

MAXIMUS RESOURCES LIMITED

QUARTERLY REPORT

PERIOD ENDING 30 September 2018

SUMMARY

CORPORATE

- 3 Toll Milling Agreements current for a commitment of upto 280,000 tonnes.
- Negotiating +6 month Toll Agreement, with option to extend for a further 12 months
- Negotiations ongoing for a Life of Mine Toll Milling Agreement for upto 1.1 million tonnes.
- Continue to review mill capacity expansion dependent on long term secure ore supply Agreement.
- Continued review of gold projects within economic transport distance to Burbanks processing plant for either Joint Venture or purchase.
- Dispute resolution proceedings ongoing with Empire Resources from Toll milling campaign in 2017.

WESTERN AUSTRALIA

BURBANKS GOLD TREATMENT PLANT

- Burbanks consistently achieving nameplate capacity of 500 wet tonnes per day during July and August.
- A total of 13,152 tonnes toll treated during the quarter due to under-supply of Toll ore.
- Gold recoveries continue to improve, with in excess of 95% achieved.
- Two parties under-delivered during September quarter, resulting in suspension of milling operations.

SPARGOVILLE PROJECT

- Significant Kambalda Style Nickel Discovery at Sherlock, with results of 1m @ 1.9% Ni from shallow drilling beneath Ni gossan.
- Detailed ground geophysics planned with deep drilling to follow, drilling approvals received.
- High Priority Wattle Dam Type Targets identified immediately along strike from Wattle Dam.
- Detailed ground geophysics planned with potential drilling to follow. Drilling approvals received.
- Ongoing internal preliminary pit optimisation analysis of Spargoville Gold Deposits.

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Figure 1: Maximus Project Location Map

EXPLORATION AND PRODUCTION ACTIVITIES

WESTERN AUSTRALIA

BURBANKS GOLD TREATMENT PLANT

Maximus 100%

The Burbanks plant performance continued to improve throughout July with plant availability of 91% achieved and gold recoveries in excess of 95% recorded. A total of 13,152 wet tonnes were processed during the quarter due to under-delivery of scheduled ore tonnes from two contracted parties. The Anova Metals Second Fortune mine ceased deliveries during the quarter, with a project review being undertaken. As reported in the previous quarter, ore from the Second Fortune mine was highly abrasive, resulting in increased crushing and screening costs and increased maintenance downtime to replace wear liners. These additional costs were on-charged during the campaign and agreement on the final claim is being negotiated.

Negotiations for a long term Toll Agreement for the supply of 1.0 – 1.1 million tonnes of ore from 2019 continue, with discussions including the option of Toll milling or project acquisition. The negotiations include the requirement for an expansion of the current throughput capacity of the mill. Process upgrade requirements and capital cost estimates are currently being prepared in anticipation of securing one of the Life-of-mine ore supply agreements.

Revenue from Toll milling reduced during the September quarter due to reduced ore supply from two Toll milling customers. As a result of the delay to ore supply to Burbanks, the operation was suspended until secure long term ore supplies can be re-established. We remain in contact with clients experiencing ore production delays to ensure the mill is available for a rapid re-start once ore supplies are confirmed.

Burbanks Mill Production

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Month	Wet Tonnes	Dry Tonnes
July	10,230	9,616
August	2,922	2,776
September	0	0
Total Tonnes	13,152	12,392

Table 1: Burbanks monthly processed ore tonnes

SPARGOVILLE PROJECT – GOLD RESOURCE DEVELOPMENT

Maximus 90-100% (Larkinville 75%)

The Company continues to focus on converting the five Mineral Resource estimates to Reserve category, undertaking initial pit optimisation analysis and higher level economic analysis to determine the optimum mining schedule. Following economic analysis of each project, permitting requirements and project development scheduling can be evaluated, which will determine potential mine development sequencing. All resources are situated on granted Mining Leases so the lead-time to production is expected to be short.

The total 2012 JORC Complaint Resource Estimate for the Spargoville Project stands at 1,448,100tonnes@2.41g/t for 112,280Ozs,

Project	Tonnes	Aug/t	Ozs
Eagles Nest			
Main Lode	662,400	1.95	41,550
FW Zone	17,500	1.89	1,050
Larkinville	119,700	3.02	11,600
5B	75,300	3.07	7,700
Redback	441,200	3.02	42,900
Hilditch	132,000	1.77	7,480
Total	1,448,100	2.41	112,280

Table 2: Spargoville Project current Mineral Resource inventory.

The Company confirms that it is not aware of any new information or data that materially affects the resource figures included in the above table and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

SPARGOVILLE PROJECT – GOLD EXPLORATION

Maximus 90%-100% (Larkinville 75%)

During the quarter, the review of potential blind, short strike length high grade Wattle Dam type gold deposits was completed. The review involved the analysis of several target areas that lie along the prospective Spargoville Shear and are located immediately north and south of the Wattle Dam goldmine. These targets were identified as they displayed similar geophysical characteristics to the Wattle Dam gold mine. Specifically these targets occur within flexures in the Spargoville Shear, and are associated with conductive sediments lying either above, or on the flanks of gravity lows.

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These flexures potentially allow gold bearing fluids to impregnate the greenstone sequences. The conductive sediments that are spatially associated with high grade gold mineralisation at Wattle Dam, potentially act as a precipitation mechanism of gold within the hydrothermal fluids. The gravity low beneath Wattle Dam is postulated to represent granite, which provided the volatile, rich hot fluid that leads to the biotite alteration and development of the Wattle Dam mineralisation

The current drill spacing's are considered too broad to directly intersect a short strike length (<50m) Wattle Dam style high grade gold deposit.

Two prospective target areas were highlighted in the review and have been titled S5 and S13. See Figure 2 below.

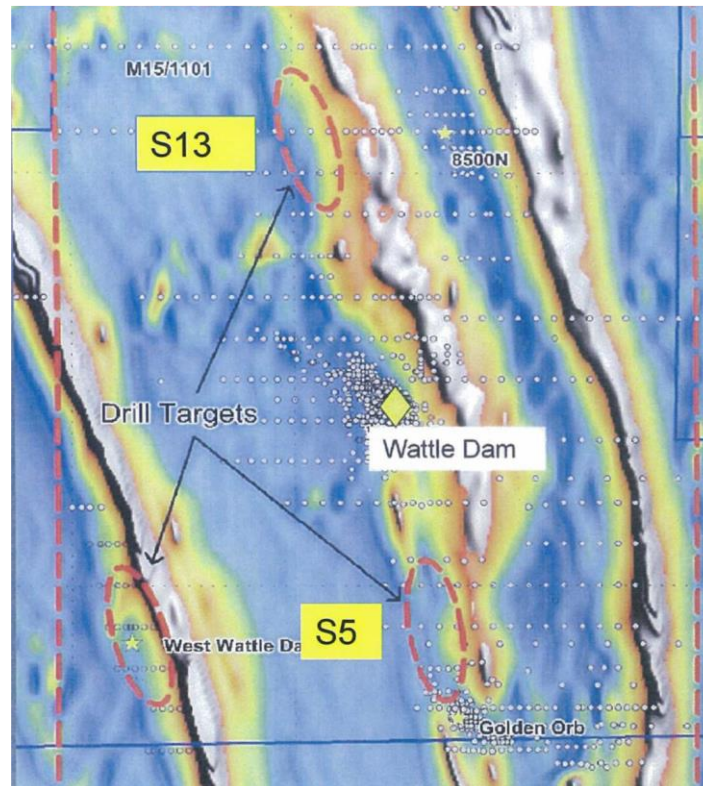


Figure 2: Wattle Dam high priority drill targets, background image is processed magnetics. The S13 target and S5 targets referred to in this figure are located 700m north and 400m south respectively of the Wattle Dam Gold Mine

Future Activities

Detailed ground Electromagnetic (EM) surveys will be conducted at the S5 and S13 target areas to locate the conductive sediments within the highly altered ultramafic sequences. This program has been planned and is expected to be completed during the next quarter.

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Ground EM surveys have not been used before at Wattle Dam to directly target the conductive sediments that, in conjunction with strong biotite alteration, are critical to the formation of high grade Wattle Dam type gold deposits. Programs of Works have been submitted and approved by the DMP for drill testing of the S5 and S13 Targets.

SPARGOVILLE PROJECT – NICKEL EXPLORATION

Maximus 80%-90%

As previously reported, lithium explorer, Lepidico drilled 13 shallow reverse circulation (RC) holes at the Sherlock lithium prospect as an initial follow-up to encouraging lithium surface sampling results.

Hole ID	Easting	Northin g	RL	Dip	Azimuth	Depth	From	To	Length	Ni %	Cu %
MSC010	356540	6537540	34 0	-60	270	30	0	10	10	0.36	0.007
<i>including</i>							3	4	1	0.52	0.013
MSC008	356462	6537520	34 0	-60	270	60	12	18	6	0.85	0.04
<i>including</i>							17	18	1	1.87	0.17
MSC011	356600	6537500	34 0	-60	270	41	34	40	6	0.60	0.12

Table 3: Significant nickel intersections from Reverse Circulation drilling at Sherlock Nickel prospect. Table shows intersections above 0.3% Ni.

Lepidico undertook multi-element geochemistry of the drill samples and notified Maximus of significant Ni and Cu intersections within the greenstone sequences. Refer to Table 3.

Future Activities

The nickel mineralisation in the Spargoville area is comparable to that of other komatiite-hosted nickel sulphide deposits located around the Kambalda Dome to the east, and the Widgiemooltha Dome to the south. Several nickel-sulphide deposits were discovered and subsequently mined, notably 1A, 5A, 5B and 5D deposits. Total historical nickel production from the Spargoville area is 845,000 tonnes at 2.54% Nickel.

Maximus considers the results obtained from the recent drilling program are significant and warrant further detailed exploration. It proposes a FLEM and Induced Polarisation (IP) geophysical surveys along the length of the conductor and outcropping gossan. The resultant survey is expected to provide detailed data to pinpoint drill hole collars to test all anomalies. Drilling of identified conductors may then proceed to determine the potential for nickel mineralisation.

This program has been planned, and is expected to be completed during the next quarter, with drilling beneath Nickel bearing surface gossans and coincident basement conductors to follow.

Maximus is actively seeking a joint venture partner to rapidly test the Nickel Potential of its Spargoville Nickel Project.

SPARGOVILLE PROJECT – MT MARION SOUTH LITHIUM PROJECT

Maximus 75% up to 100%

Maximus is actively seeking a joint venture party to test the Lithium Potential of its Mt Marion South Lithium Project.

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YANDAL PROJECT – FLUSHING MEADOWS GOLD RESOURCE

Maximus royalty

The Yandal Project (also known as Ironstone Well) currently includes one contractual agreement whereby Yandal Resources, formally Orex Mining Pty Ltd [Orex] was proposing to progress the Flushing Meadows gold project in which Maximus retains a \$40 per ounce royalty interest.

The Royalty Agreement is in respect of granted Mining Lease M53/1093, which hosts the Flushing Meadows Resource, and adjacent exploration licences E53/1963 and E53/1964.

The royalty obligation by Yandal Resources to Maximus Resources includes;

- a) \$40 per ounce on the first 50,000 ounces of gold from the tenement area. Orex must prepay the first \$200,000 of royalties (representing the first 5,000 ounces of gold production) upon commencement of gold production from any part of the tenement area
- b) \$20 per ounce for gold in excess of 50,000 ounces and less than 150,000 ounces in respect of gold from the tenement area

Additionally, there is a 3% net smelter return royalty for any gold by-product or co-product from the tenement area.

The Maximus Royalty is a capped royalty and is satisfied once there is 150,000 ounces of gold produced from any part of the tenement area resulting in a \$4,000,000 royalty being returned to Maximus.

The current Flushing Meadows Mineral Resource Estimate was conducted in 2007 and stands at 1.549 million tonnes at 1.6 g/t gold for 81,000 ounces.

Yandal Resources are currently seeking to list on the ASX with an initial public offering (IPO) of \$5m, a part of which will be directed towards developing its gold deposits, including Flushing Meadows, into production.

SOUTH AUSTRALIA

ADELAIDE HILLS PROJECT

Maximus \$2 million contingent payments plus Gold Royalty

During the September quarter, Terramin continued to engage with the Department of the Premier and Cabinet (DPC) in respect of the draft Mining Lease Proposal (MLP) for the development of the Bird-in-Hand Gold Project. Terramin announced that the approvals process is well advanced with the draft Mining Lease application lodged and feedback being received.

Terramin also completed a Managed Aquifer Recharge (MAR) drilling program to test, further calibrate the groundwater modeling and confirm the best locations for the water reinjection bores for the mining operation. The drilling and pumping tests indicate that the aquifer is suitable for receiving water utilizing MAR to meet operational requirements. This result paves the way for a successful re-injection trial later in the year, prior to final submissions of the Mining Lease Proposal. (Terramin announcement on the ASX 16/10/2018.)

MAR schemes are a proven and effective water management and preservation technique used in many industries, including mining. Terramin successfully managed a similar MAR scheme during the operations of the Angus Underground Zinc Mine.

The Bird in Hand Gold Project has a resource of 588,000 tonnes at 13.3g/t for 252,000 ounces of gold. Once production commences, this will make Bird in Hand one of the highest grade gold mines in Australia, with an

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expected 6 year mine life. (Terramin announcements on the ASX 30/05/2018, CEO Presentation - AGM 30 May 2018, and Chairman's Address - AGM 30 May 2018.)

Maximus is entitled to two contingent \$1 million payments plus a gold royalty as part of the Sale Agreement with Terramin. Maximus will receive the second stage cash payment of \$1 million upon the approval of a Program for Environmental Protection and Rehabilitation (PEPR). This approval is part of the mining lease proposal (MLP), currently under review by the Department of the Premier and Cabinet for the development of the Bird-in-Hand Gold Project.

Maximus Resources will receive the third stage cash payment of \$1 million upon the commencement of bullion production.

Maximus Resources then receives an ongoing 0.5% royalty payable on bullion production in excess of the first 50,000ozs.

While the Bird in Hand Gold Project has a resource 252,000 ounces of gold, Terramin considers there is good potential for further discoveries at the nearby historical high grade gold mines.

CORPORATE

The Company continues to negotiate a Toll Milling Agreement for 100,000 tonnes of ore from Q2 2018 with the option to extend for a further 12 months or 200,000 tonnes. It was anticipated that this material would be available at the start of Q2 (October 18), but negotiations on the Toll Agreement and operational matters have extended the negotiation timeline. We expect to finalise negotiations in the coming weeks, and ore deliveries to commence in mid to late November 2018.

Maximus continues to the 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.

During the quarter, confidential discussions continued on various projects for Joint Venture or acquisition.

A resolution to the dispute with Empire Resources remains outstanding, following the cessation of milling activities on 21 December 2017.

Kevin Malaxos
Managing Director
30 September 2018

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

Further information regarding Maximus Resources Limited can be found on the company website:
www.maximusresources.com

MAXIMUS RESOURCES LIMITED - TENEMENT SCHEDULE

Tenement Number	Tenement Name	Registered Holder/Applicant	Maximus Resources 30/09/2018
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WESTERN AUSTRALIA

SPARGOVILLE PROJECT

M15/1475	Eagles Nest	Maximus Resources Ltd	100.00%
P15/5545	Eagles Nest	Maximus Resources Ltd	100.00%
E15/967	Kambalda West	Tychean Resources Ltd	0.00%
E15/968	Kambalda West	Tyche an Resources Ltd	0.00%
L15/128	Kambalda West	Tychean Resources Ltd	100.00%
L15/255	Kambalda West	Tychean Resources Ltd	100.00%
M15/395	Kambalda West	Tychean Resources Ltd	100.00%
M15/703	Kambalda West	Tychean Resources Ltd	100.00%
P15/5860	Kambalda West	Tychean Resources Ltd	0.00%
P15/5953	Kambalda West	Tychean Resources Ltd	100.00%
M15/1448	Hilditch	Maximus Resources Ltd & Bullabulling Pty Ltd	90.00%
M15/1449	Larkinville	Maximus Resources Ltd & Pioneer Resources Ltd	75.00%
P15/5912	Larkinville	Maximus Resources Ltd & Pioneer Resources Ltd	75.00%
M15/97	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/99	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/100	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/101	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/102	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/653	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/1271	North Widgie	Apollo Phoenix Resources Pty Ltd	0.00%
M15/1101	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1263	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1264	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1323	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1338	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1474	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1769	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1770	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1771	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1772	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1773	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1774	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1775	Wattle Dam	Maximus Resources Ltd	100.00%
M15/1776	Wattle Dam	Maximus Resources Ltd	100.00%

BURBANKS PROJECT

G15/10	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/11	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/12	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/13	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
G15/25	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/109	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/110	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/189	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/234	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
L15/284	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
M15/1273	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
M15/1369	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%
M15/1370	Burbanks	Eastern Goldfields Milling Services Pty Ltd	100.00%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MAXIMUS RESOURCES LIMITED

ABN

74 111 977 354

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
- Burbanks – Milling Sales	770	770
- Gold sales	-	-
1.2 Payments for		
(a) exploration & evaluation	(17)	(17)
(b) development	-	-
(c) production	-	-
(d) staff costs	(61)	(61)
(e) administration and corporate costs	(52)	(52)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
Burbanks operating costs	(826)	(826)
Burbanks refurbishment costs	(106)	(106)
1.9 Net cash from / (used in) operating activities	(292)	(292)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets (Lithium Rights)	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1)	(1)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	286	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	286	
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	29	29
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(292)	(292)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	286	286
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	22	22

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5	12
5.2	Call deposits	17	17
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	22	29

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included
in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in
items 6.1 and 6.2

**Current quarter
\$A'000**

52

-

Directors Fees

**7. Payments to related entities of the entity and their
associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included
in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in
items 7.1 and 7.2

**Current quarter
\$A'000**

25

-

Legal Fees

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)		-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

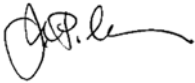
The Company is currently undertaking a Capital raise that will be voted on by shareholders during the 2018 AGM. If approved by shareholders, funds will be available to recommence Toll milling operations and meet future expenditure commitments.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	
9.2 Development	-
9.3 Production	-
9.4 Staff costs	79
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	
- Burbanks operating costs	540
9.7 Total estimated cash outflows	669

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 31 Oct 2018

Print name: Justin Nelson

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.