

The 12-month Lease Option for Burbanks includes an immediate Lease Option Fee of \$500,000 payable to MXR. GBF will be responsible for all operational and maintenance costs for the Burbanks plant during the lease period. EGMS remains responsible for major or critical components. GBF shall also be required to pay a fixed plus variable Lease fee per month based on tonnes milled through the plant.

The Lease Option includes a further 12-month renewal option subject to agreement of both parties, or re-instatement of the existing Toll Agreement.

The Option to purchase 50% of EGMS, the owner of the Burbanks plant, is reliant on GBF (or its nominated subsidiary) making a payment of a further \$1 million for creditor payments plus

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assumption of the remaining debt for Burbanks to Ramelius Resources Ltd (RMS). Final settlement with RMS results in the removal of the first mortgage over Burbanks held by RMS, which facilitates the 50% sale of EGMS to GBF (or its nominated subsidiary).

Should MXR elect not to extend the Lease Option for a further 12 months, the existing Toll Agreement with GBF shall be extended to a life of current mine Toll agreement. Therefore, should MXR develop economic mineral resources or acquires projects ready for mining, it will have control of the Burbanks facility plus the security of a base load of gold ore on a Toll milling basis from 2020 onwards.

The Company has held discussions with the ASX regarding MXR shares current suspension and it is anticipated that the suspension will be lifted upon release of this announcement.

Maximus appreciates the continued support of its shareholders and believes that this transaction is superior to the previous proposed transaction, with no dilution of shareholder equity, secure income for 2019 and future Toll ore feed to Burbanks or potential ongoing lease from 2020.

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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